As filed with the Securities and Exchange Commission on November 13, 2003

Registration No.

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-1

REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

CTRIP.COM INTERNATIONAL, LTD.

(Exact name of registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Cayman Islands	**7389**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

3F, Building 63-64

No. 421 Hong Cao Road
Shanghai 200233, People's Republic of China
(8621) 3406-4880
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

CT Corporation System

111 Eighth Avenue
New York, New York 10011
(212) 664-1666
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public:

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

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

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

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

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered(1)(2)**	**Proposed Maximum Offering Price Per Ordinary Share(1)**	**Proposed Maximum Aggregate Offering Price(1)**	**Amount of Registration Fee**
Ordinary Shares, par value US$0.01 per share(3)		$	$60,000,000	$4,854

(1) Estimated solely for the purpose of determining the amount of the registration fee in accordance with Rule 457 under the Securities Act of 1933.

(2) Includes ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the shares are first bona fide offered to the public.

(3) American depositary shares issuable upon deposit of the ordinary shares registered hereby have been registered under a separate registration statement on Form F-6. Each American depositary share represents ordinary shares.

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

The information in this prospectus is not complete and may be changed. Neither we nor the selling shareholders may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated , 2003

PROSPECTUS

American Depositary Shares

Ctrip.com International, Ltd.

Representing Ordinary Shares

This is Ctrip's initial public offering. Ctrip is offering American Depositary Shares, or ADSs, and the selling shareholders included in this prospectus are offering an additional ADSs. Each ADS represents ordinary shares. We and the selling shareholders are offering ADSs in the U.S. and ADSs outside the U.S.

We expect the public offering price to be between US$ and US$ per ADS. Currently, no public market exists for the ADSs or our ordinary shares. After pricing of the offering, we expect that the ADSs will be quoted on the Nasdaq National Market under the symbol "CTRP."

Investing in the ADSs involves risks that are described in the "Risk Factors" section beginning on page 11 of this prospectus.

	Per ADS	Total
Public offering price	US$	US$
Underwriting discount	US$	US$
Proceeds, before expenses, to Ctrip	US$	US$
Proceeds, before expenses, to the selling shareholders	US$	US$

The U.S. underwriters and international managers may also purchase up to an additional ADSs from the selling shareholders at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities regulators has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The ADSs will be ready for delivery on or about , 2003.

Merrill Lynch & Co.

The date of this prospectus is , 2003

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You should rely only on the information contained in this prospectus. Neither we nor the selling shareholders nor the underwriters have authorized any person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the selling shareholders nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

Unless otherwise indicated, (1) the terms "we," "us," "our company," "our" and "Ctrip" refer to Ctrip.com International, Ltd., its predecessor entities and subsidiaries, and, in the context of describing our operations, also include our affiliated Chinese entities, (2) "shares" and "ordinary shares" refer to our ordinary shares, "preferred shares" refers to our convertible preferred shares, "ADSs" refers to our American depositary shares, each of which represents ordinary shares, and "ADRs" refers to the American depositary receipts which evidence our ADSs, (3) "China" refers to the People's Republic of China, excluding Taiwan, Hong Kong and Macau, and (4) all references to "RMB" are to the legal currency of China and all references to "U.S. dollars," "dollars" and "US$" are to the legal currency of the United States. Information in this prospectus assumes that the underwriters do not exercise their over-allotment options to purchase up to additional ADSs. All numbers discussed in this prospectus are approximated to the closest round number.

PROSPECTUS SUMMARY

This summary highlights key aspects of the information contained elsewhere in this prospectus. Because it is a summary, it does not contain all of the information that you should consider before making an investment decision. You should read the entire prospectus carefully, including the "Risk Factors" section and the financial statements and the accompanying notes to those statements. The statistics relating to the Chinese travel industry and economy included in this prospectus are derived from various government and institute research publications. We have not independently verified such information and you should not unduly rely upon it.

Ctrip.com International, Ltd.

Our Company

We are a leading consolidator of hotel accommodations and airline tickets in China. We aggregate information on hotels and flights and enable our customers to make informed and cost-effective hotel and flight bookings. Since commencing operations in 1999, we have become one of the best-known travel brands in China. We pioneered the development of a reservation and fulfillment infrastructure that enables our customers to:

- choose and reserve hotel rooms in cities throughout China and selected cities abroad;
- book and purchase airline tickets for domestic and international flights originating from China; and
- choose and reserve packaged tours that include transportation, accommodation, and sometimes guided tours as well.

We target our services primarily at business and leisure travelers in China who do not travel in groups. This type of travelers, who are referred to in the travel industry as FITs and whom we refer to as independent travelers in this prospectus, form a traditionally under-served yet fast-growing segment of the China travel market. We act as agent in substantially all of our transactions and generally do not take any inventory risks with respect to the hotel rooms and airline tickets booked through us. We derive our hotel reservation, air-ticketing and packaged-tour revenues through commissions from our travel suppliers, primarily based on the transaction value of the rooms, airline tickets and packaged-tour products, respectively, booked through our services.

For the nine months ended September 30, 2003, we derived 85.8% of our revenues from the hotel reservation business and 10.5% of our revenues from our air-ticketing business. Our packaged-tour business contributed 1.6% of our revenues for the nine months ended September 30, 2003.

We believe that we are the largest consolidator of hotel accommodations in China in terms of the number of room nights booked. In October 2003, we booked over 300,000 hotel room nights. As of October 31, 2003, we had secured room supply relationships with over 1,700 hotels in China and over 450 hotels abroad, which cover a broad range in terms of price and geographical location. The quality and depth of our hotel supplier network enable us to offer our customers a wide selection of hotel accommodations, often at significant discounts to published rates. We believe our ability to offer reservations at highly rated hotels is particularly appealing to our customers. Revenues from our bookings for three-, four- and five-star hotels comprised approximately 95.0% of our revenues from our hotel reservation business for the nine months ended September 30, 2003.

We believe that we are also one of the leading consolidators of airline tickets in Beijing and Shanghai in terms of the number of airline tickets booked and sold. We sold more than 70,000 tickets nationwide in October 2003. Our airline ticket suppliers include all major Chinese airlines and many international airlines that operate flights originating from China. We also believe we are the only airline ticket consolidator in China with a centralized reservation system and ticket fulfilment infrastructure covering all of the economically prosperous regions of China. Our customers can make flight reservations on their chosen routes and arrange

ticket payment and delivery through our ticketing offices and third-party agencies located in over 20 major cities in China.

We offer our services to customers through an advanced transaction and service platform consisting of our centralized toll-free, 24-hour customer service center and bilingual websites. For the nine months ended September 30, 2003, transactions effected through our customer service center accounted for approximately 70% of our transaction volume, while our websites accounted for the balance.

We have experienced significant growth since our inception in June 1999. Beginning in the first half of 2002, we have achieved and maintained positive net income. Our revenues have increased from RMB6.9 million in 2000 to RMB105.3 million (US$12.7 million) in 2002. For the nine months ended September 30, 2003, we generated revenues of RMB111.3 million (US$13.4 million) and net income of RMB29.2 million (US$3.5 million) despite the outbreak of the Severe Acute Respiratory Syndrome, or SARS, during the second quarter of 2003.

Our Opportunity

The Chinese travel industry is large and growing rapidly. The following chart contains certain data from CEIC Data Company Limited concerning the Chinese economy and the travel industry during the period from 1998 through 2002.

	Nominal Gross Domestic Product	Expenditure on Tourism	Number of 3-, 4- and 5-Star Hotels in Operation	Number of Civil Aviation Passenger Kilometers
	(in billions of RMB)	(in millions of RMB)		(in billions)
1998	7,835	239,118	1,325	80,024
1999	8,207	283,192	1,573	85,728
2000	8,947	317,554	2,368	97,054
2001	9,731	352,237	2,857	109,135
2002	10,479	387,836	3,656	126,870

China’s gross domestic product grew at a compound annual growth rate of 7.5% from 1998 to 2002. The aggregate expenditure on tourism in China increased at a compound annual growth rate of 12.8% during this period. According to China’s tenth five-year plan, the Chinese government expects an approximately 7% compound annual growth rate of China’s gross domestic product from 2000 to 2005. We anticipate that demand for travel services in China will continue to increase substantially in the foreseeable future as the Chinese economy continues to grow.

Even as the rapid growth of the Chinese economy in the past decade has led to a significant increase in the demand for travel services, the travel intermediary businesses are highly fragmented in China, and travel agencies often focus on tour groups. Thus, independent travelers have limited access to discounted rates or comprehensive information on hotels and flights.

Travel consolidators like us are able to offer information aggregated from various hotels and airlines to independent travelers, enabling them to make informed and cost-effective hotel and flight bookings through customer service centers or websites. Call centers or customer service centers allow travelers to gather and evaluate travel information, receive recommendations from customer service representatives and book transactions more efficiently by contacting customer service centers any time, day or night. Competitive labor costs in China have allowed customer service centers to become a cost-effective transaction tool in China. Furthermore, we believe that the travel industry, which inherently involves broadly dispersed travelers as well as a wide selection of travel suppliers in terms of location and price, is also well-suited to benefit from the increasing Internet and online commerce adoption in China, as the Internet’s broadly distributed and easily accessible environment creates the ideal foundation for new marketplaces.

Our Strengths and Challenges

We bridge the gap between independent travelers and travel suppliers. Through our transaction and service platform consisting of our centralized toll-free, 24-hour customer service center and bilingual websites, we serve primarily the traditionally under-served yet growing independent travelers segment in China by helping these travelers plan and book their trips while helping travel suppliers such as hotels and airlines improve the efficiency of their marketing and distribution channel. We have achieved a leading position, in part, by establishing the following competitive strengths:

- a leading travel brand in China;
- large supplier network and nationwide coverage;
- scalable platform and flexible cost structure;
- excellent customer service;
- advanced infrastructure and technology; and
- experienced management team.

We expect to face challenges in our business operations, including:

- our limited operating experience as a travel consolidator;
- the risk of declines or disruptions in the travel industry;
- the risk of recurrence of SARS;
- the risk of failure to increase our brand recognition;
- the risk of damage to or interruption of our infrastructure; and
- the risk of failure to maintain existing, or establish similar new, arrangements with travel suppliers.

Our Strategy

Our goal is to create long-term shareholder value by enhancing our position as a leading hotel and airline ticket consolidator in China. We believe that China's currently highly fragmented travel industry and under-served independent travelers have provided us with tremendous growth opportunities. We intend to pursue the following strategies to achieve our goal:

- leverage the Ctrip brand to attract new travel suppliers and negotiate more favorable contractual terms with our existing suppliers, and strengthen the Ctrip brand by continuing to pursue a focused marketing and advertising campaign;
- expand our hotel supplier network and room inventory, primarily through focusing the expansion on hotels with three-, four- and five-star ratings and continuing to pursue guaranteed allotment arrangements with our hotel suppliers;
- expand air-ticketing and other travel product offerings, primarily through establishing airline ticket issuance and delivery infrastructure in more cities throughout China and further promoting the packaged-tour products that we offer;
- enhance transaction and service platform, primarily through continuing to invest in the training of our customer service representatives and upgrading of our information technology systems underlying our customer service center and websites;
- pursue selective strategic acquisitions and expand into Hong Kong, Macau and Taiwan, through exploring acquisitions that would allow us to expand the reach and scope of our travel products and services as well as our customer base in China, Hong Kong, Macau and Taiwan; and

- expand into the merchant business, through gradually establishing a merchant business relationship with some of our travel suppliers.

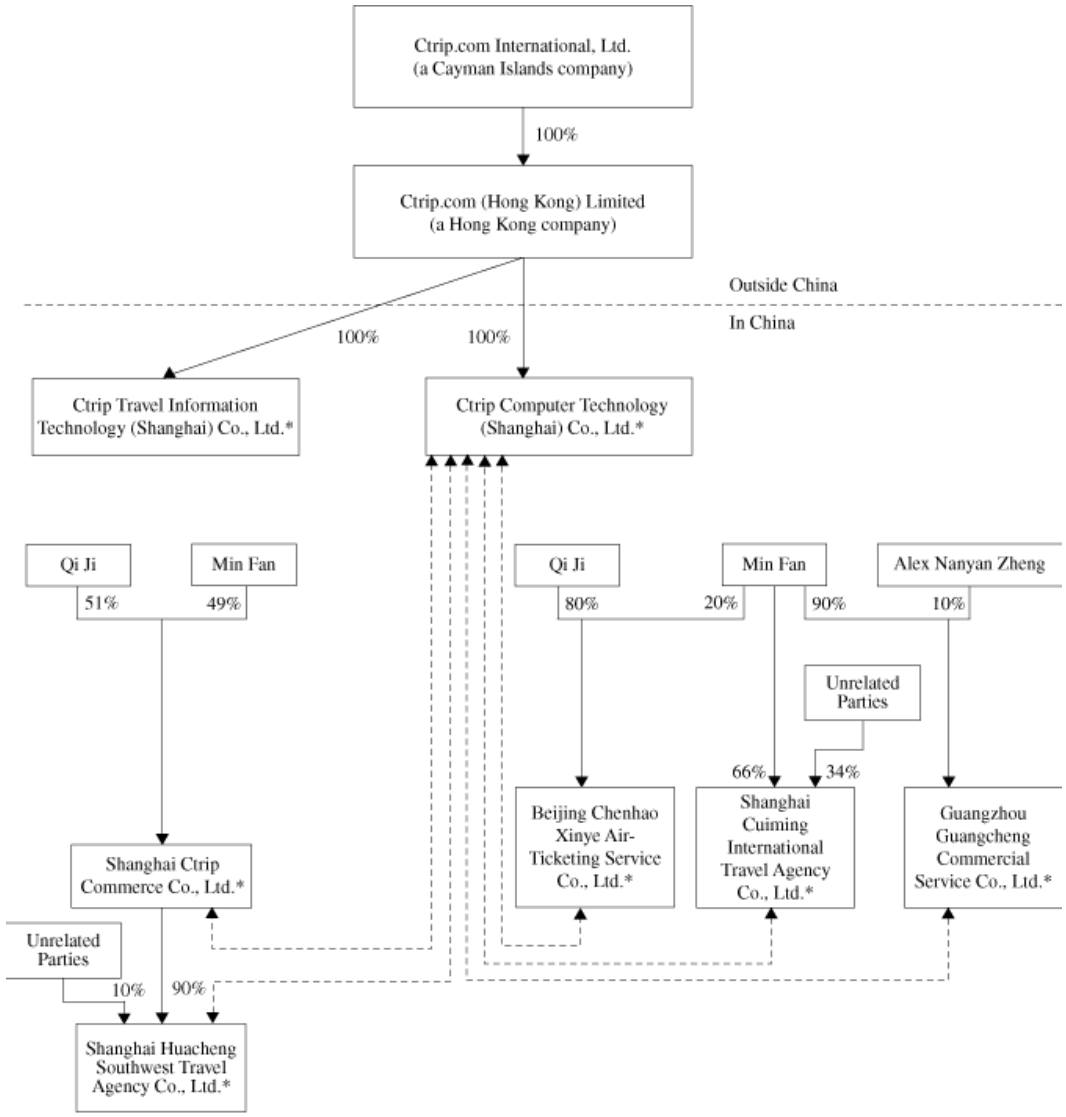
Corporate Information

We were incorporated in the Cayman Islands. Since commencing operations in 1999, we have conducted substantially all of our operations in China. We maintain our operational headquarters in Shanghai, and have regional offices in Beijing, Guangzhou, Shenzhen and Hong Kong. We also maintain a network of sales offices in about 30 cities in China. The existing institutional shareholders owning more than 5% of our company include Carlyle Asia Venture Partners I, L.P., IDG Technology Venture Investments, Inc., Tiger Technology Private Investment Partners, L.P. and S.I. Technology Venture Capital Limited.

Our principal executive offices are located at 3F, Building 63-64, No. 421 Hong Cao Road, Shanghai 200233, People's Republic of China, and our telephone number is (8621) 3406-4880. Our principal website address is www.ctrip.com. The information on our websites is not part of this prospectus.

Corporate Structure

The following diagram illustrates our company's organizational structure, and the place of formation, ownership interest and affiliation of each of our subsidiaries and affiliated entities.



** A limited liability company incorporated in the People's Republic of China*

Beneficial Interest

Contractual arrangements including Exclusive Technical Consulting and Services Agreement, Trademark License Agreement and Software License Agreement

We conduct substantially all of our business through our wholly owned subsidiaries in China, namely, Ctrip Computer Technology (Shanghai) Co., Ltd., or Ctrip Computer Technology, and Ctrip Travel Information Technology (Shanghai) Co., Ltd., or Ctrip Travel Information. Due to the current restrictions on foreign ownership of the air-ticketing, travel agency, advertising and Internet content provision businesses in China, we conduct a small part of our operations in these businesses through a series of contractual arrangements with our affiliated Chinese entities. These entities include:

- Shanghai Ctrip Commerce Co., Ltd., or Ctrip Commerce, which holds advertising and Internet content provision licenses;
- Shanghai Huacheng Southwest Travel Agency Co., Ltd., or Shanghai Huacheng, which holds domestic travel agency and air-ticketing licenses;
- Beijing Chenhao Xinye Air-Ticketing Service Co., Ltd., or Beijing Chenhao, which holds an air-ticketing license;
- Guangzhou Guangcheng Commercial Service Co., Ltd., or Guangzhou Guangcheng, which has recently received an air-ticketing license; and
- Shanghai Cuiming International Travel Agency Co., Ltd., or Shanghai Cuiming, which holds a license to conduct both cross-border and domestic packaged-tour businesses.

Qi Ji, who is a co-founder and director of our company, Min Fan, who is a co-founder and executive vice president of our company, and Alex Nanyan Zheng, who is a vice president of our company, are principal owners of our affiliated Chinese entities. We have made loans to Qi Ji, Min Fan and Alex Nanyan Zheng solely in connection with the capitalization or acquisition of our affiliated entities. For a detailed description of the terms of these loans, see “Related Party Transactions — Arrangements with Affiliated Chinese Entities.”

We formed Home Inns & Hotels Management (Hong Kong) Limited, or Home Inns, in 2001 to expand our business line to include the hotel management service. Through a series of subsequent transactions, we reduced our interest in Home Inns to 31.16%. We spun off our remaining interest in Home Inns in August 2003 to prepare for the offering to enable us to focus on our core business of travel consolidation.

The Offering

American Depositary Shares offered:	
By Ctrip:	
U.S. offering	ADSs
International offering	ADSs
Total:	ADSs
By the selling shareholders:	
U.S. offering	ADSs
International offering	ADSs
Total:	ADSs
The ADSs	Each ADS represents ordinary shares, par value US$0.01 per share. The ADSs will be evidenced by American Depositary Receipts, or ADRs. As an ADR holder, we will not treat you as one of our shareholders. The depositary will be the holder of the shares underlying your ADSs. You will have ADR holder rights as provided in the deposit agreement. Under the deposit agreement, you may instruct the depositary to vote the shares underlying your ADSs but only if we ask the depositary to ask for your instructions. The depositary will pay you the cash dividends or other distributions it receives on shares after deducting its fees and expenses. You must pay a fee for each issuance or cancellation of an ADS, distribution of securities by the depositary or some other depositary service. You may turn in your ADRs at the depositary's office and after payment of some fees and expenses, the depositary will deliver the deliverable shares underlying your ADRs to you. To better understand the terms of the ADSs, you should carefully read the section in this prospectus entitled "Description of American Depositary Shares." We also encourage you to read the deposit agreement, which is an exhibit to the registration statement that includes this prospectus.
ADSs outstanding after the offering	ADSs.
Ordinary shares outstanding after the offering	ordinary shares, excluding outstanding stock options to purchase an aggregate of 1,535,760 ordinary shares at a weighted average exercise price of US$0.7716 per ordinary share and outstanding stock options to purchase additional 711,660 ordinary shares at a weighted average exercise price of US$2.11 per ordinary share, 50,000 ordinary shares at an exercise price of US$5.00 per ordinary share, 80,000 ordinary shares at an exercise price of US$6.00 per ordinary share, and 143,980 ordinary shares at an exercise price equal to 80% of the midpoint of the filing range.
Use of proceeds	We may use the net proceeds from this offering (i) to fund working capital; (ii) to fund capital expenditures, including technology upgrades; (iii) to expand our sales and marketing efforts; (iv) to fund possible acquisitions of complementary businesses, although we are not currently negotiating any such transactions; and (v) for general corporate purposes.

	We will not receive any of the proceeds from the sale of ADSs by the selling shareholders.
Risk factors	See “Risk Factors” and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in the ADSs.
Proposed Nasdaq National Market symbol	CTRP.
Depositary	The Bank of New York.

Summary Consolidated Financial Data

You should read the following information with our consolidated financial statements and related notes, "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

The summary consolidated statement of operations data for 2001 and 2002 and the nine months ended September 30, 2003, and the consolidated balance sheet data as of December 31, 2001 and 2002 and September 30, 2003, are derived from our audited consolidated financial statements included elsewhere in this prospectus and should be read in conjunction with, and are qualified in their entirety by reference to, these consolidated financial statements and related notes. These consolidated financial statements have been audited by PricewaterhouseCoopers and were prepared in accordance with U.S. GAAP. The summary consolidated statement of operations data for 2000 and the nine months ended September 30, 2002, and the consolidated balance sheet data as of December 31, 2000 and September 30, 2002, set forth below are derived from our unaudited consolidated financial statements included elsewhere in this prospectus and should be read in conjunction with, and are qualified in their entirety by reference to, these unaudited consolidated financial statements and related notes. We have prepared the unaudited information on the same basis as the audited consolidated financial statements, and have included, in our opinion, all adjustments, consisting only of normal and recurring adjustments that we consider necessary for a fair presentation of the financial information set forth in those statements.

	Year Ended December 31,				Nine Months Ended September 30,		
	2000	2001	2002	2002	2002	2003	2003
	RMB (unaudited)	RMB	RMB	US$(2)	RMB (unaudited)	RMB	US$(2)
	(in thousands, except for share and per share data)						
Consolidated Statements of Operation Data:							
Net revenues	6,453	43,984	100,049	12,087	68,809	105,717	12,772
Costs of services	(1,950)	(7,940)	(13,673)	(1,652)	(9,100)	(14,447)	(1,745)
Gross profit	4,503	36,044	86,376	10,435	59,709	91,270	11,027
Operating expenses	(36,243)	(55,696)	(63,106)	(7,624)	(45,379)	(55,384)	(6,691)
Income (loss) from operations	(31,740)	(19,652)	23,270	2,811	14,330	35,886	4,336
Net income (loss)	(23,977)	(15,261)	14,193	1,715	8,456	29,192	3,527
Earnings per Share Data:							
Accretion for Series B preferred shares	(2,196)	(14,316)	(16,492)	(1,993)	(12,140)	(12,366)	(1,494)
Cash dividends to holders of Series A and Series B preferred shares	—	—	(16,762)	(2,025)	—	—	—
Deemed dividends to holders of Series A and Series B preferred shares for spin-off of joint venture companies(3)	—	—	—	—	—	(2,829)	(342)
Deemed dividends upon repurchase of Series A and Series B preferred shares	—	—	—	—	—	(35,336)	(4,269)
Net loss attributable to ordinary shareholders	(26,173)	(29,578)	(19,061)	(2,303)	(3,684)	(21,339)	(2,578)
Loss per share:							
basic and diluted	(3.03)	(3.26)	(2.00)	(0.24)	(0.39)	(2.26)	(0.27)
Loss per ADS(1):							
basic and diluted							

	As of December 31, 2002		As of September 30, 2003		
			Actual		As adjusted(4)
	RMB	US$(2)	RMB	US$(2)	RMB US$(2)
			(in thousands)		(unaudited)
Consolidated Balance Sheet Data:					
Cash	38,931	4,703	70,353	8,500	
Total assets	97,255	11,750	151,999	18,364	
Series B preferred shares(5)	124,963	15,097	—	—	
Total shareholders' equity (deficit)	(41,629)	(5,029)	109,032	13,173	—

(1) Each ADS represents ordinary shares.

(2) Translations from RMB amounts into U.S. dollars were made at a rate of RMB8.2771 to U.S.$1.00. See "Exchange Rate Information."

(3) On August 27, 2003, we resolved to distribute all of our equity interest in Home Inns to the then existing holders of our ordinary shares and Series A and Series B preferred shares on a pro rata as-converted basis based on the carrying value of the equity interest in the amounts of RMB1,782,559, RMB808,827 and RMB2,020,237, respectively.

(4) As adjusted to reflect the conversion of all of our preferred shares into ordinary shares, which will occur automatically immediately prior to the closing of this offering, and the issuance and sale of ADSs offered hereby at an estimated offering price of US$ per ADS, after deducting underwriting discounts, commissions and estimated offering expenses.

(5) Prior to the forfeiture of the redemption feature in September 2003, Series B preferred shares were not included as part of shareholders' equity as such shares were redeemable at the option of the holder. As of September 30, 2003, Series B preferred shares are included in Total shareholders' equity (deficit).

RISK FACTORS

Investing in our ADSs involves a high degree of risk. You should carefully consider the risks described below, together with the other information contained in this prospectus before making an investment decision. The risks described below are not the only ones facing our company. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of our ADSs could decline due to any of these risks and you may lose all or part of your investment.

Risks Related to Our Company

Our limited operating history makes evaluating our business and prospects difficult.

We began our operations in 1999. As a result, we have a limited operating history for you to evaluate our business. It is also difficult to evaluate our prospective business, because we may not have sufficient experience to address the risks frequently encountered by early stage companies using new and unproven business models and entering new and rapidly evolving markets, including markets for online commerce and frequent independent travelers. These risks include our potential failure to:

- obtain new customers at reasonable cost, retain existing customers, encourage repeat purchases or convert visitors to our websites into customers;
- increase awareness of the Ctrip brand and continue to build user loyalty;
- retain existing hotels, airlines and other suppliers of travel services or expand our service offerings on satisfactory terms from our travel suppliers;
- adequately and efficiently operate, upgrade and develop the systems that we use to process customers' reservations;
- maintain adequate control of our expenses;
- attract and retain qualified personnel;
- respond to technological changes; or
- respond to competitive market conditions.

If we are unsuccessful in addressing any of these risks, our business will be materially adversely affected.

We have sustained losses in the past and may experience earnings declines or net losses in the future.

We sustained net losses in the periods prior to 2002. We cannot assure you that we can sustain profitability or avoid net losses in the future. We expect that our operating expenses will increase and the degree of increase in these expenses will be largely based on anticipated organizational growth and revenue trends. As a result, any decrease or delay in generating additional sales volume and revenue could result in substantial operating losses.

Declines or disruptions in the travel industry generally could reduce our revenue.

A large part of our business is currently driven by the trends that occur in the travel industry in China, including the hotel, airline and packaged-tour industries. As the travel industry is highly sensitive to business and personal discretionary spending levels, it tends to decline during general economic downturns. In addition, other adverse trends or events that tend to reduce travel and are likely to reduce our revenues include:

- a recurrence of SARS or any other serious contagious diseases;
- increased prices in the hotel, airline, or other travel-related industries;

- increased occurrence of travel-related accidents;
- poor weather conditions; and
- natural disasters.

We could be severely affected by changes in the travel industry and will, in many cases, have little or no control over those changes.

The recurrence of SARS may materially and adversely affect our business and operating results.

In early 2003, several economies in Asia, including Hong Kong and China, were affected by the outbreak of SARS. The travel industry in China, Hong Kong and some other parts of Asia suffered tremendously as a result of the outbreak of SARS. Although none of our employees was infected with SARS, our business and operating results were adversely affected. Total room nights booked through us decreased from 131,426 and 122,716 in May 2002 and June 2002, respectively, to 36,894 and 109,751 in May 2003 and June 2003, respectively.

If there is a recurrence of an outbreak of SARS, it may adversely affect our business and operating results. For example, a future SARS outbreak could result in quarantines or closures to our customer service center in Shanghai if our employees are infected with SARS. In addition, ongoing concerns regarding SARS, particularly its effect on travel, could negatively impact our China-based customers' desire to travel. If there is a recurrence of an outbreak of SARS, travel to and from SARS-affected regions could be curtailed. Continued or additional restrictions on travel to and from these and other regions on account of SARS could have a material adverse effect on our business, results of operations and financial condition.

Our business may be harmed if our infrastructure and technology are damaged or otherwise fail or become obsolete.

Our customer service center and substantially all of our computer and communications systems are located at a single facility in Shanghai and are therefore vulnerable to damage or interruption from human error, computer viruses, fire, flood, power loss, telecommunications failure, physical or electronic break-ins, sabotage, vandalism, natural disasters and similar events. We currently do not have redundant systems and do not carry business interruption insurance to compensate us for losses that may occur.

We use an internally developed booking software system that supports nearly all aspects of our booking transactions. Our business may be harmed if we are unable to upgrade our systems and infrastructure fast enough to accommodate future 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 customer service, impaired quality and speed of reservations and confirmations, and delays in reporting accurate financial and operating information. These factors could cause us to lose customers and suppliers.

If we are unable to maintain existing, and establish new, arrangements with hotel suppliers similar to those we currently have, our business may suffer.

If we are unable to maintain satisfactory relationships with our existing hotel suppliers, or if our hotel suppliers establish similar or more favorable relationships with our competitors, our operating results and our business would be harmed, because we would not have the necessary supply of hotel rooms or hotel rooms at satisfactory rates to meet the needs of our customers. Our business depends significantly upon our ability to contract with hotels in advance for the guaranteed availability of a specified number of hotel rooms. We rely on hotel suppliers to provide us with rooms at discounted prices. However, our contracts with our hotel suppliers are not exclusive and most of the contracts must be renewed semi-annually or annually. We cannot assure you that our hotel suppliers will renew our contracts in the future on terms similar to those we currently have. Furthermore, in order to maintain and grow our business, we will need to establish new arrangements with hotels in our existing markets and in new markets. We cannot assure you that we will be

able to identify appropriate hotels or enter into arrangements with those hotels on favorable terms, if at all. This failure could harm the growth of our business and, consequently, the price of our ADSs.

If we are unable to maintain existing arrangements with our airline ticket suppliers, our business may be harmed.

We derive significant benefits, including revenues, from our arrangements with major domestic airlines in China and many international airlines operating flights originating from China. Our airline ticket suppliers allow us to book and sell tickets on their behalf and collect commissions on tickets booked and sold through us. Although we currently have supply relationships with these airlines, these airlines also compete with us for ticket bookings and have entered into similar arrangements with many of our competitors and may continue to do so in the future. Such arrangements may be on better terms than we have. We cannot assure you that any of these airlines will continue to have supplier relationships with us. The loss of these supplier relationships would impair the profitability of our business as we would lose a significant source of our net revenues.

If we fail to increase our brand recognition, we may face difficulty in obtaining new business partners and consumers, and our business may be harmed.

We believe that establishing, maintaining and enhancing the Ctrip brand is a critical aspect of our efforts to grow our customer base and obtain new business partners. Some of our potential competitors already have well-established brands in the travel industry, increasing the importance of increasing and maintaining our brand recognition. The promotion of our brand will depend largely on our success in maintaining a sizeable and active customer base, providing high-quality customer service and organizing effective marketing and advertising programs. If our current customer base significantly declines, or the quality of our customer services substantially deteriorates, or if we fail to cost-effectively promote and maintain our brand, our business, operating results and financial condition would be materially adversely affected.

New competitors face low entry barriers to our industry, and if we do not compete successfully against new and existing competitors, we may lose our market share, and our profitability may be adversely affected.

We compete primarily with other consolidators of hotel accommodations and flight reservation services, such as www.elong.com. We also compete with traditional travel agencies.

In the future, we may also face competition from new players in the hotel consolidation market in China and abroad, such as expedia.com and hotels.com, that may enter China in the future. We may face more competition from hotels and airlines as they enter the discount rate market directly or through alliances with other travel consolidators. Our industry is characterized by relatively low fixed costs. In addition, like all other consolidators, we do not have exclusive arrangements with our travel suppliers. The combination of these two factors presents potential entrants to our industry with relatively low entry barriers.

Increased competition could reduce our operating margins and profitability and result in loss of market share. Some of our existing and potential competitors may have competitive advantages, such as significantly greater financial, marketing or other resources and may be able to mimic and adopt our business model. We cannot assure you that we will be able to successfully compete against new or existing competitors.

We may not be able to prevent others from using our intellectual property, which may harm our business and expose us to litigation.

We regard our domain names, trade names, trade marks and similar intellectual property as critical to our success. We try to protect our intellectual property rights by relying on trade mark protection and confidentiality laws and contracts. The trade mark and confidentiality protection in China may not be as effective in the United States. Policing unauthorized use of proprietary technology is difficult and expensive.

The steps we have taken may be inadequate to prevent the misappropriation of our proprietary technology. Any misappropriation could have a negative effect on our business and operating results. Furthermore, we may need to go to court to enforce our intellectual property rights. Litigation relating to our intellectual property might result in substantial costs and diversion of resources and management attention. See "— Risks Related to Doing Business in China — Uncertainties with respect to the Chinese legal system could adversely affect us."

Our business depends substantially on the continuing efforts of our key executives, and our business may be severely disrupted if we lose their services.

Our future success heavily depends upon the continued services of our key executives, particularly James Jianzhang Liang, Neil Nanpeng Shen and Min Fan, who are the Chief Executive Officer, Chief Financial Officer and Executive Vice President of our company, respectively. We rely on their expertise in business operations, finance and travel services and on their relationships with our shareholders, suppliers and regulators. We do not maintain key-man life insurance for any of our key executives. If one or more of our key executives are unable or unwilling to continue in their present positions, we may not be able to easily replace them or at all. Therefore, our business may be severely disrupted, our financial conditions and results of operations may be materially and adversely affected, and we may incur additional expenses to recruit and train personnel.

In addition, if any of these key executives joins a competitor or forms a competing company, we may lose customers and suppliers. Each of our executive officers has entered into an employment agreement with us, which contains confidentiality and non-competition provisions. If any disputes arise between our executive officers and us, we cannot assure you the extent to which any of these agreements would be enforced in China, where these executive officers reside and hold most of their assets, in light of the uncertainties with China's legal system. See "— Risks Related to Doing Business in China — Uncertainties with respect to the Chinese legal system could adversely affect us."

Chinese laws and regulations restrict foreign investment in the air-ticketing, travel agency, advertising and Internet content provision businesses, and substantial uncertainties exist with respect to the application and implementation of Chinese laws and regulations.

We are a Cayman Islands corporation and a foreign person under Chinese laws. Due to the foreign ownership restrictions in the air-ticketing, travel agency, advertising and Internet content provision industries, we conduct part of our business through contractual arrangements with our affiliated Chinese entities. These entities hold the licenses and approvals that are essential for our business operations.

In the opinion of our Chinese counsel, our current ownership structures, the ownership structure of our wholly owned subsidiaries and our affiliated Chinese entities, the contractual arrangements among us, our wholly owned subsidiaries, our affiliated Chinese entities and their shareholders, and our business operations as described in this prospectus, 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 affiliated Chinese entities 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, confiscating our income, or the income of our affiliated Chinese entities, revoking our business licenses, or the business licenses of our affiliated Chinese entities, requiring us and our affiliated Chinese entities to restructure our ownership structure or operations, and requiring us or our affiliated Chinese entities to discontinue any portion or all of our Internet content provision, air-ticketing, travel agency or advertising businesses.

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.

If our affiliated Chinese entities violate our contractual arrangements with them, our business could be disrupted, our reputation may be harmed and we may have to resort to litigation to enforce our rights which may be time consuming and expensive.

As the Chinese government restricts our ownership of Internet content provision, air-ticketing, travel agency and advertising businesses in China, we depend on our affiliated Chinese entities, in which we have no ownership interest, to conduct part of our non-hotel reservation business activities through a series of contractual arrangements, which are intended to provide us with the effective control over these entities. Although we have been advised by our Chinese counsel that these contractual arrangements are valid, binding and enforceable under current Chinese laws, these arrangements may not be as effective in providing control as direct ownership of these businesses. For example, our affiliated Chinese entities could violate our contractual arrangements with them by, among other things, failing to operate our air-ticketing, packaged-tour or advertising business in an acceptable manner. In any such event, we would have to rely on the Chinese legal system to enforce those agreements. Any legal proceeding could result in the disruption of our business, damage to our reputation, diversion of our resources and the incurrence of substantial costs. See "— Risks Related to Doing Business in China — Uncertainties with respect to the Chinese legal system could adversely affect us."

The principal shareholders of our affiliated Chinese entities have potential conflicts of interest with us, which may adversely affect our business.

Our director, Qi Ji, and our officers, Min Fan and Alex Nanyan Zheng, are also the principal shareholders of our affiliated Chinese entities. Thus, conflicts of interest between their duties to our company and our affiliated entities may arise. We cannot assure you that when conflicts of interest arise, these persons will act completely in our interests or that conflicts of interests will be resolved in our favor. The conflicts may result in our loss of corporate opportunities. In addition, these persons could violate their non-competition or employment agreements with us or their legal duties by diverting business opportunities from us to others. In any such event, we would have to rely on the Chinese legal system to enforce these agreements. Any legal proceeding could result in the disruption of our business, diversion of our resources and the incurrence of substantial costs. See "— Risks Related to Doing Business in China — Uncertainties with respect to the Chinese legal system could adversely affect us."

Our subsidiaries and affiliated entities in China are subject to restrictions on paying dividends or making other payments to us.

We are a holding company incorporated in the Cayman Islands. We rely on dividends from our subsidiaries in China and consulting and other fees paid to us by our affiliated Chinese entities. Current Chinese regulations permit our subsidiaries to pay dividends to us only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, our subsidiaries in China are required to set aside at least 10% of their respective accumulated profits each year, if any, to fund certain reserve funds. These reserves are not distributable as cash dividends. Further, if our subsidiaries and affiliated entities in China incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments to us.

The air-ticketing, travel agency, advertising and Internet industries are heavily regulated by the Chinese government. If we fail to obtain or maintain all pertinent permits and approvals, our business operations may be adversely affected.

The air-ticketing, travel agency, advertising and Internet industries are heavily regulated by the Chinese government. We are required to obtain applicable permits or approvals from different regulatory authorities in order to conduct our business, including separate licenses for Internet content provision, air-ticketing, advertising and travel agency activities. If we fail to obtain or maintain any of the required permits or approvals, we may be subject to various penalties, such as fines or suspension of operations in these regulated

businesses, which could severely disrupt our business operations. As a result, our financial condition and results of operations may be adversely affected.

Our business could suffer if we do not successfully manage current growth and potential future growth.

Our business has grown very quickly in its few years of operation. We have rapidly expanded our operations and anticipate further expansion of our operations and workforce. Our growth to date has placed, and our anticipated future operations will continue to place, a significant strain on our management, systems and resources. In addition to training and managing our workforce, we will need to continue to improve and develop our financial and managerial controls and our reporting systems and procedures. We cannot assure you that we will be able to efficiently or effectively manage the growth of our operations, and any failure to do so may limit our future growth and hamper our business strategy.

Future acquisitions may have an adverse effect on our ability to manage our business.

Selective acquisitions forms part of our strategy to further expand our business. If we are presented with appropriate opportunities, we may acquire additional complementary companies, products or technologies. Future acquisitions and the subsequent integration of new companies into ours would require significant attention from our management. The diversion of our management's attention and any difficulties encountered in any integration process could have an adverse effect on our ability to manage our business. Future acquisitions would expose us to potential risks, including risks associated with the assimilation of new operations, technologies and personnel, unforeseen or hidden liabilities, the diversion of resources from our existing businesses and technologies, the inability to generate sufficient revenue to offset the costs and expenses of acquisitions, and potential loss of, or harm to, relationships with employees, customers and suppliers as a result of integration of new businesses.

We may need additional capital and we may not be able to obtain it.

We believe that our current cash and cash equivalents, cash flow from operations and the proceeds from this offering 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 investments or acquisitions we may decide to pursue. If these resources are insufficient to satisfy our cash requirements, we may seek to sell additional equity or debt securities or obtain a credit facility. The sale of additional equity securities could result in additional dilution to our 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. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

We rely on services from third parties to carry out our business and to deliver our products to customers, and if there is any interruption or deterioration in the quality of these services, our customers may not continue using our services.

We rely on third-party computer systems to host our websites, as well as third-party licenses for some of the software underlying our technology platform. In addition, we rely on third-party travel agencies to issue airline tickets, confirmations and deliveries in some cities in China. Any interruption in our ability to obtain the products or services of these or other third parties or deterioration in their performance could impair the timing and quality of our own service. If our service providers fail to deliver airline tickets in a timely manner to our customers, our services will not meet the expectations of our customers and our reputation and brand will be damaged. Furthermore, if our arrangements with any of these third parties are terminated, we may not find an alternate source of support on a timely basis or on terms as advantageous to us.

If our hotel suppliers or customers provide us with untrue information regarding our customers' stay, our commission income and revenues may decrease.

Currently, a substantial portion of our revenues is represented by commissions received from hotels for room nights booked through us. Generally, we do not receive payment from our customers on behalf of our hotel suppliers, as our customers pay hotels directly. To confirm whether a customer adheres to the booked itinerary, we make routine inquiries with the hotel and, occasionally, the customer. We rely on the hotel and the customer to give us truthful information regarding the customer's check-in and check-out dates, which information forms the basis for calculating the commission we are entitled to receive from the hotel. If our hotel suppliers or customers provide us with untrue information with respect to our customers' length of stay at the hotels, our hotel revenue may decrease.

As we begin to expand into the merchant business, we may suffer losses if we are unable to predict the amount of inventory we will need to purchase.

We plan to gradually establish merchant business relationships with selected travel service suppliers beginning in the second or third quarter of 2004. In the merchant business relationship, we would buy hotel rooms and/or airline tickets in advance before selling them to our customers and thereby bear the inventory risk. If we do not correctly predict demand for hotel rooms and airline tickets that we are committed to purchase, we would be responsible for covering the cost of the hotel rooms and airline tickets we are unable to sell.

We may be subject to litigation for information provided on our websites, which may be time-consuming to defend.

Our websites contain information about hotels, flights, popular vacation destinations and other travel-related topics. It is possible that if any information, accessible on our websites, contains errors or false or misleading information, third parties could take action against us for losses incurred in connection with the use of such information. Any claims, with or without merit, could be time-consuming to defend, result in litigation and divert management's attention and resources.

We could be liable for breaches of security on our websites and fraudulent transactions by users of our websites.

Currently, a portion of our transactions are conducted through our websites. In such transactions, secured transmission of confidential information (such as customers' itineraries, hotel and other reservation information, credit card numbers and expiration dates, personal information and billing addresses) over public networks is essential to maintain consumer and supplier confidence. Our current security measures may not be adequate. Security breaches could expose us to litigation and possible liability for failing to secure confidential customer or supplier information and could harm our reputation and ability to attract customers.

If we are unable to attract, train and retain key individuals and highly skilled employees, our business may be adversely affected.

If our business continues to expand, we will need to hire additional employees, including travel supplier management personnel to maintain and expand our travel supplier network, information technology and engineering personnel to maintain and expand our websites, customer service center and systems, and customer support personnel to serve an increasing number of customers. If we are unable to identify, attract, hire, train and retain sufficient employees in these areas, users of our websites and customer service center may have negative experiences and turn to our competitors, which could adversely affect our business and results of operations.

We have limited business insurance coverage in China.

The insurance industry in China is still at an early stage of development. Insurance companies in China offer limited business insurance products. As a result, we do not have any business liability or disruption

insurance coverage for our operations in China. Any business disruption, litigation or natural disaster might result in substantial costs and diversion of resources.

Facts and statistics in this prospectus relating to the China travel industry and economy may be inaccurate.

Facts and statistics in this prospectus relating to the Chinese travel industry and economy are derived from various government and institute research publications. While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by us. Due to possibly flawed or ineffective collection methods and other problems in China, the statistics in this prospectus may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case in the U.S. or elsewhere.

Risks Related to Doing Business in China

Adverse changes in political and economic policies of the Chinese government could have a material adverse effect on the overall economic growth of China, which could reduce the demand for our services and adversely affect our competitive position.

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 subject to a significant degree to the economic, political and legal developments of China. Since the late 1970s, the Chinese government has been reforming the economic system in China. These reforms have resulted in significant economic growth. However, any economic reform policies or measures in China may from time to time be modified or revised. Any adverse changes in economic conditions in China, in policies of the Chinese government or in 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.

Slow-down of the Chinese economy may slow down our growth and profitability.

Our financial results have been, and are expected to continue to be, affected by the growth in the Chinese economy and travel industry. Although the Chinese economy has grown significantly in the past decade, there can be no assurance that growth of the Chinese economy will continue or that any slow-down will not have a negative effect on our business. The overall Chinese economy affects our profitability, since expenditures for travel may decrease in a slowing economy.

Future movements in exchange rates between the U.S. dollar and RMB may adversely affect the value of our ADSs.

We are exposed to foreign exchange risk arising from various currency exposures. Some of our expenses are denominated in foreign currencies while almost all of our revenues are denominated in RMB, the legal currency in China. We have not used any forward contracts or currency borrowings to hedge our exposure to foreign currency risk. The value of RMB is subject to changes in the Chinese government’s policies. Although our exposure to foreign exchange risks is limited, the value of your investment in our ADSs will be affected by the foreign exchange rate between the U.S. dollar and RMB, because the value of our business is effectively denominated in RMB, while our ADSs will be traded in U.S. dollars.

Restrictions on currency exchange may limit our ability to receive and use our revenues effectively.

Because substantially all of our revenues are in the form of RMB, any restrictions on currency exchange may limit our ability to use revenue generated in RMB to fund our business activities outside China or to make dividend payments in U.S. dollars. The principal regulation governing foreign currency exchange

in China is the Foreign Currency Administration Rules (1996), as amended. Under the Rules, RMB is freely convertible for trade and service-related foreign exchange transactions, but not for direct investment, loan or investment in securities outside China unless the prior approval of the State Administration for Foreign Exchange is obtained. Although the Chinese government regulations now allow greater convertibility of RMB for current account transactions, significant restrictions still remain. For example, foreign exchange transactions under our subsidiaries' capital account, including principal payments in respect of foreign currency-denominated obligations, remain subject to significant foreign exchange controls and the approval of the State Administration of Foreign Exchange of the People's Republic of China. These limitations could affect our ability to obtain foreign exchange for capital expenditures. We cannot be certain that the Chinese regulatory authorities will not impose more stringent restrictions on the convertibility of RMB, especially with respect to foreign exchange transactions.

Online payment systems in China are at an early stage of development and may restrict our ability to expand our online commerce service business.

Online payment systems in China are at an early stage of development. Although major Chinese banks are instituting online payment systems, these systems are not as widely available or acceptable to consumers in China as in the United States and other developed countries. In addition, only a limited number of consumers in China have credit cards or debit cards, relative to countries like the United States. The lack of adequate online payment systems may limit the number of online commerce transactions that we can service. If online payment services do not develop, our ability to grow our online commerce business may be limited.

The Internet market has not been proven as an effective commercial medium in China.

The market for Internet products and services in China has only recently begun to develop. The Internet penetration rate in China is lower than those in the United States and other developed countries. Since the Internet is an unproven medium for commerce in China, our future operating results from online services will depend substantially upon the increased use and acceptance of the Internet for distribution of products and services and facilitation of commerce in China.

The Internet may not become a viable commercial marketplace in China for various reasons in the foreseeable future. More salient impediments to Internet development in China include:

- consumer dependence on traditional means of commerce;
- inexperience with the Internet as a sales and distribution channel;
- inadequate development of the necessary infrastructure to facilitate online commerce;
- concerns about security, reliability, cost, ease of deployment, administration and quality of service associated with conducting business over the Internet;
- inexperience with credit card usage or with other means of electronic payment; and
- limited use of personal computers.

If the Internet is not widely accepted as a medium for online commerce in China, our ability to grow our online business would be impeded.

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

We conduct our business primarily through our wholly owned subsidiaries incorporated in China. Our subsidiaries are generally subject to laws and regulations applicable to foreign investment in China and, in particular, laws applicable to wholly foreign-owned enterprises. In addition, we depend on several affiliated entities in China to honor their service agreements with us. Almost all of these agreements are governed by Chinese law and disputes arising out of these agreements are expected to be decided by arbitration in China. The Chinese legal system is based on written statutes. Prior court decisions may be cited for reference but

have limited precedential value. Since 1979, Chinese legislation and regulations have significantly enhanced the protections afforded to various forms of foreign investments in China. However, since these laws and regulations are relatively new and the Chinese legal system is still evolving, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit remedies available to us. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

We have attempted to comply with the Chinese government regulations regarding licensing requirements by entering into a series of agreements with our affiliated Chinese entities. If the Chinese laws and regulations change, our business in China may be adversely affected.

To comply with the Chinese government regulations regarding licensing requirements, we have entered into a series of agreements with our affiliated Chinese entities to exert our operational control over them and secure consulting fees and other payments from them. Although we have been advised by our Chinese counsel that our arrangements with our affiliated Chinese entities are valid under current Chinese law and regulations, we cannot assure you that we will not be required to restructure our organization structure and operations in China to comply with changing and new Chinese laws and regulations. Restructuring of our operations may result in disruption of our business, diversion of management attention and the incurrence of substantial costs.

We may have to register our encryption software with Chinese regulatory authorities, and if they request that we change our encryption software, our business operations will be disrupted as we develop or license replacement software.

Pursuant to the Regulations for the Administration of Commercial Encryption promulgated in 1999, foreign and domestic Chinese companies operating in China are required to register and disclose to Chinese regulatory authorities the commercial encryption products they use. Because these regulations do not specify what constitutes encryption products, we are unsure whether or how they apply to us and the encryption software we utilize. We may be required to register or apply for permits with the relevant Chinese regulatory authorities for our current or future encryption software. If Chinese regulatory authorities request that we change our encryption software, we may have to develop or license replacement software, which could disrupt our business operations. In addition, we may be subject to potential liability for using software that is subsequently deemed to be illegal by the relevant Chinese regulatory authorities. These potential liabilities might include fines, product confiscation and criminal sanctions. We cannot assure you that our business, financial condition and results of operations will not be materially and adversely affected by the application of these regulations.

The continued growth of the Chinese Internet market depends on the establishment of an adequate telecommunications infrastructure.

Although private sector Internet service providers currently exist in China, almost all access to the Internet is maintained through ChinaNet owned by China Telecom under the administrative control and regulatory supervision of China's Ministry of Information Industry. In addition, the national networks in China connect to the Internet through a government-controlled international gateway. This international gateway is the only channel through which a domestic Chinese user can connect to the international Internet network. We rely on this infrastructure and China Telecom to provide data communications capacity primarily through local telecommunications lines. Although the government has announced plans to develop aggressively the national information infrastructure, we cannot assure you that this infrastructure will be developed. In addition, we will have no access to alternative networks and services, on a timely basis if at all, in the event of any infrastructure disruption or failure. The Internet infrastructure in China may not support the demands associated with continued growth in Internet usage.

Risks Related to the Shares and ADSs

There has been no public market for our ordinary shares or ADSs prior to this offering, and therefore the price may fall below the public offering price.

Prior to this initial public offering, there has been no public market for our ordinary shares or ADSs. The initial public offering price for our ADSs will be determined by negotiations between us and the underwriters and may bear no relationship to the market price for our ADSs after the initial public offering. We cannot assure you that an active trading market will develop or that the market price of our ADSs will not decline below the initial public offering price.

Your right to participate in any future rights offerings may be limited, which may cause dilution to your holdings.

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. Under the deposit agreement, the depositary bank will not offer you those rights unless the distribution to ADS holders of both the rights and any related securities are either registered under the Securities Act, or exempt from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, you may be unable to participate in our rights offerings and may experience dilution in your holdings.

You will experience immediate and substantial dilution in the book value of ADSs purchased.

The public offering price per ADS will be substantially higher than the net tangible book value per ordinary share issued prior to this offering. Purchasers of our ADSs offered in the offering will therefore incur an immediate and substantial dilution in the net tangible book value per ADSs from the initial public offering price. See “Dilution.”

The future sales by our existing shareholders of a substantial number of our ADSs in the public market could adversely affect the price of our ADSs.

If our shareholders sell substantial amounts of our ordinary shares or ADSs, including those issued upon the exercise of outstanding options, in the public market following this offering, the market price of our ADSs could fall. Such sales also might 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. Immediately after the completion of this offering, we will have an aggregate of ordinary shares issued and outstanding, including ordinary shares represented by ADSs offered in this offering, sold in this offering. Our ADSs sold in this offering will be eligible for immediate resale in the public market without restrictions, and those held by our existing shareholders may also be sold in the public market in the future subject to the restrictions contained in Rule 144 under the Securities Act and applicable lock-up agreements. If any existing shareholder or shareholders sell a substantial amount of ordinary shares after the expiration of the lock-up period, the prevailing market price for our ADSs could be adversely affected. See “Underwriting” and “Shares Eligible for Future Sale” for additional information regarding resale restrictions.

The market price for our ADSs may be volatile.

The market price for our ADSs is likely to be highly volatile and subject to wide fluctuations in response to factors including the following:

- actual or anticipated fluctuations in our quarterly operating results;
- announcements of new services by us or our competitors;
- changes in financial estimates by securities analysts;

- conditions in the Internet, online commerce or travel industries;
- changes in the economic performance or market valuations of other Internet, online commerce or travel companies;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- additions or departures of key personnel;
- release of lock-up or other transfer restrictions on our outstanding ADSs or sales of additional ordinary shares or ADSs; and
- potential litigation.

In addition, the securities market have 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.

You may not be able to exercise your right to vote.

As a holder of ADSs, you may instruct the depositary of our ADSs to vote the shares underlying your ADSs but only if we ask the depositary to ask for your instructions. Otherwise, you will not be able to exercise your right to vote unless you withdraw the shares. However, you may not know about the meeting enough in advance to withdraw the shares. If we ask for your instructions, the depositary will notify you of the upcoming vote and arrange to deliver our voting materials to you. We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your shares. 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 not receive distributions on ordinary shares or any value for them if it is illegal or impractical to make them 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 ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of 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 to register ADSs, ordinary shares, rights or other securities under U.S. securities laws. We also have no obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights or anything else to holders of ADSs. This means that you may not receive the distribution we make on our 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.

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 of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent.

The depositary will convert any cash dividend or other cash distribution we pay on the 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 be subject to limitations on transfer of your ADSs.

Your ADSs represented by the ADRs 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 advisory 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.

The sale, deposit, cancellation and transfer of the ADSs issued after exercise of rights may be restricted.

If we offer holders of our 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 of 1933, as amended, 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.

If our subsidiaries are restricted from paying dividends and other distributions to us, our primary internal source of funds would decrease.

We are a holding company with no significant assets other than our equity interests in our wholly owned subsidiaries in China and Hong Kong. As a result, we rely on dividends, consulting and other fees paid to us by our subsidiaries and affiliated entities in China, including the funds necessary to service any debt we may incur. If our subsidiaries incur debts on their own behalf in the future, the instruments governing the debts may restrict their ability to pay dividends or make other distributions to us, which in turn would limit our ability to pay dividends on our ordinary shares. Chinese regulations permit payment of dividends only out of accumulated profits as determined in accordance with Chinese accounting standards and regulations. Our subsidiaries and affiliated entities in China are also required to set aside a portion of their net income each year to fund certain reserve funds that are not distributable as cash dividends.

You may face difficulties in protecting your interests, and our ability to protect our rights through the U.S. federal courts may be limited, because we are incorporated under Cayman Islands law.

Our corporate affairs are governed by our memorandum and articles of association and by the Companies Law (2003 Revision) and common law of the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as they would be under statues or judicial precedents in the United States. In particular, the Cayman Islands has a less developed body of securities laws as compared to the U.S., and provides 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.

Your ability to bring an action against us or against our directors and officers, or to enforce a judgment against us or them, will be limited because we are incorporated in the Cayman Islands, because we conduct a substantial portion of our operations in China and because the majority of our directors and officers reside outside of the U.S.

We are incorporated in the Cayman Islands, and we conduct a substantial portion of our operations in China through our wholly-owned subsidiaries and several affiliated entities in China. Most of our directors and officers reside outside of the United States and substantially 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 bring an action against us or against these individuals in the Cayman Islands or in China in the event that you believe that your rights have been infringed under the 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. For more information regarding the relevant laws of the Cayman Islands and China, see "Enforceability of Civil Liabilities."

We have substantial discretion as to how to use the proceeds from this offering and may apply the proceeds to uses that do not increase our profits or market price.

Our management has broad discretion as to how to use the proceeds from this offering and may spend the proceeds in ways which you may not agree. We cannot predict that investment of the proceeds will yield a favorable or any return.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Many statements made in this prospectus contain forward-looking statements that reflect our current expectations and views of future events. These forward-looking statements can be identified by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “is/are likely to” or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things:

- our anticipated growth strategies;
- our future business development, results of operations and financial condition;
- our ability to continue to control costs and maintain quality; and
- the expected growth of and change in the travel and online commerce industries in China.

The forward-looking statements included in the prospectus are subject to risks, uncertainties and assumptions about our company. Our company’s actual results of operations may differ materially from the forward-looking statements as a result of risk factors described under “Risk Factors” and elsewhere in this prospectus, including, among other things:

- our continuing ability to retain our customer base, build user loyalty and increase recognition of the Ctrip brand;
- the maintenance and expansion of our supplier relationships;
- risks inherent in the travel services businesses;
- our reliance on our technological platform; and
- risks associated with our holding company structure and the regulatory environment in China.

These risks are not exhaustive. Other sections of this prospectus include additional factors that could adversely impact our business and financial performance. Moreover, we operate in an emerging and evolving environment. New risk factors emerge from time to time, and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering, after deducting underwriting discounts and the estimated offering expenses payable by us, will be approximately US$ million, based upon the initial offering price of US$ per ADS. We will not receive any of the proceeds from the sale of ADSs by the selling shareholders.

The principal purposes of this offering are to (i) create a public market for our ordinary shares for the benefits of all shareholders, (ii) retain qualified employees by providing them with equity incentives, and (iii) facilitate possible acquisitions of complementary businesses. We believe that, based on current levels of operations and anticipated growth, our cash from operations, together with cash currently available, without giving effect to the net proceeds of this offering, will be sufficient to fund our operations for the foreseeable future.

We may use the net proceeds from this offering:

- to fund working capital;
- to fund capital expenditures, including technology upgrades;
- to expand our sales and marketing efforts;
- to fund possible acquisitions of complementary businesses, such as travel consolidators and travel agencies in Greater China, particularly in China, although we are not currently negotiating any such transactions; and
- for general corporate purposes.

As of the date of this prospectus, we cannot specify with certainty the particular uses for the net proceeds we will receive upon the completion of this offering. Accordingly, our management will have significant flexibility in applying the net proceeds of the offering.

Pending use of the net proceeds, we intend to hold our net proceeds in short-term bank deposits or invest them in interest-bearing, investment grade securities.

DIVIDEND POLICY

We do not have a present plan to pay any cash dividends on our ordinary shares, or indirectly on our ADSs, for the foreseeable future. We currently intend to retain most of our available funds and any future earnings for use in the operation and expansion of our business.

Our board of directors has complete discretion as to whether we will distribute dividends in the future, subject to the approval of our shareholders. Even if our board of directors determines to distribute dividends, the form, frequency and amount of our dividends will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors as the board of directors may deem relevant. Any dividend we declare will be paid to the holders of ADSs, subject to the terms of the deposit agreement, to the same extent as holders of our ordinary shares, less the fees and expenses payable under the deposit agreement. Any dividend we declare will be distributed by the depositary bank to the holders of our ADSs. Cash dividends on our ordinary shares, including those represented by the ADSs, if any, will be paid in U.S. dollars. See "Description of American Depositary Shares."

In December 2002, we declared and paid out of our reserves cash dividends totaling RMB27.3 million, which represented a return of capital, to holders of our ordinary and preferred shares. Separately, as part of our restructuring in connection with this offering, we spun off Home Inns in August 2003 and distributed our Home Inns shares to our shareholders in the form of dividends on a pro rata as-converted basis.

CAPITALIZATION

The following table sets forth our cash and capitalization, as of September 30, 2003:

- on an actual basis;
- on an as adjusted basis to reflect the conversion of all of our preferred shares into ordinary shares, which will occur automatically immediately prior to the closing of this offering, and the issuance and sale of the ADSs offered hereby at an estimated offering price of US$ per ADS, after deducting underwriting discounts, commissions and estimated offering expenses.

You should read this table together with our consolidated financial statements and the related notes included elsewhere in this prospectus and the information under "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	As of September 30, 2003		
	Actual	As Adjusted	
	RMB	RMB (unaudited) (in thousands, except for share numbers)	US$(1) (unaudited)
Cash	70,353		
Shareholders' equity:			
Ordinary shares,			
US$0.01 par value; 49,157,064 shares authorized; 8,677,762 shares issued and outstanding;	719		
Series A preferred shares,			
US$0.01 par value; 3,937,519 shares authorized, issued and outstanding;	326		
Series B preferred shares,			
US$0.01 par value; 6,556,575 shares authorized, issued and outstanding;	543		
Series C preferred shares,			
US$0.01 par value; 2,180,755 shares authorized, issued and outstanding;	181		
Additional paid-in capital	140,114		
Deferred share-based compensation	(3,455)		
Cumulative translation adjustments	188		
Accumulated deficit	(29,584)		
Total shareholders' equity	109,032		
Total capitalization	109,032		

(1) Translations of RMB amounts into U.S. dollars were made at a rate of RMB8.2771 to US$1.00. See "Exchange Rate Information."

DILUTION

Our net tangible book value as of September 30, 2003 was RMB11.38, or US$1.38 per ordinary share, and US$ per ADS. Net tangible book value per ordinary share represents the amount of total tangible assets, minus the amount of total liabilities, divided by the total number of ordinary shares outstanding. Dilution is determined by subtracting net tangible book value per ordinary share from the assumed public offering price per ordinary share.

Without taking into account any other changes in such net tangible book value after September 30, 2003, other than to give effect to (i) the conversion of all of our preferred shares into ordinary shares, which will occur immediately prior to the closing of this offering, and (ii) our sale of the ADSs offered in this offering, at an estimated price of US$ per ADS and after deduction of underwriting discounts and commissions and estimated offering expenses, our as adjusted net tangible book value at September 30, 2003 would have been US$ per outstanding ordinary share, including ordinary shares underlying our outstanding ADSs, and US$ per ADS. This represents an immediate increase in net tangible book value of US$ per ordinary share, or US$ per ADS, to existing shareholders and an immediate dilution in net tangible book value of US$ per ordinary share, or US$ per ADS, to purchasers of ADSs in this offering.

The following table illustrates the dilution on a per ordinary share basis assuming that the initial public offering price per ordinary share is US$ and all ADSs are exchanged for ordinary shares:

Assumed initial public offering price per ordinary share	US$
Net tangible book value per ordinary share	US$1.38
Amount of dilution in net tangible book value per ordinary share to new investors in the offering	US$
Amount of dilution in net tangible book value per ADS to new investors in the offering	US$

The following table summarizes on a pro forma basis the differences as of September 30, 2003 between our shareholders at September 30, 2003 and the new investors with respect to the number of ordinary shares purchased from us, the total consideration paid and the average price per ordinary share paid. The total number of ordinary shares do not include ADSs issuable pursuant to the exercise of over-allotment options granted to the underwriters.

	Ordinary Shares Purchased		Total Consideration		Average Price Per Ordinary Share	Average Price Per ADS
	Number	Percent	Amount	Percent		
	US$		US$		US$	US$
Shareholders as of September 30, 2003		%		%		
New investors						
Total		%		%		

The discussion and tables above are based on the number of ordinary shares and preferred shares outstanding as of September 30, 2003, excluding (a) 2,247,420 ordinary shares underlying options granted under our stock option plans and outstanding as of September 30, 2003, and (b) 668,090 ordinary shares available for issuance upon the exercise of future grants under our stock option plans.

To the extent that any of the outstanding options are exercised, there will be further dilution to new investors.

EXCHANGE RATE INFORMATION

Our business is primarily conducted in China and denominated in RMB. However, periodic reports made to shareholders will be expressed in U.S. dollars using the then current exchange rates. For your convenience, this prospectus contains translations of RMB amounts into U.S. dollars at specific rates solely for the convenience of the reader. The conversion of RMB into U.S. dollars in this prospectus is based on the noon buying rate in the City of New York for cable transfers of RMB as certified for customs purposes by the Federal Reserve Bank of New York. Unless otherwise noted, all translations from RMB to U.S. dollars and from U.S. dollars to RMB in this prospectus were made at a rate of RMB8.2771 to US$1.00, the noon buying rate in effect as of September 30, 2003. The prevailing rate as of November 11, 2003 was RMB8.2770 to US$1.00. We make no representation that any RMB or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or RMB, as the case may be, at any particular rate, the rates stated below, or at all. The Chinese government imposes control over its foreign currency reserves in part through direct regulation of the conversion of RMB into foreign exchange and through restrictions on foreign trade. The exchange rate from the U.S. dollar to RMB has fluctuated between a range of US$l.00 to RMB8.2272 and US$l.00 to RMB8.2770 between January 1, 1998 and November 11, 2003.

The following table sets forth information concerning exchange rates between the RMB and the U.S. dollar for the periods indicated. These rates are provided solely for your convenience and are not necessarily the exchange rates that we used in this prospectus or will use in the preparation of our periodic reports or any other information to be provided to you. The source of these rates is the Federal Reserve Bank of New York.

	Noon Buying Rate			
Period	Period End	Average(1)	Low	High
	(RMB per US$1.00)			
1998	8.2789	8.3006	8.3180	8.2774
1999	8.2795	8.2783	8.2800	8.2770
2000	8.2774	8.2784	8.2799	8.2768
2001	8.2766	8.2770	8.2786	8.2676
2002	8.2800	8.2770	8.2800	8.2669
2003				
First Quarter	8.2774	8.2776	8.2800	8.2766
April	8.2771	8.2772	8.2775	8.2768
May	8.2768	8.2769	8.2771	8.2768
June	8.2776	8.2771	8.2776	8.2768
July	8.2774	8.2773	8.2776	8.2768
August	8.2772	8.2747	8.2775	8.2272
September	8.2771	8.2772	8.2775	8.2768
October	8.2766	8.2768	8.2776	8.2765
November (through November 11)	8.2770	8.2768	8.2770	8.2766

(1) Annual averages are calculated from month-end rates. Monthly averages are calculated using the average of the daily rates during the relevant period.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated in the Cayman Islands because of the following benefits found there:

- political and economic stability;
- an effective judicial system;
- a favorable tax system;
- the absence of exchange control or currency restrictions; and
- the availability of professional and support services.

However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include:

(1) the Cayman Islands has a less developed body of securities laws as compared to the United States and these securities laws provide significantly less protection to investors; and

(2) Cayman Islands companies may not have standing to sue before the federal courts of the United States.

Our constituent documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our officers, directors and shareholders, be arbitrated.

A substantial portion of our current operations is conducted in China, and substantially all of our assets are located in China. We also conduct part of our operations in Hong Kong. We have appointed CT Corporation System, 111 Eighth Avenue, New York, NY 10011, as our agent upon whom process may be served in any action brought against us under the securities laws of the United States. A majority of our directors and officers are nationals or residents of jurisdictions other than the United States and a substantial portion of their assets are located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

Maples and Calder Asia, our counsel as to Cayman Islands law, Commerce & Finance Law Office, our counsel as to Chinese law, and Boughton Peterson Yang Anderson, our counsel as to Hong Kong law, have advised us, respectively, that there is uncertainty as to whether the courts of the Cayman Islands, China and Hong Kong, respectively, would:

(1) recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or

(2) entertain original actions brought in each respective jurisdiction against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

Maples and Calder Asia has further advised us that a final and conclusive judgment in the federal or state courts of the United States under which a sum of money is payable, other than a sum payable in respect of taxes, fines, penalties or similar charges, may be subject to enforcement proceedings as a debt in the courts of the Cayman Islands under the common law doctrine of obligation.

Commerce & Finance Law Office has advised us further that the recognition and enforcement of foreign judgments are provided for under Chinese Civil Procedures Law. Chinese courts may recognize and enforce foreign judgments in accordance with the requirements of Chinese Civil Procedures Law based either on treaties between China and the country where the judgment is made or on reciprocity between jurisdictions.

Boughton Peterson Yang Anderson, in association with Squire, Sanders and Dempsey, has further advised us that enforcement of a foreign judgment in Hong Kong is subject to the Foreign Judgments (Reciprocal Enforcement) Ordinance (Cap. 319) of the laws of Hong Kong which provides that a final and conclusive judgment of a court in the United States against a Hong Kong company for a fixed sum of money and which is enforceable by execution in the United States (other than a sum payable in respect of taxes or like charges, fines or penalties, in respect of any legal proceedings) may be registered in Hong Kong in accordance with the Rules of the High Court of Hong Kong and the provisions of the Foreign Judgments (Reciprocal Enforcement) Ordinance of Hong Kong and upon registration would be enforceable in Hong Kong provided it is not subsequently set aside by the courts of Hong Kong. The Hong Kong courts would be entitled to set aside such a judgment so registered in Hong Kong if, in particular:

(i) the courts of the United States had no jurisdiction in the circumstances of the case; or

(ii) the judgment debtor did not receive sufficient notice of the original proceedings to defend the proceedings and did not appear; or

(iii) the judgment was obtained by fraud; or

(iv) the enforcement of the judgment would be contrary to public policy; or

(v) the proceedings were opposed to natural justice; or

(vi) if the court in Hong Kong is satisfied that the proceedings in the United States had, previous to the date of that court's judgment, been the subject of a final and conclusive judgment by another court having jurisdiction in the matter.

Beginning on July 1, 1997, China resumed sovereignty over Hong Kong. Although the Joint Declaration states that, during the 50 years after such date, the laws commonly enforced in Hong Kong prior to July 1, 1997 would be adopted as the laws of Hong Kong on and after July 1, 1997 (except for the laws which contravene the Basic Law of Hong Kong enacted by the National People's Congress of China on April 4, 1990), there can be no assurance that the enforceability of foreign judgments in Hong Kong will not be adversely affected by this event.

SELECTED CONSOLIDATED FINANCIAL DATA

You should read the following information with our consolidated financial statements and related notes, and "Management's Discussion and Analysis and Results of Operations" included elsewhere in this prospectus.

The selected consolidated statement of operations data for the years ended December 31, 2001 and 2002 and the nine months ended September 30, 2003, and the consolidated balance sheet data as of December 31, 2001 and 2002 and September 30, 2003, are derived from our audited consolidated financial statements included elsewhere in this prospectus and should be read in conjunction with, and are qualified in their entirety by reference to, these financial statements and related notes. These consolidated financial statements have been audited by PricewaterhouseCoopers and were prepared in accordance with U.S. GAAP. The selected consolidated statement of operations data for the year ended December 31, 2000 and the nine months ended September 30, 2002, and the selected consolidated balance sheet data as of December 31, 2000 and September 30, 2002, are derived from our unaudited consolidated financial statements included elsewhere in this prospectus and should be read in conjunction with, and are qualified in their entirety by reference to, these unaudited consolidated financial statements and related notes. We have prepared the unaudited information on the basis as the audited consolidated financial statements, and have included, in our opinion, all adjustments, consisting only of normal and recurring adjustments that we consider necessary for a fair presentation of the financial information set forth in those statements. Although we commenced operations in June 1999, we have not included financial information for the six-month period ended December 31, 1999, as such information is not available on a comparative basis with the audited financial information included in this prospectus.

	Year Ended December 31,				Nine Months Ended September 30,		
	2000	2001	2002	2002	2002	2003	2003
	RMB (unaudited)	RMB	RMB	US$(1)	RMB (unaudited)	RMB	US$(1)
	(in thousands, except for share and per share data)						
Selected Consolidated Statements of Operation Data:							
Net revenues	6,453	43,984	100,049	12,087	68,809	105,717	12,772
Costs of services	(1,950)	(7,940)	(13,673)	(1,652)	(9,100)	(14,447)	(1,745)
Gross profit	4,503	36,044	86,376	10,435	59,709	91,270	11,027
Operating expenses:							
Product development	(6,817)	(7,759)	(13,365)	(1,615)	(9,170)	(13,254)	(1,601)
Sales and marketing	(17,378)	(30,360)	(32,309)	(3,902)	(23,520)	(28,401)	(3,431)
General and administrative	(11,677)	(14,814)	(15,702)	(1,897)	(11,173)	(12,433)	(1,502)
Share-based compensation(2)	—	(22)	(462)	(56)	(336)	(1,031)	(125)
Amortization of goodwill and other intangible assets	(371)	(1,807)	(353)	(43)	(265)	(265)	(32)
Other expenses incurred for joint venture companies	—	(934)	(915)	(111)	(915)	—	—
Total operating expenses	(36,243)	(55,696)	(63,106)	(7,624)	(45,379)	(55,384)	(6,691)
Income (loss) from operations	(31,740)	(19,652)	23,270	2,811	14,330	35,886	4,336
Interest income and other	675	2,049	1,293	156	438	3,717	449
Income (loss) before income tax benefit (expense), minority interests and share of income (loss) of joint venture companies	(31,065)	(17,603)	24,563	2,967	14,768	39,603	4,785
Income tax benefit (expense)	7,088	2,342	(10,043)	(1,213)	(6,156)	(10,966)	(1,325)
Minority interests	—	—	71	9	32	(18)	(2)
Share of income (loss) of joint venture companies	—	—	(398)	(48)	(188)	573	69
Net income (loss) for the year	(23,977)	(15,261)	14,193	1,715	8,456	29,192	3,527
Earnings per Share Data:							
Accretion for Series B preferred shares	(2,196)	(14,316)	(16,492)	(1,993)	(12,140)	(12,366)	(1,494)
Dividends to holders of preferred shares	—	—	(16,762)	(2,025)	—	—	—
Dividends to holders of Series A and Series B preferred shares for spin-off of joint venture companies	—	—	—	—	—	(2,829)	(342)
Deemed dividends upon repurchase of preferred shares	—	—	—	—	—	(35,336)	(4,269)
Net loss attributable to ordinary shareholders	(26,173)	(29,578)	(19,061)	(2,303)	(3,684)	(21,339)	(2,578)
Loss per share, basic and diluted	(3.03)	(3.26)	(2.00)	(0.24)	(0.39)	(2.26)	(0.27)
Loss per ADS(3), basic and diluted							
Cash dividends per share(4)	—	—	1.11	0.14	—	—	—

	As of December 31,				As of September 30,		
	2000	2001	2002	2002	2002	2003	2003
	RMB (unaudited)	RMB	RMB	US$(1)	RMB (unaudited)	RMB	US$(1)
	(in thousands, except for share and per share data)						
Consolidated Balance Sheet Data:							
Cash	88,908	42,464	38,931	4,703	61,488	70,353	8,500
Other current assets	3,343	45,932	20,580	2,487	25,907	34,877	4,214
Non-current assets	25,639	20,529	37,744	4,560	30,275	46,769	5,650
Total assets	117,890	108,925	97,255	11,750	117,670	151,999	18,364
Current liabilities	9,736	12,962	13,093	1,582	12,363	42,910	5,184
Minority interests	—	—	828	100	512	57	7
Series B preferred shares(5)	94,154	108,470	124,963	15,097	120,610	—	—
Total shareholders' equity (deficit)	14,000	(12,507)	(41,629)	(5,029)	(15,815)	109,032	13,173

(1) Translations of RMB amounts into U.S. dollars were made at a rate of RMB8.2771 to U.S.$1.00. See "Exchange Rate Information."

(2) Share based compensation was related to the associated operating expense categories as follows:

	Year Ended December 31,				Nine Months Ended September 30,		
	2000	2001	2002	2002	2002	2003	2003
	RMB (unaudited)	RMB	RMB	US$(1)	RMB (unaudited)	RMB	US$(1)
	(in thousands, except for share and per share data)						
Product and development	—	5	131	16	95	254	31
Sales and marketing	—	1	27	3	22	82	10
General administration	—	16	304	37	219	695	84
		22	462	56	336	1,031	125

(3) Each ADS represents ordinary shares.

(4) The dividends recognized represent dividends totaling RMB27.3 million distributed out of our reserves in December 2002 to holders of ordinary shares, Series A preferred shares and Series B preferred shares on a pro rata as-converted basis. Dividends per share were calculated on the basis of 24,630,894 ordinary shares on an as-converted basis.

(5) Prior to the forfeiture of the redemption feature in September 2003, Series B preferred shares were not included as part of shareholders' equity as such shares were redeemable at the option of the holder. As of September 30, 2003, Series B preferred shares are included in total shareholders' equity (deficit).

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 in this prospectus.

Overview

We are a leading consolidator of hotel accommodations and airline tickets in China. We aggregate information on hotels and flights and enable our customers to make informed and cost-effective hotel and flight bookings. We also offer packaged-tour products and other travel-related products and services. For the nine months ended September 30, 2003, revenues from our hotel reservation, air-ticketing and other businesses accounted for 85.8%, 10.5% and 3.7%, respectively, of our revenues.

The major factors affecting our results of operations and financial condition include:

- growth in the Chinese economy and the travel industry;
- revenue composition and sources of revenue growth;
- costs of services;
- operating expenses;
- income taxes and tax rebates;
- accretion for our Series B preferred shares; and
- seasonality in the travel industry.

Each of these factors is discussed below.

Growth in the Chinese Economy and the Travel Industry. Our financial results have been, and are expected to continue to be, affected by the growth in the Chinese economy and travel industry. The Chinese economy has grown significantly in recent years, with its gross domestic product increasing from RMB7,835 billion in 1998 to RMB10,479 billion in 2002, representing a compound annual growth rate of 7.5%. This growth has led to a substantial increase in industrial and commercial activity and, in combination with an increase in personal disposable income and changes in consumption pattern, resulted in significant increase in the demand for travel services. The aggregate expenditure on tourism in China increased from RMB239.1 billion in 1998 to RMB387.8 billion in 2002, representing a compound annual growth rate of 12.8%. According to China's tenth five-year plan, the Chinese government expects an approximately 7% compound annual growth rate of China's gross domestic product from 2000 to 2005. We anticipate that demand for travel services in China will continue to increase substantially in the foreseeable future as the Chinese economy continues to grow.

Revenue Composition and Sources of Revenue Growth. We have experienced significant revenue growth since we commenced operations in 1999. Our revenues grew from RMB6.9 million in 2000 to RMB46.4 million in 2001 and to RMB105.3 million in 2002. Our revenues for the nine months ended September 30, 2003 were RMB111.3 million.

We generate our revenues primarily from the hotel reservation and air-ticketing businesses. The table below sets forth the revenues from our principal lines of business as a percentage of our revenues for the periods indicated.

	Year Ended December 31,			Nine Months Ended September 30,	
	2000	2001	2002	2002	2003
	(unaudited)			(unaudited)	
Revenues:					
Hotel reservation	77.3%	93.5%	91.9%	92.8%	85.8%
Air-ticketing	12.2	4.0	5.3	4.6	10.5
Packaged-tour	4.5	1.3	0.4	0.5	1.6
Others	6.0	1.2	2.4	2.1	2.1
Total revenues	100.0%	100.0%	100.0%	100.0%	100.0%

As we generally do not take ownership of the products and services being sold and act as agent in substantially all of our transactions, our risk of loss due to obligations for cancelled hotel and airline ticket reservations is minimal. Accordingly, we recognize revenues based on commissions earned rather than transaction value.

Because current Chinese laws and regulations impose substantial restrictions on foreign ownership of the air-ticketing, travel agency, advertising and Internet content provision businesses in China, we conduct part of our air-ticketing and packaged-tour businesses through our affiliated Chinese entities. Historically, we generated less than 5% of our revenues from fees charged to these entities. See "— Affiliated Chinese Entities" for a description of our relationship with such entities.

Hotel Reservation. Revenues from our hotel reservation business have been our primary source of revenue since our inception. In 2000, 2001, 2002 and the nine months ended September 30, 2003, revenues from our hotel reservation business accounted for RMB5.3 million, RMB43.4 million, RMB96.8 million (US$11.7 million) and RMB95.5 million (US$11.5 million), respectively, or 77.3%, 93.5%, 91.9% and 85.8%, respectively, of our revenues.

We derive our hotel reservation revenues through commissions from hotels, primarily based on the room rates paid by our customers. We recognize revenue when we receive confirmation from a hotel that a customer who booked the hotel through us has checked into the hotel. While we generally agree in advance on fixed commissions with a particular hotel, we also enter into a commission arrangement with many of our hotel suppliers that we refer to as the "ratchet system." Under the ratchet system, our commission per room night for a given hotel increases for the month if we sell in excess of a pre-agreed number of room nights with such hotel within the month. We believe that absent extraordinary events such as SARS, revenue from our hotel reservation business will continue to experience substantial growth on an annual basis.

Air-Ticketing. Since early 2002, the air-ticketing business has been our fastest-growing source of revenues. In 2000, 2001, 2002 and the nine months ended September 30, 2003, revenues from the air-ticketing business accounted for RMB0.8 million, RMB1.8 million, RMB5.6 million (US$0.7 million) and RMB11.6 million (US$1.4 million), respectively, or 12.2%, 4.0%, 5.3% and 10.5%, respectively, of our revenues.

We conduct our air-ticketing business through Beijing Chenhao and Shanghai Huacheng, both of which are our affiliated entities, as well as a network of independent air-ticketing service companies. Currently, we recognize revenue when a ticket is issued and delivered by Beijing Chenhao and Shanghai Huacheng. Prior to July 1, 2003, when we charged Beijing Chenhao or Shanghai Huacheng in accordance with our contractual arrangements with them, we recognized the amount of such charge as revenue from our air-ticketing business. We receive a higher commission per ticket from some airlines if the volume of tickets we sell for such airline reaches certain performance targets. In addition, since the commission rate per ticket for international flights is generally higher than that for domestic flights in China, we intend to sell more tickets for international flights.

Packaged-tour. Currently, we conduct our packaged-tour business mainly through Shanghai Huacheng. Currently, we generally recognize revenue when a customer completes the packaged tour. Prior to

July 1, 2003, however, when we charged Shanghai Huacheng in accordance with our contractual arrangements with it, we recognized the amount of such charge as revenue from our packaged tour business. We expect that our revenues from the packaged-tour business will grow as a result of our increased promotion of packaged-tour products and our acquisition of Shanghai Cuiming.

Other Businesses. Our other business lines comprise advertising services and sales of our VIP membership cards. We place our customers' advertisements on our websites and in our introductory brochures. We sell VIP membership cards that allow cardholders to receive discounts from some restaurants, clubs and bars and certain priority in receiving our services. We currently conduct the advertising business through Ctrip Commerce, and we recognize revenue when Ctrip Commerce renders advertising services. Prior to July 1, 2003, however, we recognized our advertising revenue when we charged Ctrip Commerce in accordance with our contractual arrangements with it. We recognize revenue from sales of our VIP membership cards when they are sold to customers. We expect that revenues from these other businesses will continue to contribute an insignificant percentage of our revenues in the near future.

Costs of Services. Costs of services are costs directly attributable to rendering our revenues, which consist primarily of payroll compensation, telecommunication expenses and other direct expenses incurred in connection with our transaction and service platform. Payroll compensation accounted for 33.6%, 43.1%, 57.0% and 59.5% of our costs of services in 2000, 2001, 2002 and the nine months ended September 30, 2003, respectively. Telecommunication expenses accounted for 31.9%, 42.3%, 30.5% and 27.1% of our costs of services in 2000, 2001, 2002 and the nine months ended September 30, 2003, respectively.

Costs of services accounted for 30.2%, 18.1%, 13.7% and 13.7% of our net revenues in 2000, 2001, 2002 and the nine months ended September 30, 2003, respectively. We believe our relatively low ratio of costs of services to revenues is primarily due to competitive labor costs in China and relatively high efficiency of our customer service system. The average compensation of our customer service representatives at our toll-free, 24-hour transaction and service center in October 2003 was RMB2,791 (US$337), consisting of an average fixed pay of RMB1,551 (US$187) plus commissions based on the number of transactions completed during the month. In October 2003, each of our customer service representatives received approximately 2,425 calls on average. Therefore, the average labor cost per call in October 2003 was approximately RMB1.15 (US$0.14). Our cost efficiency was further enhanced by our website operations, which require significantly fewer service staff to operate and maintain. We believe our costs of services will continue to account for a relatively small percentage of our net revenues for the foreseeable future.

Operating Expenses. Operating expenses consist primarily of product development expenses, sales and marketing expenses, general and administration expenses and share-based compensation.

Product development expenses primarily include expenses we incur to develop our travel suppliers network and electronic confirmation system, as well as expenses we incur to develop, maintain and monitor our transaction and service platform, including our travel booking system. In the past, we incurred relatively high product development costs as a percentage of net revenues to develop the supplier network and infrastructure necessary to support our business. As we have established the platform that we believe can keep up with the expected growth in our transaction volume without substantial incremental costs for redesign, we do not expect that our product development expenses will increase significantly as a percentage of net revenues for the foreseeable future.

Sales and marketing expenses primarily comprise payroll compensation and benefits for our sales and marketing personnel, advertising expenses, commissions for our marketing partners for referring customers to us, production costs of marketing materials and membership cards and expenses associated with our membership reward program. Our sales and marketing expenses as a percentage of net revenues have declined due to our more effective and focused marketing efforts. As we continue to pursue our targeted marketing strategy, we expect that our sales and marketing expenses will remain relatively steady as a percentage of net revenues for the foreseeable future.

General and administrative expenses consist primarily of payroll compensation, benefits and travel expenses for our administrative staff, as well as administrative office expenses. General and administrative

expenses as a percentage of net revenues have remained largely unchanged. We expect that our general and administrative expenses will increase after the closing of this offering due to the various additional legal, accounting and other requirements applicable to a public company listed in the United States. However, given our expected increased revenues, we do not expect our general and administrative expenses to increase substantially as a percentage of our net revenues.

Share-based compensation is the difference, if any, between the estimated fair value of our ordinary shares and the amount an employee is required to pay to acquire the shares, as determined on the date the share option is granted. We amortize share-based compensation and charge it to expense over the three-year vesting period of the underlying options.

Income Taxes. Companies in China are generally subject to a 30% state enterprise income tax and a 3% local income tax. One of our subsidiaries in China, Ctrip Computer Technology, has recently obtained approval from the Chinese government authorities to be classified as a "new high-technology enterprise." This classification may entitle Ctrip Computer Technology to certain preferential tax treatment, for which Ctrip Computer Technology has applied. Another Chinese subsidiary, Ctrip Travel Information, is entitled to a reduced 15% state enterprise income tax rate because it was incorporated in Pudong New District, Shanghai.

Financial Subsidies. In 2002 and the nine months ended September 30, 2003, our subsidiaries in China received business tax rebates in the form of financial subsidies from the government authorities in Shanghai in the amount of RMB783,900 (US$94,707) and RMB2,431,500 (US$293,762), respectively, which we recorded as other income. We cannot assure you, however, that our subsidiaries will continue to receive such business tax rebates or other financial subsidies in the future.

Accretion for Series B Preferred Shares. Prior to September 4, 2003, holders of our Series B mandatorily redeemable convertible preferred shares, or Series B preferred shares, had the right to request that we redeem all of their Series B preferred shares at US$3.13334 per share plus any declared but unpaid dividends commencing November 2005. Accordingly, the Series B preferred shares have been accreted to the estimated redemption value through periodic charges to accumulated deficit or additional paid-in-capital, as appropriate. Charges with respect to our Series B preferred shares totaled RMB2.2 million, RMB14.3 million, RMB16.5 million (US$2.0 million) and RMB12.4 million (US$1.5 million) for 2000, 2001, 2002 and the nine months ended September 30, 2003, respectively.

Holders of our Series B preferred shares have agreed to extinguish their redemption right effective as of September 4, 2003 in connection with the issuance and sale of our Series C convertible preferred shares. Therefore, we have not incurred any additional accretion for Series B preferred shares since September 4, 2003.

Seasonality in the Travel Industry. The travel industry is generally characterized by seasonal fluctuations. However, as we are still in the high growth phase, the rate of our revenue growth has offset any impact caused by the seasonal nature of the travel industry. The third quarter of each year generally contributes the highest portion of our annual net revenues, mainly because it coincides with the peak business and leisure travel season. The first quarter of each year generally contributes the lowest portion of our annual net revenues primarily due to less business activity and the Chinese new year holiday.

Individual travelers tend to curtail travel due to trends or events that include the outbreak of serious contagious diseases such as SARS, increased occurrence of travel-related accidents, bad weather or natural disasters, general economic downturns and increased prices in the hotel, airline or other travel-related industries. During the period from March 2003 through June 2003, several economies in Asia, including Hong Kong and China, were severely affected by the outbreak of SARS. Although none of our employees was infected with SARS, our business and operating results were adversely affected. Total room nights booked through us decreased from over 131,000 and over 122,000 in May and June 2002, respectively, to over 36,000 and over 109,000 in May and June 2003, respectively.

Except for the SARS period, we have not experienced any decline in our quarterly revenues. If the growth of our business slows down in the future, our revenue may vary from quarter to quarter in line with the seasonality of the travel industry.

Quarterly Results of Operations

The following table presents our unaudited quarterly results of operations for the nine quarters in the period ended September 30, 2003. You should read the following table in conjunction with the consolidated financial statements and related notes contained elsewhere in this prospectus. We have prepared the unaudited information on the same basis as our audited consolidated financial statements. This information includes all adjustments, consisting only of normal recurring adjustments, that we consider necessary for fair presentation of our financial position and operating results for the quarters presented. Operating results for any quarter are not necessarily indicative of results for any future quarters or for a full year.

	Three Months Ended								
	September 30, 2001	December 31, 2001	March 31, 2002	June 30, 2002	September 30, 2002	December 31, 2002	March 31, 2003	June 30, 2003	September 30, 2003
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(in RMB thousands, except percentages and non-financial data)								
Revenues:									
Hotel reservation	13,502	15,809	16,834	23,147	27,240	29,541	30,250	16,571	48,707
Air-ticketing	504	518	697	976	1,670	2,257	2,413	2,393	6,842
Packaged-tour	75	115	152	127	111	42	140	—	1,595
Others	68	184	279	499	706	1,034	814	639	962
Total revenues	14,149	16,626	17,962	24,749	29,727	32,874	33,617	19,603	58,106
Less: business tax and related surcharges	(714)	(841)	(915)	(1,233)	(1,481)	(1,635)	(1,667)	(973)	(2,969)
Net revenues	13,435	15,785	17,047	23,516	28,246	31,239	31,950	18,630	55,137
Cost of services	(2,306)	(2,516)	(2,608)	(3,226)	(3,267)	(4,572)	(4,210)	(3,754)	(6,483)
Gross profit	11,129	13,269	14,439	20,290	24,979	26,667	27,740	14,876	48,654
Gross margin	83%	84%	85%	86%	88%	85%	87%	80%	88%
Operating Expenses:									
Product development	(1,994)	(1,821)	(2,619)	(3,173)	(3,380)	(4,194)	(4,436)	(3,807)	(5,011)
Sales and marketing	(9,601)	(8,579)	(6,478)	(8,181)	(8,861)	(8,788)	(8,794)	(7,725)	(11,882)
General administrative	(3,706)	(3,664)	(3,666)	(3,889)	(3,618)	(4,529)	(4,225)	(3,712)	(4,496)
Share-based compensation	(9)	(10)	(115)	(131)	(89)	(127)	(219)	(399)	(414)
Amortization of goodwill and other intangible assets	(485)	(352)	(88)	(88)	(88)	(88)	(88)	(88)	(88)
Other expenses incurred for joint venture companies (Home Inns)	(341)	(594)	(634)	(281)	—	—	—	—	—
Total operating expenses	(16,136)	(15,020)	(13,600)	(15,743)	(16,036)	(17,726)	(17,762)	(15,731)	(21,891)
Income (loss) from operations	(5,007)	(1,751)	839	4,547	8,943	8,941	9,978	(855)	26,763
Operating margin	—	—	5%	19%	32%	29%	31%	—	49%
Number of room nights booked (in thousands)	234.3	262.1	273.8	374.4	438.8	467.7	486.0	280.5	747.8
Number of airline tickets booked (in thousands)	—*	—*	—*	—*	—*	79.3	111.7	74.4	183.1

* Meaningful information concerning the number of airline tickets booked during these periods is not available.

Our quarterly net revenues have experienced continued growth since the third quarter of 2001, except for the second quarter of 2003 during which our revenues were materially adversely affected by the SARS outbreak. The growth was in line with the increase in the number of room nights and airline tickets booked during the quarterly periods presented. It was primarily attributable to the continued increase in revenues from our hotel reservation and air-ticketing businesses. Our gross margin has remained at or above 80% throughout the past nine quarters, primarily due to competitive labor costs in China and relatively high efficiency of our customer service system. The growth in our quarterly operating income has generally offset any negative impact caused by the seasonality of the travel industry, except for the SARS period. During the second quarter of 2003, we received financial subsidies of RMB2,431,500 (US$293,762) from the government authorities in Shanghai. As a result, our quarterly operating loss for the second quarter of 2003 due to the SARS outbreak was offset by these financial subsidies.

Our gross profit and income from operations for the quarter ended September 30, 2003 have increased substantially compared to each of the preceding quarters. This increase is principally attributable to (i) the prompt and sharp rebound of the travel industry in China following a three-month travel downturn during the SARS period, (ii) the broader recognition of our Ctrip brand name, and (iii) the efficiency of our established transaction and service platform.

Affiliated Chinese Entities

Due to the current restrictions on foreign ownership of the air-ticketing, travel agency, advertising and Internet content provision businesses in China, we conduct part of our non-hotel reservation businesses through our affiliated Chinese entities. We have entered into consulting and service agreements with each of these entities whereby we provide technical support and other services to them in exchange for service fees from them. In addition, we have also entered into other agreements with them designed to give us control over their operations and secure payment of service fees from them, including share pledge agreements, powers of attorney and operating agreements. Pursuant to the share pledge agreements, Qi Ji, Min Fan and Alex Nanyan Zheng pledge their respective equity interests in our affiliated entities as a guarantee for the payment by these entities of service fees to us. As a result, in the event that any of our affiliated entities breaches any of its obligations under the service agreement with us, we are entitled to (i) sell the equity interests held by Qi Ji, Min Fan and/or Alex Nanyan Zheng, as the case may be, and retain the proceeds from such sale, or (ii) require any of them to transfer his equity interest without consideration to the Chinese citizen(s) designated by us. In addition, Qi Ji, Min Fan and Alex Nanyan Zheng have each executed an irrevocable power of attorney to appoint our President and Chief Financial Officer, Neil Nanpeng Shen, as attorney-in-fact to vote on all matters on which shareholders of our affiliated entities are entitled to vote, including matters relating to the appointment of the chief executive officers of our affiliated entities. Furthermore, pursuant to the operating agreements, our affiliated entities and their shareholders have agreed not to enter into any transaction that would affect the assets, obligations, rights or operations of such entities without our prior written consent. They also agree to accept our guidance with respect to their day-to-day operations, financial management systems and the appointment and dismissal of key employees. Through these arrangements, we have been able to effectively control the management and operations of our affiliated entities.

We hold no ownership interest in any of our affiliated entities. The ultimate principal shareholders of Beijing Chenhao, Shanghai Huacheng and Guangzhou Guangcheng are Qi Ji, who is our co-founder and director, Min Fan, who is our co-founder and executive vice president, and Alex Nanyan Zheng, who is our vice president. Qi Ji and Min Fan own 80% and 20%, respectively, of Beijing Chenhao. Qi Ji and Min Fan own 51% and 49%, respectively, of Ctrip Commerce, and Ctrip Commerce owns 90% of Shanghai Huacheng. Min Fan and Alex Nanyan Zheng own 90% and 10%, respectively, of Guangzhou Guangcheng. We have made loans to Qi Ji, Min Fan and Alex Nanyan Zheng solely in connection with the capitalization or acquisition of our affiliated entities. See “Related Party Transactions — Arrangements with Affiliated Chinese Entities.”

Prior to July 1, 2003, we did not consolidate the financial results of our affiliated Chinese entities. Instead, according to the service agreements then in effect, we earned part of our air-ticketing and packaged-

tour revenues from Beijing Chenhao and Shanghai Huacheng by charging fees for services we rendered to them, including consulting, technology, administrative, marketing and other services. We issued invoices to Beijing Chenhao and Shanghai Huacheng on a monthly basis based on the amount of service fees determined in our sole discretion. We recognized our air-ticketing or packaged-tour revenue when we performed the services to the applicable entity. Historically, we generated less than 5% of our revenues from service fees charged to our affiliated entities. Since July 1, 2003, as required by FIN 46, a new accounting standard, we began to consolidate the financial results of our affiliated Chinese entities. See "— Recent Accounting Pronouncements." As a result of this change in accounting policy, our results of operations attributable to our affiliated entities are not reflected in our results of operations for the nine months ended September 30, 2003 on the same basis as our results of operations for the same period in 2002. We believe, however, that the application of this change in accounting policy is not material to our financial statements.

Acquisition of Shanghai Cuiming

In order to expand our cross-border packaged-tour business, we recently acquired an effective controlling stake in Shanghai Cuiming, which holds a license to conduct both cross-border and domestic packaged-tour businesses. As part of our acquisition, Min Fan, our co-founder and executive vice president, entered into a share purchase agreement with the shareholders of Shanghai Cuiming in August 2003, pursuant to which Min Fan agreed to pay RMB2.0 million (US$0.2 million) to acquire a 66% ownership interest in Shanghai Cuiming. We made an interest-free loan to Min Fan in a principal amount of RMB4.3 million (US$0.5 million) in connection with the acquisition and expected increase in the capital of Shanghai Cuiming. We have entered into contractual arrangements with Shanghai Cuiming and Min Fan that contain substantially similar terms as our arrangements with our other affiliated Chinese entities. See "Related Party Transactions — Arrangements with Affiliated Chinese Entities." The acquisition of Shanghai Cuiming does not have a material effect on our consolidated financial condition and result of operations.

Critical Accounting Policies

We prepare financial statements in conformity with U.S. GAAP, which require us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the financial reporting period. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates. Some of our accounting policies require higher degrees of judgment than others in their application. We consider the policies discussed below to be critical to an understanding of our financial statements as their application places the most significant demands on management's judgment.

Revenue Recognition. We describe our revenue recognition polices in Note 2 to our consolidated financial statements included elsewhere in this prospectus. In considering Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" and Emerging Issues Task Force 99-19 "Reporting Revenue Gross as a Principal versus Net as an Agent," we believe that our policies for revenue recognition and presentation of statement of operations are appropriate. The factors we have considered include whether we are able to achieve the pre-determined specific performance targets by travel suppliers for recognition of the incentive commissions in addition to the fixed-rate and our risk of loss due to obligations for cancelled hotel and airline ticket reservations. As we operate primarily as agent to the travel suppliers and our risk of loss due to obligations for cancelled hotel and airline ticket reservations is minimum, we recognize commissions on a net basis.

Goodwill, Intangible Assets and Long-Lived Assets. In addition to the original cost of goodwill, intangible assets and long-lived assets, the recorded value of these assets is impacted by a number of policy elections, including estimated useful lives, residual values and impairment charges. Statement of Financial Accounting Standards No. 142 provides that intangible assets that have indefinite useful lives and goodwill

will not be amortized but rather will be tested at least annually for impairment. Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-lived Assets" requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable from its undiscounted future cash flow. For each of 2000, 2001, 2002 and the nine months ended September 30, 2003, we did not recognize any impairment charges for goodwill, intangible assets or long-lived assets. If different judgments or estimates had been utilized, material differences could have resulted in the amount and timing of the impairment charge.

Customer Reward Program. We have a customer reward program as described in Note 2 to our consolidated financial statements included elsewhere in this prospectus. Provisions of the customer reward program allow customers to receive travel awards and other gifts based on accumulated membership points that vary depending on the products and services purchased by the customers. Because we have an obligation to provide such travel awards and other gifts, we recognize a liability and corresponding expense for the related future obligations. As of December 31, 2000, 2001 and 2002 and September 30, 2003, our provisions for the customer reward program were RMB109,762, RMB911,526, RMB2,297,403 (US$277,561) and RMB3,470,457 (US$419,284), respectively. We estimate our liabilities under our customer reward program based on accumulated membership points and our estimate of probability of redemption. If actual redemption differs significantly from our estimate, it will result in an adjustment to our liability and the corresponding expense. If our estimate of the probability of redemption increases by 10%, the obligation related to our customer reward program would increase by approximately RMB347,000 (US$41,923).

Share-Based Compensation. We have share option plans to grant stock options to officers, directors, and employees of our company. We account for these plans under Accounting Principles Board Opinion No. 25, the intrinsic value approach, with the required disclosures under the related accounting guidance described in Note 2 to our consolidated financial statements included elsewhere in this prospectus. For 2001, 2002 and the nine months ended September 30, 2003, we recognized share-based compensation under the share option plans in the amounts of nil, RMB21,950, RMB462,140 (US$55,834) and RMB1.03 million (US$124,440), respectively. While we believe that the share-based compensation we recognized for the plans under Accounting Principles Board Opinion No. 25 is appropriate, changes in our assumptions, including estimated fair value of our ordinary shares, will result in an adjustment to our deferred share-based compensation and the corresponding share-based compensation.

Loans to a Director and Officers. We make certain long-term loans to a director and two senior executives of our company for the purpose of establishing and/or acquiring several affiliated Chinese entities, which are used to facilitate our air-ticketing, packaged tour, Internet content provision and advertising services, where foreign ownership is restricted. To the extent losses are incurred by these affiliated entities, we accrue for such losses by recording valuation allowances against the long-term loans to the director and senior executives. For 2000, 2001, 2002 and the nine months ended September 30, 2003, we did not record any valuation allowances for losses incurred by our affiliated Chinese entities. To the extent that the Chinese regulations change or the business conditions of these affiliated entities deteriorate, valuation allowances may be required. For more information about these loans, see "Related Party Transactions — Arrangements with Affiliated Chinese Entities."

Deferred Tax Valuation Allowances. We have not recorded any valuation allowances to reduce our deferred tax assets, as we believe that our deferred tax asset amounts are more than likely to be realized based on our estimate of future taxable income and prudent and feasible tax planning strategies. As of December 31, 2000, 2001 and 2002 and September 30, 2003, we recorded deferred tax assets of RMB7,496,080, RMB9,837,979, RMB593,143 (US$71,661) and RMB684,155 (US$82,656), respectively. In 2002, we utilized deferred tax assets of RMB9,244,836 (US$1,116,917) accumulated from our operations during prior years, primarily relating to net operating losses carry-forwards. If, however, unexpected events occur in the future that would prevent us from realizing all or a portion of our net deferred tax assets, an adjustment would result in a charge to income in the period in which such determination was made.

Results of Operations

The following table sets forth a summary of our consolidated statements of operations as a percentage of net revenues for the periods indicated.

	Year Ended December 31,			Nine Months Ended September 30,	
	2000	2001	2002	2002	2003
	(unaudited)			(unaudited)	
Revenues:					
Hotel reservation	82.7%	98.6%	96.7%	97.7%	90.4%
Airline ticketing	13.1%	4.2%	5.6%	4.9%	11.0%
Packaged tour	4.8%	1.4%	0.4%	0.6%	1.6%
Others	6.4%	1.3%	2.5%	2.1%	2.3%
Less: Business tax and related surcharges	(7.0)%	(5.5)%	(5.2)%	(5.3)%	(5.3)%
Net revenues	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of services	(30.2)%	(18.1)%	(13.7)%	(13.2)%	(13.7)%
Gross profit	69.8%	81.9%	86.3%	86.8%	86.3%
Operating expenses:					
Product development	(105.6)%	(17.6)%	(13.4)%	(13.3)%	(12.5)%
Sales and marketing	(269.3)%	(69.0)%	(32.2)%	(34.2)%	(26.9)%
General and administrative	(181.1)%	(33.7)%	(15.7)%	(16.2)%	(11.8)%
Share-based compensation	—	(0.1)%	(0.5)%	(0.5)%	(1.0)%
Amortization of goodwill and other intangible assets	(5.7)%	(4.1)%	(0.3)%	(0.4)%	(0.2)%
Other expenses incurred for joint venture companies	—	(2.1)%	(0.9)%	(1.3)%	—
Total operating expenses	(561.7)%	(126.6)%	(63.0)%	(65.9)%	(52.4)%
Income (Loss) from operations	(491.9)%	(44.7)%	23.3%	20.8%	33.9%
Interest income	11.4%	5.0%	0.3%	0.3%	0.2%
Interest expense on short-term bank loan	—	(0.1)%	0.0%	0.0%	—
Other income (expense)	(0.9)%	(0.2)%	1.0%	0.4%	3.4%
Income (Loss) before income tax benefit (expense), minority interests and share of loss in joint venture companies	(481.4)%	(40.0)%	24.6%	21.5%	37.5%
Income tax benefit (expense)	109.8%	5.3%	(10.0)%	(8.9)%	(10.4)%
Minority interests	—	—	0.0%	0.0%	0.0%
Share loss of joint venture companies	—	—	(0.4)%	(0.3)%	(0.5)%
Net income (loss) for the period	(371.6)%	(34.7)%	14.2%	12.3%	27.6%

Nine Months Ended September 30, 2003 Compared to Nine Months Ended September 30, 2002

Revenues. We generated revenues of RMB111.3 million (US$13.5 million) in the nine months ended September 30, 2003, an increase of 53.7% from RMB72.4 million in the same period in 2002. Although we were adversely affected by the outbreak of SARS in the second quarter of 2003, we were able to achieve increased revenues in the nine months ended September 30, 2003 due to increases in revenues from our hotel reservation and air-ticketing businesses.

Hotel Reservation. For the nine months ended September 30, 2003, revenues from our hotel reservation business increased by 42.1% to RMB95.5 million (US$11.5 million) from RMB67.2 million in the same period in 2002, primarily because of our growing customer base and increased booking of hotel rooms. Although revenue growth in our hotel reservation business in the nine months ended September 30, 2003 was adversely affected by the outbreak of SARS in the second quarter in 2003, our hotel room sales volume increased substantially in the third quarter of 2003, after the SARS outbreak ended.

Air-ticketing. For the nine months ended September 30, 2003, revenues generated from our air-ticketing business increased substantially to RMB11.6 million (US$1.4 million) from RMB3.3 million in the same period in 2002, due to our increased efforts to expand our air-ticketing business and establish relationships with more air-ticketing service companies, offset in part by the impact of SARS.

Packaged-tour. Packaged-tour revenues for the nine months ended September 30, 2003 increased substantially to RMB1.7 million (US$0.2 million) from RMB390,215 in the same period in 2002. This increase was due to our increased efforts to expand our packaged-tour business by leveraging our existing customer base and offering more packaged-tour products.

Other Businesses. For the nine months ended September 30, 2003, revenues from our other businesses increased by 62.8% to RMB2.4 million (US$0.3 million) from RMB1.5 million in the same period in 2002, due to the increased sales of our advertising services and VIP membership cards.

Net Revenues. Our net revenues are derived by subtracting business tax and related surcharges from our revenues. Our net revenues increased by 53.6% from RMB68.8 million in the nine months ended September 30, 2002 to RMB105.7 million (US$12.8 million) in the nine months ended September 30, 2003, as a result of our increased revenues, partially offset by the resulting increase in business tax and related surcharges over the same periods.

Costs of Services. Costs of services for the nine months ended September 30, 2003 increased by 58.8% to RMB14.4 million (US$1.7 million) from RMB9.1 million for the same period in 2002. The increase in costs of services was primarily due to increased salary and benefits largely resulting from the hiring of additional customer service center representatives as well as increased telecommunication expenses resulting from the higher utilization rate of our customer service center.

Our costs of services increased at a higher percentage rate than our net revenues, principally due to the outbreak of SARS. Since we viewed SARS as an event of limited long-term significance, we maintained substantially the same level of staff. To mitigate the impact of SARS, however, we adopted measures to reduce our costs, including unpaid leave for our employees. At the same time, our significantly lower transaction volume reduced our telecommunication expenses, due to lower incoming and outgoing calls, and our salary and benefits, since the compensation of our customer service agents is linked to the number of completed transactions. Notwithstanding these cost-reduction efforts, our costs of services did not decline enough to offset the impact of SARS on our net revenues.

Operating Expenses. Operating expenses in the nine months ended September 30, 2003 increased to RMB55.4 million (US$6.7 million), or 22.0% from RMB45.4 million for the same period in 2002, primarily due to increased product development and sales and marketing expenses. Operating expenses as a percentage of net revenues decreased to 52.4% in the nine months ended September 30, 2003 from 65.9% for the same period in 2002.

Product Development. Product development expenses increased by 44.5% to RMB13.3 million (US$1.6 million) in the nine months ended September 30, 2003 from RMB9.2 million for the same period in 2002, primarily due to the hiring of additional personnel to expand our travel suppliers network.

Sales and Marketing. Sales and marketing expenses increased by 20.8% to RMB28.4 million (US$3.4 million) in the nine months ended September 30, 2003 from RMB23.5 million for the same period in 2002, primarily because of increased expenses incurred in connection with our customer reward program, increased salary and benefit expenses for sales and marketing staff, production of marketing materials and membership cards, as well as increased commissions to our marketing partners for referring customers to us.

General and Administrative. General and administrative expenses increased by 11.3% to RMB12.4 million (US$1.5 million) in the nine months ended September 30, 2003 from RMB11.2 million for the same period in 2002.

Share-Based Compensation. Share-based compensation increased substantially to RMB1.0 million (US$0.1 million) in the nine months ended September 30, 2003 compared to RMB336,127 for the same period in 2002, due to the issuance of additional share options under our 2000 and 2003 stock option plans in the nine months ended September 30, 2003.

Amortization of Goodwill and Other Intangible Assets. Amortization expenses remained stable at RMB264,931 (US$32,008) in the nine months ended September 30, 2003, primarily representing the continuing amortization of a customer list arising from our acquisition of Beijing Modern Express.

Other Expenses Incurred for Joint Venture Companies. We incurred no expenses for joint venture companies in the nine months ended September 30, 2003, but incurred expenses of RMB915,056 over the same period in 2002, because Home Inns and Hotels Management (Beijing) Limited, a joint venture subsidiary of Home Inns, began to bear its own expenses after its establishment in the second half of 2002.

Interest Income and Expenses. Interest income increased to RMB242,577 (US$29,307) in the nine months ended September 30, 2003 from RMB216,972 in the same period in 2002 because of the increase in our bank deposits. Interest expense decreased to zero in the nine months ended September 30, 2003 from RMB41,261 (US$4,985) for the same period in 2002, because we repaid our bank loan in early 2002.

Other Income. Other income increased substantially to RMB3.5 million (US$0.4 million) in the nine months ended September 30, 2003 from RMB263,044 in the same period in 2002, because we received financial subsidies totaling RMB3,354,450 (US$405,269), RMB922,950 (US$111,506) of which were granted for entities impacted by SARS from the government authorities in Shanghai in 2003.

Income Tax Expense. Income tax expense for the nine months ended September 30, 2003 increased by 78.2% to RMB11.0 million (US$1.3 million) from RMB6.2 million for the nine months ended September 30, 2002, primarily because of the increase of our taxable income.

Net Income. Net income increased by 245.2% to RMB29.2 million (US$3.5 million) in the nine months ended September 30, 2003 from RMB8.5 million for the same period in 2002, primarily due to an increase in income from operations, offset in part by the negative impact of the outbreak of SARS.

2002 Compared to 2001

Revenues. We had revenues of RMB105.3 million (US$12.7 million) in 2002, an increase of 127.1% over RMB46.4 million in 2001. This revenue growth was principally the result of the expansion of our hotel reservation business, supplemented by the growth in our air-ticketing business.

Hotel Reservation. Revenues from our hotel reservation business increased substantially by 123.1% to RMB96.8 million (US$11.7 million) in 2002 from RMB43.4 million in 2001, primarily as a result of the continued rapid increase in our hotel room sales volume and the "ratchet system" commission arrangement with many of our hotel suppliers.

Air-ticketing. Revenues from our air-ticketing business increased substantially by 205.7% to RMB5.6 million (US$0.7 million) in 2002 from RMB1.8 million in 2001, primarily due to our efforts to expand the customer base for our air-ticketing business in 2002, including the enhancement of our fulfillment channel under various service agreements with third parties and Beijing Chenhao, and the acquisition of the air-ticketing business of Beijing Hai'an Air-ticketing Agency.

Packaged-tour. Packaged-tour revenues decreased by 27.3% to RMB432,295 (US$52,228) in 2002 compared to RMB594,802 in 2001, primarily because of our decision to reduce the amount of consulting fees that we charged to Shanghai Huacheng to enable Shanghai Huacheng to fund its operating requirements.

Other Businesses. Revenues from our other businesses increased substantially to RMB2,517,316 (US$304,130) in 2002 from RMB576,075 in 2001, primarily due to the increased sales of our advertising services and VIP membership cards in 2002.

Net Revenues. Our net revenues increased from RMB44.0 million in 2001 to RMB100.0 million (US$12.1 million) in 2002 as a result of our increased revenues, partially offset by the resulting increase in business tax and related surcharges over the same periods.

Costs of Services. Costs of services in 2002 increased by 72.2% to RMB13.7 million (US$1.7 million) from RMB7.9 million in 2001. The increase in our costs of services was primarily attributable to the hiring of additional customer service representatives as well as increased telecommunication expenses resulting from the overall expansion of our hotel reservation and air-ticketing businesses.

Operating Expenses. Operating expenses in 2002 increased to RMB63.1 million (US$7.6 million), or 13.3% over RMB55.7 million in 2001, primarily due to a significant increase in product development expenses and a slight increase in sales and marketing expenses, partially offset by amortization of goodwill and other intangible assets. Operating expenses as a percentage of net revenues decreased to 63.0% in 2002 from 126.6% in 2001, because our revenues increased substantially while our established transaction and service platform was able to keep up with the increased transaction volume without the need to incur expenses at a rate similar to our revenue growth.

Product Development. Product development expenses increased by 72.2% to RMB13.4 million (US$1.6 million) in 2002 from RMB7.8 million in 2001, primarily due to the hiring of additional staff to expand our travel supplier network and additional technical support staff and the related increase in office expenses.

Sales and Marketing. Sales and marketing expenses increased by 6.4% to RMB32.3 million (US$3.9 million) in 2002 from RMB30.4 million in 2001, primarily due to increased commission payments to our marketing partners that referred customers to us, increased expenses in connection with our customer reward program and the installation of additional marketing counters at airports. The increase was offset in part by a decrease in compensation to sales and marketing personnel resulting from changes in our compensation structure.

General and Administrative. General and administrative expenses increased by 6.0% to RMB15.7 million (US$1.9 million) in 2002 from RMB14.8 million in 2001.

Share-Based Compensation. Share-based compensation expenses increased substantially to RMB462,140 (US$55,834) in 2002 from RMB21,950 in 2001, due to the issuance of additional share options under our 2000 stock option plan.

Amortization of Goodwill and Other Intangible Assets. Amortization expenses decreased by 80.4% from RMB1.8 million in 2001 to RMB353,241 (US$42,677) in 2002, because we did not recognize in 2002 any further amortization expenses on goodwill arising from the 2000 acquisition of Beijing Modern Express, following the adoption in 2002 of a new accounting policy, and because the marketing agreement that we acquired from Beijing Modern Express was fully amortized in 2001.

Other Expenses Incurred for Joint Venture Companies. Other expenses, mainly consisting of payroll compensation and related expenses incurred for joint venture companies, remained stable at RMB915,056 (US$110,553) in 2002.

Interest Income and Expenses. Interest income decreased by 85.4% from RMB2.2 million in 2001 to RMB319,230 (US$38,568) in 2002, primarily due to a significant reduction in the interest rate for our bank deposits. Interest expenses decreased to RMB41,261 (US$4,985) in 2002 from RMB62,058 in 2001, because we repaid our short-term RMB bank loan in early 2002.

Other Income (Expense). Other income increased substantially to RMB1.0 million (US$0.1 million) in 2002 from other expenses of RMB79,858 in 2001, principally because we received financial subsidies of RMB783,900 (US$94,707) from a government authority in Shanghai in 2002.

Income Tax Benefit (Expense). Income tax expense substantially increased to RMB10.0 million (US$1.2 million) in 2002 compared to income tax benefit of RMB2.3 million in 2001, primarily because we started to generate taxable income in 2002.

Net Income (Loss). Net income increased to RMB14.2 million (US$1.7 million) in 2002 compared to a net loss of RMB15.3 million in 2001, as a result of the cumulative effect of the above factors.

2001 Compared to 2000

Revenues. We had revenues of RMB46.4 million in 2001, an increase of 571.4% over RMB6.9 million in 2000. This revenue growth was mostly driven by our increased revenues from the hotel reservation business.

Hotel Reservation. Revenues from our hotel reservation business increased substantially by 712.5% to RMB43.4 million in 2001 from RMB5.3 million in 2000, primarily due to our acquisition of an increasing number of hotel suppliers and customers, and also due to our acquisition of Beijing Modern Express in October 2000.

Air-ticketing. Revenues from our air-ticketing business increased substantially by 116.6% to RMB1.8 million in 2001 from RMB845,776 in 2000, primarily due to our expanded customer base and related transaction volume.

Packaged-tour. Packaged-tour revenues increased by 91.4% to RMB594,802 in 2001 from RMB310,750 in 2000, primarily due to our expanded customer base and the resulting increased sales of our packaged-tour products.

Other Businesses. Revenues from our other lines of business increased by 39.5% to RMB576,075 in 2001 compared to RMB412,940 in 2000, primarily because we began to sell our VIP membership cards in 2001. This increase was partially offset by a decrease in our online advertising revenue due to reduced demand.

Net Revenues. Our net revenues increased from RMB6.5 million in 2000 to RMB44.0 million in 2001 as a result of our increased revenues, partially offset by the resulting increase in business tax and related surcharges over the same periods.

Costs of Services. Costs of services in 2001 substantially increased to RMB7.9 million from RMB1.9 million in 2000. The increase in costs of services was primarily attributable to increased staff costs and increased telecommunication expenses in our customer service center as a result of the overall expansion of our business.

Operating Expenses. Operating expenses in 2001 increased by 53.7% to RMB55.7 million from RMB36.2 million in 2000, primarily due to increases in sales and marketing and general and administrative expenses and amortization of goodwill and other intangible assets.

Product Development. Product development expenses increased by 13.8% to RMB7.8 million in 2001 from RMB6.8 million in 2000, primarily due to hiring more personnel in hotel relationship management and technology support and development, as well as increases in office expenses and telecommunications expenses necessary to enhance our transaction and service platform.

Sales and Marketing. Sales and marketing expenses increased by 74.7% to RMB30.4 million in 2001 from RMB17.4 million in 2000, primarily because we committed significant resources to exploring additional sales and marketing channels.

General and Administrative. General and administrative expenses increased by 26.9% to RMB14.8 million in 2001 from RMB11.7 million in 2000, primarily due to increases in staff costs and travel expenses in connection with the overall expansion of our hotel reservation business.

Share-Based Compensation. We incurred RMB21,950 share-based compensation in 2001 for the amortization of deferred share-based compensation related to share options granted during that period.

Amortization of Goodwill and Other Intangible Assets. Amortization expenses increased substantially from RMB370,822 in 2000 to RMB1.8 million in 2001, because we recorded the full-year amortization expenses of goodwill and intangible assets, including customer list and marketing agreements, with respect to our acquisition of Beijing Modern Express, which we acquired in October 2000.

Other Expenses Incurred for Joint Venture Companies. We incurred other expenses, mainly consisting of payroll compensation and related expenses for joint venture companies, in the amount of RMB934,572 in 2001, but we did not incur such expenses in 2000. These expenses were incurred in relation to the development of hotel management business prior to the establishment of Home Inns.

Interest Income and Expenses. Interest income increased by 198.0% to RMB2.2 million in 2001 from RMB735,178 in 2000, because we raised a substantial amount of funds near the end of 2000, a portion of which were invested in time deposits. We incurred interest expenses of RMB62,058 in 2001, and none in 2000, because we obtained a short-term RMB bank loan to meet the RMB expense requirements in 2001.

Other Expenses. Other expenses increased marginally to RMB79,858 in 2001.

Income Tax Benefit. Income tax benefit in 2001 decreased by 70.0% to RMB2.3 million from RMB7.0 million in 2000, primarily due to the decrease in losses incurred to RMB17.6 million in 2001 from RMB31.0 million in 2000. The decrease in income tax benefit in 2002 was a result of an increase in non-deductible expenses.

Net Loss. Our net loss decreased by 36.3% to RMB15.3 million in 2001 from RMB24.0 million in 2000, primarily because our revenues increased significantly while our established transaction and service platform was able to keep up with the increased transaction volume without the need to incur expenses at a rate similar to our revenue increase rate.

Liquidity and Capital Resources

Liquidity. The following table sets forth the summary of our cash flows for the periods indicated:

	Year Ended December 31,				Nine Months Ended September 30,		
	2000	2001	2002	2002	2002	2003	2003
	(unaudited) RMB	RMB	RMB	US$ (in thousands)	(unaudited) RMB	RMB	US$
Net cash provided by (used in) operating activities	(28,584)	(19,891)	23,427	2,830	10,815	37,604	4,543
Net cash provided by (used in) investing activities	(13,648)	(30,593)	3,427	414	11,626	(11,858)	(1,433)
Net cash provided by (used in) financing activities	128,187	4,000	(30,425)	(3,676)	(3,456)	5,589	675
Net increase (decrease) in cash and cash equivalents	85,977	(46,444)	(3,532)	(427)	19,025	31,422	3,796
Cash at beginning of period	2,931	88,908	42,464	5,130	42,464	38,931	4,703
Cash at end of period	88,908	42,464	38,931	4,703	61,488	70,353	8,500

Net cash provided by operating activities was RMB37.6 million (US$4.5 million) for the nine months ended September 30, 2003, compared to RMB10.8 million for the same period in 2002. Net cash provided by operating activities was RMB23.4 million (US$2.8 million) in 2002 compared to net cash used in operating activities of RMB19.9 million in 2001. We began to have positive net cash flow in the fourth quarter of 2001. The increase in our net revenue resulting from our increased transaction volume, coupled with the low-cost structure of our operations and high utilization rate of our transaction and service platform, primarily contributed to our positive net cash position.

Net cash used in investing activities amounted to RMB11.9 million (US$1.4 million) for the nine months ended September 30, 2003, compared to net cash provided by investing activities of RMB11.6 million for the nine months ended September 30, 2002. This change was mainly due to the

withdrawal of our short-term time deposit in the nine months ended September 30, 2002. Net cash provided by investing activities amounted to RMB3.4 million (US$0.4 million) in 2002, compared to net cash used in investing activities of RMB30.6 million in 2001, principally due to our purchase of a short-term time deposit in 2001 and the subsequent withdrawal in 2002, the purchase of the air-ticketing business of Beijing Hai'an of RMB2.6 million (US$0.3 million) and our premises in Shanghai of RMB7.2 million (US$0.9 million) as well as the investment of RMB5.5 million (US$0.7 million) in Home Inns Beijing in 2002. Net cash used in investment activities amounted to RMB13.6 million in 2000, mainly consisting of the cash consideration of RMB8.0 million paid for the purchase of Beijing Modern Express, and the loans of RMB2.0 million extended to related parties for the acquisition or establishment of certain affiliated entities.

Net cash provided by financing activities amounted to RMB5.6 million (US$0.7 million) for the nine months ended September 30, 2003, compared to net cash used in financing activities of RMB3.5 million for the nine months ended September 30, 2002, because we agreed to use the entire proceeds from the issuance of Series C preferred shares to redeem some of our outstanding shares held by our existing shareholders and pay for professional services related to the issuance of Series C preferred shares, but we did not receive payment instructions from some of our shareholders in September 2003. We have recently paid off all of the remaining shareholders in connection with redemption of some of their shares. Net cash used in financing activities was RMB30.4 million (US$3.7 million) in 2002, compared to net cash provided by financing activities of RMB4.0 million in 2001. This change was due to our payment of cash dividends in the amount RMB27.3 million (US$3.3 million) in 2002 and entering into our RMB4.0 million short-term bank loan in 2001. Net cash provided by financing activities of RMB128.2 million in 2000 represented the net proceeds from issuance of Series A preferred shares and Series B preferred shares.

Capital Resources. We have historically financed our capital expenditure requirements with cash flows from operations, as well as through the sale of our Series A preferred shares and Series B preferred shares.

We made capital expenditures of RMB4.6 million, RMB5.8 million, RMB13.2 million (US$1.6 million) and RMB8.1 million (US$1.0 million) in 2000, 2001, 2002 and the nine months ended September 30, 2003, respectively, and expect to make additional capital expenditures totaling approximately RMB5.0 million (US$0.6 million) for the rest of 2003 and approximately RMB16.0 million (US$1.9 million) for 2004. The capital expenditures in the past principally consisted of purchases of servers, workstations, computers, computer software, and other items related to our network infrastructure. In addition, we spent RMB7.2 million (US$0.9 million) in 2002 to purchase most of our premises in Shanghai. We expect our capital expenditures in 2003 to primarily consist of purchases of additional information technology-related equipment. In addition, we expect that our capital expenditures will increase in the future as we make technological improvements to our transaction and service platform.

As of September 30, 2003, our primary source of liquidity was RMB70.4 million (US$8.5 million) of cash. In 2001, we borrowed a RMB4.0 million short-term bank loan with an annual interest rate of 6.138%. We repaid this loan in its entirety in early 2002. We have no outstanding bank loans or financial guarantees or similar commitments to guarantee the payment obligations of third parties.

We believe that our current cash and cash equivalents, cash flow from operations and the proceeds from this offering will be sufficient to meet our anticipated cash needs, including our cash needs for working capital and capital expenditures, for the foreseeable future. We may, however, require additional cash resources due to changing business conditions or other future developments, including any investments or acquisitions we may decide to pursue.

Contractual Cash Obligations

We have entered into leasing arrangements relating to office premises, equipment and others that are classified as operating leases. The following sets forth our commitments under operating leases as of September 30, 2003:

	Office Premises	Equipment and Others	Total
		(in thousands of RMB)	
Less than 1 year	2,432,119	3,984,660	6,416,779
1-3 years	623,704	536,985	1,160,689
3-5 years	—	—	—
More than 5 years	—	—	—

Other than the leasing obligations set forth above, we do not have any long-term commitments.

Off-Balance Sheet Arrangements

We do not have any outstanding derivative financial instruments, off-balance sheet guarantees, interest rate swap transactions or foreign currency forward contracts. We do not engage in trading activities involving non-exchange traded contracts.

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 PricewaterhouseCoopers, our principal external auditors, for the periods indicated. We did not pay any tax related or other fees to our auditors during the periods indicated below.

	For the Year Ended December 31,		
	2001(1)	2002	
Audit fees(2)	RMB304,620	RMB424,375	US$51,253
Audit-related fees(3)	—	23,167	2,798

(1) Audit fees paid to external auditors in 2001 represent fees billed by Arthur Andersen •Hua Qiang Certified Public Accountants, our then principal external auditors.

(2) "Audit fees" means the aggregate fees billed in each of the fiscal years listed for professional services rendered by our principal auditors for the audit of our annual financial statements.

(3) "Audit-related fees" means the aggregate fees billed in each of the fiscal years listed for assurance and related services by our principal auditors that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit fees." Services comprising the fees disclosed under the category of "Audit-related fees" involve principally the performance of certain agreed upon procedures.

Inflation

Inflation in China has not had a material impact on our results of operations in recent years. According to the National Bureau of Statistics of China, the change in Consumer Price Index in China was 0.4%, 0.7%, (0.8%) and 0.6% in 2000, 2001, 2002 and the six months ended June 30, 2003, respectively.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk. Our exposure to interest rate risk for changes in interest rates relates primarily to the interest income generated by excess cash deposited in banks. We have not used any derivative financial instruments to hedge interest rate risk. We have not been exposed nor do we anticipate being exposed to

material risks due to changes in interest rates. Our future interest income may fluctuate in line with changes in interest rates. However, the risk associated with fluctuating interest rates is principally confined to our cash deposits in banks, and, therefore, our exposure to interest rate risk is minimal and immaterial.

Foreign Exchange Risk. We are exposed to foreign exchange risk arising from various currency exposures. Some of our expenses, including rent for our Hong Kong office and salaries of employees located in Hong Kong, is denominated in foreign currencies while almost all of our revenue is denominated in RMB. We have not used any forward contracts or currency borrowings to hedge our exposure to foreign currency risk. Therefore, our exposure to foreign exchange risks is minimal and immaterial.

Recent Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations," which addresses accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. This statement requires that an entity recognize an asset retirement obligation in the period in which it is incurred, and the entity shall capitalize the asset retirement cost by increasing the carrying amount of the related asset by the same amount as the liability and subsequently allocate that retirement cost to expense over the asset's useful life. This statement is effective for fiscal years beginning after June 15, 2002. We do not expect that the adoption of this statement will have a material effect on our financial position or results of operations.

In April 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections." Statement of Financial Accounting Standards No. 145 requires gains and losses on extinguishments of debt to be classified as income or loss from continuing operations, rather than as extraordinary items, as previously required under Statement of Financial Accounting Standard Board No. 4, "Reporting Gains and Losses from Extinguishment of Debt, an amendment of APB Opinion No. 30." Extraordinary treatment will be required for certain extinguishments, as provided in APB Opinion No. 30, "Reporting the Results of Operations — Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." The statement also amended Statement of Financial Accounting Standards No. 13 "Accounting for Leases" for certain sale-leaseback transactions and sublease accounting. This statement is effective since January 1, 2003. The adoption of this statement did not have a material effect on our financial position or results of operations.

In December 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure." This statement amends Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for companies that voluntarily change to a fair value-based method of accounting for share-based employee compensation. This statement also amends the disclosure provisions of Statement of Financial Accounting Standards No. 123. The provisions of Statement of Financial Accounting Standards No. 148 are effective for fiscal years ending after December 15, 2002. We have elected to continue to account for share-based compensation under the provisions of APB 25 and have followed the disclosure requirements under Statement of Financial Accounting Standards No. 148.

In June 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." Statement of Financial Accounting Standards No. 146 nullifies Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity," under which a liability for an exit cost was recognized at the date of an entity's commitment to an exit plan. This statement requires that a liability for a cost associated with an exit or disposal activity be recognized at fair value when the liability is incurred. The provisions of this statement are effective for exit or disposal activities that are initiated after December 31, 2002. We do not believe that this announcement will have a significant impact on our financial statements.

In November 2002, the Financial Accounting Standards Board issued Financial Accounting Standards Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, including Indirect Guarantees of Indebtedness of Others." Statement of Financial Accounting Standards Interpretation No. 45 requires the recognition of a liability for certain guarantee obligations issued or modified after December 31, 2002. This statement also clarifies disclosure requirements to be made by a guarantor for certain guarantees. The disclosure provisions of Statement of Financial Accounting Standards Interpretation No. 45 are effective for interim periods and fiscal years ending after December 15, 2002. The adoption of this statement did not have a material effect on our financial position or results of operations.

In January 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards Interpretation No. 46, "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51." This statement requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. Statement of Financial Accounting Standards Interpretation No. 46 is effective for all new variable interest entities created or acquired after January 31, 2003. For variable interest entities created or acquired prior to February 1, 2003, this statement must be adopted for the first interim or annual period beginning after June 15, 2003. The financial statements of Guangzhou Guangcheng, an affiliated Chinese entity established on April 28, 2003, were consolidated into our financial statements on the date of establishment, while the financial statements of Ctrip Commerce, Shanghai Huacheng and Beijing Chenhao, all of which were established prior to January 31, 2003, was consolidated into our financial statements starting the third quarter of 2003. The adoption of FIN 46 did not have a significant impact on the presentation of our historical financial statements as of December 31, 2000, 2001 and 2002 and September 30, 2003 and for the years and the nine months then ended.

In June 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." This statement amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities." It is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. All provisions of Statement of Financial Accounting Standards No. 149 should be applied prospectively. The adoption of this statement did not have a material effect on our financial position or results of operations.

In June 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." This statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or as an asset in some circumstances). It is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. It is to be implemented by reporting the cumulative effect of a change in an accounting principle for financial instruments created before the issuance date of this statement and still existing at the beginning of the interim period of adoption. Restatement is not permitted. The adoption of this statement did not have a material effect on our financial position or results of operations.

BUSINESS

Overview

We are a leading consolidator of hotel accommodations and airline tickets in China. We aggregate information on hotels and flights and enable our customers to make informed and cost-effective hotel and flight bookings. Since commencing operations in 1999, we have become one of the best-known travel brands in China. We pioneered the development of a reservation and fulfillment infrastructure that enables our customers to:

- choose and reserve hotel rooms in cities throughout China and selected cities abroad;
- book and purchase airline tickets for domestic and international flights originating from China; and
- choose and reserve packaged tours that include transportation, accommodation, and sometimes guided tours as well.

We target our services primarily at business and leisure travelers in China who do not travel in groups. This type of travelers, who are referred to in the travel industry as FITs and whom we refer to as independent travelers in this prospectus, form a traditionally under-served yet fast-growing segment of the China travel market. We act as agent in substantially all of our transactions and generally do not take any inventory risks with respect to the hotel rooms and airline tickets booked through us. We derive our hotel reservation, air-ticketing and packaged-tour revenues through commissions from our travel suppliers, primarily based on the transaction value of the rooms, airline tickets and packaged-tour products, respectively, booked through our services.

For the nine months ended September 30, 2003, we derived 85.8% of our revenues from the hotel reservation business and 10.5% of our revenues from our air-ticketing business. Our packaged-tour business contributed 3.7% of our revenues for the nine months ended September 30, 2003.

We believe that we are the largest consolidator of hotel accommodations in China in terms of the number of room nights booked. In October 2003, we booked over 300,000 hotel room nights. As of October 31, 2003, we had secured room supply relationships with over 1,700 hotels in China and over 450 hotels abroad, which cover a broad range in terms of price and geographical location. The quality and depth of our hotel supplier network enable us to offer our customers a wide selection of hotel accommodations, often at significant discounts to published rates. We believe our ability to offer reservations at highly rated hotels is particularly appealing to our customers. Revenues from our bookings for three-, four- and five-star hotels comprised approximately 95.0% of our revenues from our hotel reservation business for the nine months ended September 30, 2003.

We believe that we are also one of the leading consolidators of airline tickets in Beijing and Shanghai in terms of the number of airline tickets booked and sold. We sold more than 70,000 tickets nationwide in October 2003. Our airline ticket suppliers include all major Chinese airlines and many international airlines that operate flights originating from China. We also believe we are the only airline ticket consolidator in China with a centralized reservation system and ticket fulfilment infrastructure covering all of the economically prosperous regions of China. Our customers can make flight reservations on their chosen routes and arrange ticket payment and delivery through our ticketing offices and third-party agencies located in over 20 major cities in China.

We offer our services to customers through an advanced transaction and service platform consisting of our centralized toll-free, 24-hour customer service center and bilingual websites. For the nine months ended September 30, 2003, transactions effected through our customer service center accounted for approximately 70% of our transaction volume, while our websites accounted for the balance.

We have experienced significant growth since our inception in June 1999. Beginning in the first half of 2002, we have achieved and maintained positive net income. Our revenues have increased from RMB6.9 million in 2000 to RMB105.3 million (US$12.7 million) in 2002. For the nine months ended

September 30, 2003, we generated revenues of RMB111.3 million (US$13.5 million) and net income of RMB29.2 million (US$3.5 million) despite the outbreak of SARS during the second quarter of 2003.

Our business was commenced in June 1999. In March 2000, we established a new holding company, Ctrip.com International, Ltd., in the Cayman Islands, and soon thereafter, all of the shareholders of Ctrip.com (Hong Kong) Limited, our now directly wholly owned subsidiary, transferred their shares to the holding company in exchange for shares of the holding company. Since we commenced our operation, we have conducted substantially all of our operations in China. We operate as a foreign investment enterprise in China through our subsidiaries, Ctrip Computer Technology and Ctrip Travel Information, as well as our affiliated Chinese entities, including

- Ctrip Commerce, which holds advertising and Internet content provision licenses;
- Shanghai Huacheng, which holds domestic travel agency and air-ticketing licenses;
- Beijing Chenhao, which holds an air-ticketing license;
- Guangzhou Guangcheng, which has recently received an air-ticketing license; and
- Shanghai Cuiming, which holds a license to conduct both cross-border and domestic packaged-tour businesses.

We hold no ownership interest in any of our affiliated Chinese entities. Qi Ji, a co-founder and director of our company, Min Fan, a co-founder and executive vice president of our company, and Alex Nanyan Zheng, a vice president of our company, are the principal shareholders of our affiliated Chinese entities. See “Prospectus Summary — Corporate Structure” for the place of formation, ownership interest and affiliation of each of our subsidiaries and affiliated entities. We have made loans to Qi Ji, Min Fan and Alex Nanyan Zheng solely in connection with the capitalization or acquisition of our affiliated entities. For a detailed description of the terms of these loans, see “Related Party Transactions — Arrangements with Affiliated Chinese Entities.”

We formed Home Inns & Hotels Management (Hong Kong) Limited, or Home Inns, in 2001 to expand our business line to include the hotel management service. Through a series of subsequent transactions, we reduced our interest in Home Inns to 31.16%. We spun off our remaining interest in Home Inns in August 2003 to prepare for the offering to enable us to focus on our core business of travel consolidation.

Our principal executive offices are located at 3F, Building 63-64, No. 421 Hong Cao Road, Shanghai 200233, People’s Republic of China, and our telephone number is (8621) 3406-4880. We have appointed CT Corporation System, 111 Eighth Avenue, New York, NY 10011, as our agent for service of process in the United States.

Industry Background

Growth of the Chinese Travel Industry. The Chinese travel industry is large and growing rapidly. The following chart contains certain data from CEIC Data Company Limited concerning the Chinese economy and the travel industry during the period from 1998 through 2002.

	Nominal Gross Domestic Product	Expenditure on Tourism	Number of 3-, 4- and 5-Star Hotels in Operation	Number of Civil Aviation Passenger Kilometers
	(in billions of RMB)	(in millions of RMB)		(in billions)
1998	7,835	239,118	1,325	80,024
1999	8,207	283,192	1,573	85,728
2000	8,947	317,554	2,368	97,054
2001	9,731	352,237	2,857	109,135
2002	10,479	387,836	3,656	126,870

China’s gross domestic product grew from RMB7,835 billion in 1998 to RMB10,479 billion (US$1,266 billion) in 2002, representing a compound annual growth rate of 7.5% during this period. The

aggregate expenditure on tourism in China increased from RMB239.1 billion in 1998 to RMB387.8 billion (US$46.9 billion) in 2002, representing a compound annual growth rate of 12.8% during this period. According to China's tenth five-year plan, the Chinese government expects an approximately 7% compound annual growth rate of China's gross domestic product from 2000 to 2005. We anticipate that demand for travel services in China will continue to increase substantially in the foreseeable future as the Chinese economy continues to grow.

The statistics included in this prospectus relating to the Chinese travel industry and economy are derived from various government and institute research publications. We have not independently verified such information, and you should not unduly rely upon it.

Fragmented Hotel and Air-ticketing Industries. The travel intermediary industries are highly fragmented in China. According to CEIC Data Company Limited, as of December 31, 2002, there were 3,656 three-, four-and five-star hotels in China. The biggest hotel chain in China, the Jin Jiang Group, manages approximately 70 hotels. Furthermore, China does not have any nationwide hotel distribution system among travel intermediaries. As a result, travelers traditionally do not have access to comprehensive information on hotels. In the air-ticketing sector, the Civil Aviation Administration of China, or CAAC, requires an air-ticketing agency to obtain a separate license from CAAC's regional branch in order to conduct business in any city. This requirement has hindered the ability of local air-ticketing agencies to expand nationwide.

Growing but Under-served Independent Travelers in China. The rapid growth of the Chinese economy in the past decade has led to a substantial increase in business activity and personal disposable income, as well as changes in consumption patterns. As a result, there has been a significant increase in the demand for travel services in China. However, as travel agencies in China often focus on tour groups and devote limited resources to serving independent travelers, independent travelers have limited access to discounted rates or comprehensive information on hotels and flights.

Functions of Travel Consolidators. Travel consolidators like us are able to offer information aggregated from various hotels and airlines to independent travelers, enabling them to make informed and cost-effective hotel and flight bookings through customer service centers or websites. To both the hotel and airline industries, travel consolidators offer an efficient distribution platform that improves occupancy levels and helps increase overall revenues. To independent travelers, travel consolidators are a new and more reliable source offering access to the generally wider selection of inventory and lower rates than those otherwise available.

Usage of Customer Service Centers in the Travel Industry. Call centers or customer service centers are a relatively new concept in China but provide an effective channel to distribute travel products and services. Travelers can gather and evaluate travel information, receive recommendations from customer service representatives and book transactions more efficiently by contacting customer service centers any time, day or night, instead of visiting travel agents who generally offer services only during daytime business hours, tend to focus on group tours and typically require in-person visits. In addition, the increasing number of mobile phone users in China, with approximately 250.0 million mobile phone users as of September 30, 2003 according to CEIC Data Company Limited, is expected to enhance the popularity of using customer service centers, since travelers can now call to change their travel plans after they have already begun their trip, when public telephones are often unavailable. In addition, competitive labor costs in China have allowed customer service centers to become a cost-effective transaction tool in China.

Growth of the Internet and Online Commerce. According to the China Internet Network Information Center, China now ranks second in the world in terms of number of Internet subscribers. The Internet's broadly distributed and easily accessible environment creates the ideal foundation for new marketplaces, which provide increased search efficiency, comprehensive information and competitive pricing. The Internet brings efficiencies to markets characterized by the presence of large number of geographically dispersed buyers and sellers and purchase decisions involving large amounts of information from multiple sources. We believe that the travel industry, which inherently involves broadly dispersed travelers as well as a wide selection of travel suppliers in terms of location and price, is especially well-suited to benefit from increased Internet and online commerce adoption.

Our Strengths

We bridge the gap between independent travelers and travel suppliers. Through our sophisticated transaction and service platform consisting of our centralized toll-free, 24-hour customer service center and bilingual websites, we serve primarily the traditionally underserved yet fast growing independent travelers segment in China by helping them plan and book their trips while helping travel suppliers improve the efficiency of their marketing and distribution. We have achieved a leading position, in part, by establishing the competitive strengths described below.

A Leading Travel Brand in China. We have invested significant resources in developing and promoting our brand since our inception. The China Travel Journal ranked our Ctrip brand among the top travel brands in China in 2002. The broad recognition of our Ctrip brand has enhanced our ability to quickly attract new travel customers, especially frequent independent travelers, as evidenced by the rapid growth of our customer base and transaction volume.

Our reputation and market position have also provided us with easier and more effective access to hotels and airlines nationwide. We are able to obtain guaranteed allotment arrangements from over 490 of our hotel suppliers. These arrangements enable us to offer a specified number of hotel rooms during any given month to our customers without taking any inventory risk and to confirm the room reservations instantly.

Large Supplier Network and Nationwide Coverage. We have established supplier relationships with over 1,700 hotels across all major geographic regions in China and over 450 hotels abroad, as of October 31, 2003. We have also cultivated supplier relationships with all major domestic Chinese airlines and many international airlines that operate flights originating from China. We believe we are the only airline ticket consolidator in China with a centralized 24-hour information and reservation center and a settlement and delivery infrastructure covering all of the most economically prosperous regions of China. Our broad supplier network has enabled us to offer a broad range of travel product and service offerings, including packaged tours, for our independent traveler customers. We believe that our established and extensive supplier relationship positions us well to compete with existing and potentially new competitors.

Scalable Platform and Flexible Cost Structure. We have created a cost-effective transaction and service platform consisting of our customer service center and websites. Our business is highly scalable because of the low costs associated with our transaction and service platform. We can hire and train new representatives for our customer service center quickly and cost-effectively to cope with the expected increase in transaction volume, because of the relatively low labor cost in China, as well as our ability to efficiently train new staff to serve customers. Our technology platform offers further scalability advantages as we can upgrade our existing infrastructure with limited additional investment. Therefore, we believe that we can keep up with the expected pace of increase in our transaction volume without incurring substantial incremental costs. In addition, the compensation of our customer service representatives, which forms a significant portion of our costs of services, is linked to the number of transactions successfully completed by them. In part because of our relatively flexible cost structure, we were able to maintain positive net income in the second quarter of 2003 despite the significant negative impact of the SARS outbreak.

Excellent Customer Service. We place significant emphasis on technology, personnel and training to facilitate superior customer service. We operate our centralized toll-free customer service center 24 hours a day and seven days a week to provide comprehensive and real-time assistance to our customers. Our customer service representatives are equipped to review a comprehensive list of the hotels in individual markets, together with the related price, amenities and availability information, and real-time flight information, while simultaneously booking hotels, airline tickets and packaged tours for customers. Our customer service representatives are also trained to provide travel advisory services at our customers' request. Moreover, our user-friendly websites allow customers to quickly review hotel and flight information and book hotel accommodations and airline tickets and, in some instances, receive instant confirmation.

In addition, we maintain a customer database containing information on the transaction history and preferences of each customer who has booked a travel product through us. We also have a post-transaction

customer service division responsible for addressing any issues or concerns raised by our customers. We believe our excellent customer service has contributed to our large number of repeat customers.

Advanced Infrastructure and Technology. We have developed an advanced infrastructure and technology platform with a high level of reliability, security and scalability. At the front end, our system allows us to ensure service quality by promptly processing customer inquiries and requests and by monitoring the performance of our customer service representatives on an around-the-clock basis. As a result, we maintain an extremely high service ratio with very limited aborted calls due to unacceptably long waiting time. Our websites are custom-built in-house to exacting specifications to ensure the best user experience. Our websites, www.ctrip.com and www.gotochina.com, have user-friendly designs with well laid-out information. We work closely with our web host to ensure that our customers can obtain the desired information and complete transactions with us quickly and securely.

At the back end, our proprietary booking software allows us to update hotel room and airline ticket availability and pricing information. The real-time nature of our software system allows us to recommend our preferred hotels to customers when they request a recommendation. Our booking software is integrated with our websites and customer service center operations. In addition, we have developed an electronic confirmation system that enables us to transmit a customer's booking information to those hotels that are linked to this system and to receive confirmation from these hotels. We believe that our advanced transaction and service platform is capable of handling increasing traffic without substantial incremental costs.

Experienced Management Team. Our senior managers have on average more than eight years of experience in their relevant fields of information technology, finance and travel management. Key members of our management team include James Jianzhang Liang, our Chief Executive Officer, Neil Nanpeng Shen, our Chief Financial Officer, and Min Fan, our Executive Vice President, all of whom are founders of our company. Prior to joining us, Mr. Liang had worked in the information technology field in Silicon Valley and China for over eight years, Mr. Shen had worked at leading global investment banks in New York and Hong Kong for over eight years, and Mr. Fan had been the chief executive officer for one of the leading domestic travel agencies in Shanghai for over three years. Under our management team's leadership, we have experienced substantial growth in our transaction volume and customer base and have successfully integrated the businesses we acquired into our operation. Our senior managers have indicated their intent to continue to manage the company after this offering.

Our Strategy

Our goal is to create long-term shareholder value by enhancing our position as a leading hotel and air-ticket consolidator in China. We believe that China's highly fragmented travel industry and underserved frequent independent traveler market provide us with significant growth opportunities. We intend to pursue the following strategies to achieve our goal:

Leverage and Strengthen the Ctrip Brand. To hotel and airline ticket suppliers, the Ctrip brand represents a sizable and increasingly important source of customers. We intend to leverage this reputation to attract new suppliers, and negotiate more favorable contractual terms with our existing suppliers. To our marketing partners, Ctrip is regarded as a partner that enhances their product offerings. We aim to deepen our existing relationships with our marketing partners and establish new relationships with other potential marketing partners, allowing us to further promote our brand, cross-sell our products and acquire customers in a more cost-effective manner.

In addition, we intend to further strengthen Ctrip as a dominant consumer travel brand. We plan to continue to pursue a focused marketing and advertising campaign through various targeted promotions to acquire new customers and encourage our existing customers to transact more frequently. For example, we distribute membership cards through in-flight magazines to attract new customers, and we maintain a membership reward program that offers rewards to frequent customers to encourage repeat transactions.

Expand Our Hotel Supplier Network and Room Inventory. Although we believe that we are the largest hotel consolidator in China in terms of gross bookings, there are significant opportunities to further

expand our hotel reservation service. We plan to focus the expansion of our hotel reservation business on hotels with three-, four- and five-star ratings, which offer us higher profit margins per transaction. We intend to build upon our already extensive hotel supplier relationships in China's major cities such as Beijing and Shanghai. In addition, we intend to enhance our presence in selected regional centers and medium-sized cities that offer significant growth opportunities driven by China's robust economy and rising disposable income per capita.

We plan to capitalize on our substantial and growing customer base and transaction volume by continuing to negotiate with hotel suppliers to increase rooms to be allocated to us on the guaranteed allotment basis. We have guaranteed allotment arrangements with over 500 hotels in China as of October 31, 2003, and will try to increase the number of rooms allotted to us from these hotels. In addition, we intend to pursue guaranteed allotment arrangements with our hotel suppliers that currently do not have such arrangements with us.

Expand Air-ticketing and Other Travel Product Offerings. Our air-ticketing business contributed less than 11% of our revenues in 2002 and the nine months ended September 30, 2003, but has demonstrated substantial growth potential. We intend to establish airline ticket issuance and delivery infrastructure in more cities throughout China. We also intend to continue to expand our air-ticketing business by selling more tickets for international flights, as the commissions per ticket for international flights are generally higher than that for domestic flights. To further diversify our revenue sources and in response to the increasing sophistication of Chinese travelers' tastes, we intend to further promote the packaged-tour products that offer our customers the flexibility to choose desired flight and hotel combinations. We believe that our packaged-tour products will attract increasing interest among our existing users as well as new customers.

Enhance Transaction and Service Platform. We intend to enhance the features of our transaction and service platform to keep up with the expected rapid increase in our transaction volume while maintaining the high quality of our customer service. With respect to our customer service center, we intend to continue to invest in training our customer service representatives and upgrading our information technology systems underlying the customer service center to ensure consistently high-quality customer service. With respect to our websites, we plan to continually update new software features and editorial content and improve the accessibility of our websites through various Internet access channels such as wireless devices.

We believe the Internet as an information distribution and transaction platform presents further cost efficiencies and scalability opportunities. To exploit the additional cost savings and scalability benefits, we intend to promote the migration of customers to our websites. We have set up various promotion programs such as offering our customers up to twice the reward points on transactions effected online as compared to our customer service center.

In addition, we plan to continue to enhance our customer database management tools to identify our customers' travel preferences and transaction patterns in order to offer them more focused services. We also intend to further promote our electronic confirmation system with our existing hotel suppliers. Currently, more than 160 hotels are using our electronic confirmation system to interface with us, and we plan to promote the electronic confirmation system with our other hotel suppliers. We believe that this system will boost our transaction efficiency significantly.

Pursue Selective Strategic Acquisitions and Expand into Hong Kong, Macau and Taiwan. We have become a leading consolidator of hotel accommodations and airline tickets in China in part through the acquisition of the largest offline hotel reservation center in China, Beijing Modern Express, in October 2000, and the air-ticketing business of Beijing Hai'an Air-ticketing Agency in February 2002. We have successfully integrated these acquired businesses into our business operations. We intend to explore additional acquisitions that would allow us to expand the reach and scope of our travel products and services as well as our customer base in the domestic markets in China.

We also aim to enter Hong Kong, Macau and Taiwan. The closer economic ties between China and other parts of Greater China, together with the recent liberalization of restrictions formerly imposed on mainland Chinese traveling to Hong Kong, are expected to increase the cross-border traffic between China

and Hong Kong significantly. Given the similarities in language, culture and consumption behavior between residents of mainland China and Hong Kong, Macau and Taiwan, we foresee substantial growth opportunities in entering these markets, which can be executed at a relatively low cost and with limited risk.

Expand into the Merchant Business. Currently, we act as agent in substantially all of our transactions, passing our customers' reservations to travel suppliers without assuming any risks for customers' cancellations or no-shows. While we intend to continue to use the agency model as our primary business model, we plan to gradually establish a merchant business relationship with our most popular travel service suppliers beginning in the second or third quarter of 2004. In the merchant business relationship, we would buy hotel rooms and/or airline tickets in advance before selling them to our customers and thereby bear the inventory risk. However, if our hotel room and airline ticket inventory were sold successfully, we would expect to realize substantially higher profits per room or airline ticket than we do under our current agency model. We believe that our growing customer base constitutes a solid foundation for our merchant business and would help to minimize any potential inventory risk.

Products and Services

We began offering hotel reservation and air-ticketing services in October 1999. For the nine months ended September 30, 2003, we derived 85.8% of our revenues from the hotel reservation business and 10.5% of our revenues from the air-ticketing business. In addition, we offer other travel-related products and services including packaged tours that are either bundled by us and include transportation and hotel, or by third party travel agencies and include transportation, hotel and, in most cases, a guided tour.

Hotel Reservations. Our hotel booking volume has increased substantially since our inception. The following table shows the total room nights we sold for the periods indicated.

	For Quarters Ended								
	September 30, 2001	**December 31, 2001**	**March 31, 2002**	**June 30, 2002**	**September 30, 2002**	**December 31, 2002**	**March 31, 2003**	**June 30, 2003**	**September 30, 2003**
	(in thousands)								
Room Nights	234.3	262.1	273.8	374.4	438.8	467.7	486.0	280.5*	747.8

* Decrease primarily due to the SARS outbreak from March 2003 through June 2003.

As of October 31, 2003, we had room supplier relationships with over 1,700 hotels in China and over 450 hotels abroad, which cover a broad range of hotels in terms of price and geographical location. The majority of our hotel suppliers fall into the three-, four- and five-star categories. Revenues from our bookings for three-, four- and five-star hotels comprised approximately 95% of our revenues from our hotel reservation business for the nine months ended September 30, 2003. The average room rate booked through us was approximately RMB488 (US$59) per night in October 2003. The following table shows the number of our hotel suppliers in each of the major cities indicated as of October 31, 2003:

Shanghai	*250*	*Beijing*	*243*	*Hangzhou*	*68*	*Guangzhou*	*60*
Shenzhen	*59*	*Hong Kong*	*47*	*Nanjing*	*42*	*Wuhan*	*38*

We act as agent in substantially all of our hotel-related transactions. Our customers receive confirmed bookings and generally pay the hotels directly upon completion of their stays, and in general, we pay no penalty to the hotels if our customers do not check in. For some of our hotel suppliers, we earn pre-negotiated fixed commissions on hotel rooms we sell. For other hotels, we have commission arrangements that we refer to as the "ratchet system," whereby our commission rate per room night increases as the volume of room nights we sell for such hotel during such month increases.

We contract with hotels for rooms under two agency models: the "guaranteed allotment" model and the "on-request" model. Under either agency model, we enter into agreements with our hotel suppliers containing most if not all of the following provisions:

- *Pricing.* The hotel is required to offer us room prices that are lower than its published prices. If the hotel has promotional sales, it is required to notify us in advance so we can lower our prices proportionately.

- *Room Supplies.* The hotel is required to notify us in advance if it anticipates a shortage of rooms.

- *Customer Accommodation.* If the reserved room is not available when our customer checks in to the hotel due to reasons caused by the hotel, such as over-booking, the hotel is required to upgrade the customer free-of-charge or arrange for accommodation in another hotel with the same or higher rating and price.

- *Extension of Stay.* If our customer requests an extension of stay, the hotel is required to notify us immediately, and we book the extended stay and earn the resulting commissions.

- *Confirmation of Customer's Stay.* We confirm a customer's actual length of stay by contacting the hotel to verify the customer's check-in and check-out dates. With the hotels that have implemented our electronic confirmation system, we receive confirmation through such system.

- *Commission Payments.* The hotel will pay us commissions each month based on the number of room nights we sell.

In addition to the agreements that we enter into with all of our hotel suppliers, we enter into a supplemental agreement with each of the hotel suppliers with which we have a guaranteed allotment arrangement. Pursuant to this agreement, a hotel gives us a specified number of guaranteed available rooms every day, allowing us to provide instant confirmations on such rooms to our customers before notifying the hotel. The hotel is required to notify us in advance if it will not be able to make the guaranteed rooms available to our customers due to reasons beyond its control.

We have contracted with over 490 hotels in China for guaranteed room allotments, allowing us to sell rooms to our customers even during peak seasons and provide instant confirmation. Rooms booked in hotels with which we have a guaranteed allotment arrangement currently account for approximately 50% of our total hotel room transaction volume. With the remaining hotel suppliers, we book rooms on an "on-request" basis, meaning our ability to secure hotel rooms for our customers is subject to room availability at the time of booking.

Our typical hotel reservation transaction involves the following major steps:

- *Initiating an Inquiry.* Our customer either conducts a search on our website, or calls our customer service center to learn more about hotels at a destination. Upon our customer's inquiry, our customer service representative are trained, and our website is programmed, to recommend hotels to the customer.

- *Making a Reservation.* At this stage, we reserve a hotel room for the customer based on the customer's choice given to us either through the telephone or our website.

- *Confirmation.* For hotels with which we have a guaranteed allotment arrangement, we give instant confirmation, and we notify the hotel afterwards. For hotels with which we have an on-request arrangement, we pass our customer's reservation request to the hotel. Once we receive confirmation from the hotel, our customer service representative will contact the customer to confirm the reservation.

- *Following Up.* We follow up with the hotel regarding the customer's length of stay and our commission, in accordance with our agreement with the hotel.

Some hotels require our customers to use their credit cards to guarantee the bookings. We have entered into arrangements with a number of financial institutions to allow our customer service center and websites to accept credit card guarantees to enable our customers to complete their reservations.

Air-ticketing. We believe that we are the only provider of air-ticketing services in China with a multi-province airline ticket sales and issuance infrastructure. We have experienced a significant growth in our air-ticketing business since early 2002. We believe that we are currently among the top three air-ticketing agencies in Beijing and Shanghai in terms of sales volume. The following chart shows the airline tickets we sold for the periods indicated.

	For Quarters Ended			
	December 31, 2002*	**March 31, 2003**	**June 30, 2003**	**September 30, 2003**
	(in thousands)			
Number of airline tickets sold	79.3	111.7	74.4**	183.1

* Meaningful information concerning the number of airline tickets booked during the prior periods is not available.

** Decrease principally due to the SARS outbreak from March 2003 through June 2003.

We sell airline tickets for all major domestic Chinese airlines, including Air China, China Eastern Airlines, China Southern Airlines and Shanghai Airlines, and many international airlines operating flights that originate from cities in China, such as Northwest Airlines, Air Canada, All Nippon Airways, Dragon Air and Lufthansa.

In every air-ticketing transaction, our customer receives a confirmed seat and pays the ticket delivery agent upon delivery of the ticket. Generally, the customer pays a penalty to the airline if he or she cancels the ticket for the flight.

The airline industry, including airline ticket pricing, is heavily regulated by CAAC. Therefore, we have no discretion in offering discounts on the airline tickets we sell. We generally earn standard commissions paid to air-ticketing service entities similar to us. In addition, we have an arrangement with some of our airline ticket suppliers, whereby our commission per ticket may increase as the volume of our ticket sales for an airline reaches a specified performance target set by the airline.

Our typical air-ticketing transaction involves the following major steps:

- *Initiating an Inquiry.* Our customer either conducts a search on our website or contacts our customer service center to learn more about flights to a destination. The customer learns either through our website or from our customer service representative whether any seats are available.
- *Making a Reservation.* At this stage, we make a confirmed booking of a seat on the customer's chosen flight.
- *Ticket Issuance and Delivery.* In Beijing and Shanghai, we issue airline tickets through our local ticketing offices. In other cities, we issue airline tickets through local ticketing agencies with whom we have contractual relationships. We have the capability to issue airline tickets in most major cities in China.
- *Ticket and Commission Settlement.* Payment for airline tickets we sell is settled by either of the following methods:

  (1) In Beijing or Shanghai, the customer pays us simultaneously with the delivery of the ticket. We then deduct our commission and deposit the remaining amount into the billing and settlement plan clearinghouse system, or the BSP system. The airline deducts the fare owed to it from our accounts within the BSP system on a regular basis.

(2) In other cities, where we contract with local agents for ticket fulfillment services, the local agents collect their commissions from airlines, and we, in turn, collect our commissions from them on a regular basis.

A customer has the option of picking up a ticket at the ticketing office or requesting a personal delivery. The expected adoption of electronic tickets in lieu of paper tickets by airlines in China may further increase our customer service efficiency and reduce our operating expenses.

Other Products and Services. We also offer the following products and services:

- packaged tours;
- advertising sales; and
- VIP membership cards.

We bundle transportation and hotels in our packaged tours. We sell packaged tours bundled by third-party travel agencies that also include, in most cases, a guided tour. We offer travel-related businesses and other third parties the opportunity to advertise on our websites and in our introductory brochures. Although we sell our VIP membership cards. Our regular customers can get free VIP membership cards once they accumulate enough points from the travel products they purchase through us. Our VIP membership cards allow the cardholders to receive discounts from many restaurants, clubs and bars in major cities in China and enjoy certain priority in obtaining our services.

These products and services accounted for less than 4.0% of our total revenue for the nine months ended September 30, 2003. We view sales of our VIP membership cards as primarily brand-promoting rather than revenue-generating.

Transaction and Service Platform

Our customers can reach us for their travel-related needs through either our toll-free customer service center or our bilingual websites located at www.ctrip.com and www.gotochina.com. For the nine months ended September 30, 2003, transactions executed through our customer service center and website account for approximately 70.0% and 30.0%, respectively, of our total transactions. We believe that the ratio of online transactions to our total transactions will increase as the Internet penetration rate in China grows, and more customers become accustomed to using the Internet as an effective medium for commerce.

Customer Service Center. Our centralized toll-free customer service center is located in Shanghai, China and is operated 24 hours a day and seven days a week. Customers can call our nationwide toll free number to consult with our customer service representatives, receive comprehensive, real-time hotel and flight information and make travel bookings.

Due to the low-cost nature of operating call centers in China, we are able to realize substantial gross profits. The average compensation of our customer service representatives was RMB2,791 (US$337) per month in October 2003, consisting of a base salary and fringe benefits of approximately RMB1,551 (US$187) plus commissions based on the number of transactions completed during the month. In October 2003, each customer service representative received approximately 2,425 calls on average. Accordingly, the average labor cost per call was approximately RMB1.15 (US$0.14) in October 2003.

Our customer service center has 30 telephone lines, each of which is connected to eight extensions. As a result, our customer service center has the capacity to receive 240 incoming calls at once. At our technically advanced facility, we have implemented comprehensive performance measures to monitor our calls to ensure that our customers will receive quality service. We are able to take substantially all of the incoming calls with limited number of aborted calls due to unacceptably long waiting time. We have sufficient capacity to meet further increases in call volume without the need to undertake system redesign to our existing systems. Nevertheless, if we exceed this capacity, we believe we can add, within a reasonable time and at a reasonable cost, additional phone lines and computer systems to handle increasing call volumes.

We currently employ over 500 customer service representatives, all of whom participated in a formal training program before commencing work. These representatives efficiently access our information systems on behalf of customers to review a comprehensive list of the hotels and prices in individual markets, the flights to specified destinations and the related price information, while simultaneously advising our customers and making reservations for them. Unlike some companies in the U.S. that outsource their customer service to third-party call centers, our customer service representatives are in-house travel specialists. We continually review staffing needs and train representatives to handle increased call volumes to ensure the long-term sustainability of our business.

Internet Websites. We have a Chinese-language website located at www.ctrip.com and an English-language website located at www.gotochina.com. Our proprietary booking software is integrated with our websites, allowing a customer to complete a booking within minutes.

Through our user-friendly Chinese language website, our customers can:

- quickly review pricing and availability of hotels and flights;
- book hotel accommodations and airline tickets; and
- search and book our packaged tours.

In addition, our customers can use our editorial content for researching destinations and travel tips. Some examples of the content on www.ctrip.com include:

- *Destination Guide.* We feature extensive editorial content covering over 100 popular destinations in China and over 25 popular destinations abroad, and provide destination-related information such as local attractions, transportation, dining, lodging, entertainment, shopping and climate.
- *Customer-Generated Content.* We publish articles, travelogues and pictures by our customers about specific destinations.
- *Travel News.* We provide regularly updated information on fare sales, changing travel conditions and weather advisories.
- *Links to Other Websites.* We offer our customers a selection of links to useful travel-related and websites.
- *Other Useful Information.* Other travel-related information we provide includes train schedule, currency converter, travel tips and health tips.

We have also created an online travel community on www.ctrip.com. Some features of our online community include:

- *Chat Rooms.* Our website visitors can communicate directly with one another in our online chat rooms.
- *Bulletin Boards.* Travelers looking for travel companions and advice from fellow travelers can post their questions and answers on bulletin boards.
- *Travelers' Tips.* Our website also contains travelers' feedback on major domestic and international destinations.

Our English-language website, www.gotochina.com, features editorial content similar to www.ctrip.com.

Marketing and Brand Awareness

Through on-site promotions, strategic alliances, online marketing, advertising, media promotions, telemarketing and our customer reward program, we have created a strong Ctrip brand that is commonly

associated in China with value travel products and services and superior customer service. We will continue to use our focused marketing strategy to further enhance our Ctrip brand and acquire new customers.

On-Site Promotions. We have over 300 on-site promotion staff located in about 30 major cities in China. All of our on-site promotions staff have participated in a formal training program to learn how to market our products and services and promote our brand in an appropriate and effective way. Our staff distribute membership cards and introductory brochures at various locations including airports and train and bus stations. To date, our on-site promotions have proven to be an effective marketing channel for us.

Cross-Marketing. We have entered into cross-marketing relationships with major Chinese domestic airlines including Air China, China Southern Airlines, China Eastern Airlines, Shanghai Airlines, Hainan Airlines, Shenzhen Airlines and Shandong Airlines, wireless service providers including China Mobile and China Unicom, and banks including Bank of China, China Merchant Bank, Hang Seng Bank and Bank of Communications.

Our airline partners recommend our products and services to their mileage program members, and allow their members to accrue miles by staying at hotels booked through us. Our wireless service provider partners direct their subscribers requesting travel information to our customer service center through automatic call forwarding, or to our websites through an Internet link on their websites. In addition, our bank partners recommend our products and services to their debit or credit card holders, and we allow their debit or credit card holders to use their cards to settle their payments for travel products purchased from us.

Online Marketing. Our Chinese language website, www.ctrip.com, is among the most accessed and used online travel website in China. We pay many of the leading Internet search engines and portals in China to prominently feature our websites.

Advertising. We advertise in in-flight videos and magazines of several domestic airlines in China. Based on our experience, such advertising is one of the most effective advertising methods for increasing brand awareness and attracting new customers.

Media Promotion. We cultivate relationships with a variety of media outlets, including newspapers, magazines and television. Our company and our services have been featured by such media outlets as CCTV, the Chinese Entrepreneurs and the China Travel Journal.

Telemarketing. We have over 40 in-house telemarketing staff who call on prospective customers to introduce our products and services, and our infrequent customers to update them on our developments and encourage them to use our services more often.

Customer Reward Program. To secure our customers' loyalty and further promote our Ctrip brand, we provide our customers with a customer reward program. This program allows our customers to accumulate membership points calculated according to the services purchased by the customers. Our customers may then redeem these points for travel awards and other gifts.

Supplier Relationship Management

We cultivate and maintain strong relationships with our travel suppliers. We have over 70 employees dedicated to enhancing our existing travel supply arrangements and developing relationships with prospective travel suppliers. We prominently feature some of our hotel suppliers with which we have favorable arrangements on our Chinese language websites as "specially recommended hotels." Furthermore, we have developed an electronic confirmation system that enables participating hotel suppliers to receive our customer's reservation information instantly and confirm such reservation through our online interface with the hotel supplier. We believe that the electronic confirmation system is a cost-effective and convenient way for hotels to interface with us, and we intend to promote the system with more hotel suppliers.

Since our inception, we have not had any material disputes with our travel suppliers with respect to the amount of commissions to which we were entitled. We generally renew supply agreements with almost all of our travel suppliers once the initial term of such agreements expires.

Technology and Infrastructure

We believe that the quality of our technology differentiates us from our competitors in China. Our goal has been to build a reliable, scalable, updated and secure infrastructure to fully support our customer service center and website operations.

Since inception, we have supported substantial growth in our offline and online traffic and transactions with our present architecture. Our proprietary booking software is integrated with our websites and customer service center operations. Our hardware platform for the Internet consists of Hewlett-Packard and Dell servers. We have contracted with Avaya Inc., Hewlett-Packard Company and Dell Inc. for warranty services for our hardware platform. We maintain our database on HP DL740 G2, HP LXR8500, HP LH6000 and Dell PowerEdge 6500 and conduct daily backup functions for off-site storage. We access the Internet backbone via a 100 megabit ethernet line. Our customer service center operations are managed by an Avaya G3Si switch. We maintain all of our servers at our premises in Shanghai. As of October 31, 2003, we employed 27 technical support staff to maintain our current technology infrastructure and develop new software features to further enhance the functionality of our transaction and service platform.

Competition

We compete primarily with other consolidators of hotel accommodations and flight reservation services, such as www.elong.com. We also compete with traditional travel agencies. We believe that the hotel room booking volume of our main competitor, www.elong.com, is significantly lower than ours. However, as the travel business in China continues to grow, we may face competition from new players in the hotel consolidation market in China and foreign travel consolidators that may enter the China market, such as expedia.com and hotels.com.

We believe that among air-ticketing intermediaries in China, we have a unique multi-province airline ticket sales and fulfillment infrastructure. While we have local competitors in various markets, so far we have no national competitor in our air-ticketing business. In the markets where we face local competition, our competitors generally conduct ticketing transactions in person, and not over the Internet or through customer service centers. Many local air-ticketing agencies are primarily involved in the wholesale business that sell airline tickets to businesses rather than individual travelers, who are our targeted customers. However, as the airline ticket distribution business continues to grow in China, we believe that the companies already involved in the travel services industry may increase their efforts to develop their services that compete with our air-ticketing business.

Intellectual Property

Our intellectual property rights include trademarks and domain names associated with the name “Ctrip” and copyright and other rights associated with our websites, technology platform, booking software and other aspects of our business. We regard our intellectual property as a factor contributing to our success, although we are not dependent on any patents, intellectual property related contracts or licenses other than some commercial software licenses available to the general public. We rely on trade mark and copyright law, trade secret protection, noncompetition and confidentiality agreements with our employees to protect our intellectual property rights. We require our employees to enter into agreements to keep confidential all information relating to our customers, methods, business and trade secrets during and after their employment with us. Our employees are required to acknowledge and recognize that all inventions, trade secrets, works of authorship, developments and other processes made by them during their employment are our property.

We have registered our domain names www.ctrip.com and www.gotochina.com with www.register.com and www.opensrs.net, respectively, and the domain name www.ctrip.com.cn with China Internet Network Information Center, a domain name registration service in China, and have full legal rights over these domain names. We conduct our business under the Ctrip brand name and logo. We have registered the trademarks “Ctrip” and “ (CHINESE CHARACTER) ” with the Trade Mark Office of the People’s Republic of China State General Administration for Industry and Commerce. We have also registered the trademark “ (CHINESE CHARACTER) ” with the Registrar of Trade Marks in Hong Kong.

Employees

As of October 31, 2003, we had 1,420 employees, including 124 in management and administration, 554 in our customer service center, 354 in sales and marketing, and 388 in product development including supplier management personnel and technical support personnel. None of our employees is represented by a labor union. We consider our relations with our employees to be good.

Facilities

Our customer service center, principal sales, marketing and development facilities and administrative offices are located on premises comprising approximately 3,737 square meters in an industry park in Shanghai, China. We own 2,514 square meters of our premises and lease the remaining area of our premises from a company controlled by the spouse of our Chief Executive Officer, James Jianzhang Liang. We have branch offices in Hong Kong, Beijing, Guangzhou and Shenzhen. We also maintain a network of sales offices in about 30 cities in China. We believe that we will be able to obtain adequate facilities, principally through the leasing of appropriate properties, to accommodate our future expansion plans.

Legal Proceedings

We are not a party to any litigation and are not aware of any pending or threatened litigation.

CHINESE GOVERNMENT REGULATIONS

Current Chinese laws and regulations impose substantial restrictions on foreign ownership of the air-ticketing, travel agency, advertising and Internet content provision businesses in China. As a result, we conduct these businesses in China through contractual arrangements with our affiliated Chinese entities as well as certain independent air-ticketing agencies and travel agencies. Our director, Qi Ji, and our officers, Min Fan and Alex Nanyan Zheng, all of whom are Chinese citizens, own all or substantially of the equity in our affiliated entities.

In the opinion of our Chinese counsel, the ownership structures, businesses and operations of our subsidiaries and affiliated entities in China comply with all existing Chinese laws, rules and regulations. In addition, no consent, approval or license other than those already obtained is required under the existing Chinese laws, rules and regulations for such ownership structures, businesses and operations or this offering.

Restrictions on Foreign Ownership

Air-ticketing. The principal regulation governing foreign ownership of air-ticketing businesses in China is the Foreign Investment Industrial Guidance Catalogue (2002). Under this regulation, a foreign investor cannot own more than 50% of an air-ticketing agency in China.

Travel Agency. The principal regulation governing foreign ownership of travel agencies in China is the Establishment of Foreign-controlled and Wholly Foreign-owned Travel Agencies Tentative Provisions (2003). Recently, qualified foreign investors have been permitted to establish or own a travel agency in Beijing, Shanghai, Guangzhou, Shenzhen or Xian, upon the approval of the Chinese government, subject to considerable restrictions as to its scope of business. For example, foreign travel agencies cannot arrange for the travel of persons from mainland China to Hong Kong, Macau, Taiwan or any other country. In addition, foreign travel agencies cannot establish branches.

Advertising. The principal regulation governing foreign ownership of advertising agencies in China is the Foreign Investment Industrial Guidance Catalogue (2002). Under these regulations, foreign investors cannot own more than 49% of an advertising agency in China.

Internet Content Providers. The principal regulations governing foreign ownership of the Internet content provision business in China include:

- Administrative Rules for Foreign Investments in Telecommunications Enterprises (2001); and
- Foreign Investment Industrial Guidance Catalogue (2002).

Under these regulations, a foreign entity is prohibited from owning more than 50.0% of a Chinese entity that provides value-added telecommunications services, which includes Internet content provider services.

General Regulation of Businesses

Air-ticketing. The air-ticketing business is subject to the supervision of CAAC and its regional branches. The principal regulation governing air-ticketing in China is the Administration on Civil Aviation Transporting Marketing Agency Business Regulations (1993).

Under these regulations, an air-ticketing agency must obtain a permit from CAAC or its regional branch in every city in which the agency proposes to conduct the air-ticketing business. There are two types of air-ticketing permits in China: permits for selling tickets for international flights and flights to Hong Kong, Macau and Taiwan, and permits for selling tickets for domestic flights in China.

Travel Agency. The travel industry is subject to the supervision of the China National Tourism Administration and local tourism administrations. The principal regulations governing travel agencies in China include:

- Administration of Travel Agencies Regulations (1996), as amended; and
- Administration of Travel Agencies Regulations Implementing Rules (2001).

Under these regulations, a travel agency must obtain a license from the China National Tourism Administration in order to conduct the cross-border travel business, and a license from the provincial-level tourism administration in order to conduct the domestic travel agency business.

Advertising. The State General Administration of Industry and Commerce is responsible for regulating advertising activities in China. The principal regulations governing advertising (including online advertising) in China include:

- Advertising Law (1994); and
- Administration of Advertising Regulations (1987).

Under these regulations, any entity conducting advertising activities must obtain an advertising permit from the local Administration of Industry and Commerce.

Internet Content Provision Service and Online Commerce. Our provision of travel-related content on our websites is subject to Chinese laws and regulations relating to the telecommunications industry and Internet, and regulated by various government authorities, including the Ministry of Information Industry and the State General Administration of Industry and Commerce. The principal regulations governing the telecommunications industry and Internet include:

- Telecommunications Regulations (2000);
- The Administrative Measures for Telecommunications Business Operating Licenses (2001); and
- The Internet Information Services Administrative Measures (2000).

Under these regulations, Internet content provider services are classified as value-added telecommunications businesses, and a commercial operator of such services must obtain an Internet content provision license from the appropriate telecommunications authorities in order to carry on any commercial Internet content provision operations in China.

With respect to online commerce, there are no specific Chinese laws at the national level governing online commerce or defining online commerce activities, and no government authority has been designated to regulate online commerce. There are existing regulations governing retail business that require companies to obtain licenses in order to engage in the business. However, it is unclear whether these existing regulations will be applied to online commerce.

Regulation of Foreign Currency Exchange and Dividend Distribution

Foreign Currency Exchange. The principal regulation governing foreign currency exchange in China is the Foreign Currency Administration Rules (1996), as amended. Under the Rules, RMB is freely convertible for trade and service-related foreign exchange transactions, but not for direct investment, loan or investment in securities outside China unless the prior approval of the State Administration for Foreign Exchange of the People's Republic of China is obtained.

Pursuant to the Foreign Currency Administration Rules, foreign investment enterprises in China may purchase foreign exchange without the approval of the State Administration for Foreign Exchange of the People's Republic of China for trade and service-related foreign exchange transactions by providing commercial documents evidencing these transactions. They may also retain foreign exchange (subject to a cap approved by the State Administration for Foreign Exchange of the People's Republic of China) to satisfy

foreign exchange liabilities or to pay dividends. In addition, if and when they acquire companies in China, such acquired companies will also become foreign investment enterprises. However, the relevant Chinese government authorities may limit or eliminate the ability of foreign investment enterprises to purchase and retain foreign currencies in the future. In addition, foreign exchange transactions for direct investment, loan and investment in securities outside China are still subject to limitations and require approvals from the State Administration for Foreign Exchange of the People's Republic of China.

Dividend Distribution. The principal regulations governing distribution of dividends of foreign holding companies include:

- The Foreign Investment Enterprise Law (1986), as amended; and
- Administrative Rules under the Foreign Investment Enterprise Law (2001).

Under these regulations, foreign investment enterprises in China may pay dividends only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, foreign investment enterprises in China are required to set aside at least 10% of their respective accumulated profits each year, if any, to fund certain reserve funds. These reserves are not distributable as cash dividends.

MANAGEMENT

Directors and Executive Officers

The following table sets forth information regarding our directors and executive officers as of October 29, 2003.

Directors and Executive Officers	Age	Position/Title
James Jianzhang Liang	33	Co-founder; Chairman of the Board; Chief Executive Officer
Neil Nanpeng Shen	35	Co-founder; President; Chief Financial Officer; Director
Gabriel Li(1)(2)	35	Deputy Chairman of the Board
JP Gan(1)(3)	31	Director
Suyang Zhang(2)(5)	44	Director
Yufei Hu(2)(4)	33	Director
Junichi Goto(1)(6)	49	Director
Qi Ji	37	Co-founder; Director
Robert Stein(1)(2)	42	Director
Min Fan	38	Co-founder; Executive Vice President
Victor Shengli Wang	48	Vice President
Alex Nanyan Zheng	34	Vice President
Han Ding	35	Vice President
Jianmin Zhu	34	Vice President

(1) Member of Audit Committee.
(2) Member of Compensation Committee.
(3) Appointed by Carlyle Asia Venture Partners I, L.P.
(4) Appointed by S.I. Technology Venture Capital Limited.
(5) Appointed by IDG Technology Venture Investment, Inc. and IDG Technology Venture Investments, L.P.
(6) Appointed by China Enterprise Investments No. 11 Limited.

James Jianzhang Liang is one of the co-founders of our company. Mr. Liang has served as Chief Executive Officer since 2000 and a member of our board of directors since our inception. He has been Chairman of our board since August 2003. Prior to founding Ctrip, Mr. Liang held a number of technical and managerial positions with Oracle Corporation from 1991 to 1999 in the U.S. and China, including the head of the ERP consulting division of Oracle China from 1997 to 1999. Mr. Liang currently serves on the board of Home Inns Beijing. Mr. Liang received his Master's and Bachelor's degrees from Georgia Institute of Technology. He also attended an undergraduate program at Fudan University.

Neil Nanpeng Shen is one of the co-founders of our company. Mr. Shen has served as Chief Financial Officer since 2000 and executive director since our inception. He became President of our company in August 2003. Prior to founding Ctrip, Mr. Shen had worked for more than eight years in the investment banking industry in New York and Hong Kong. He was a director at Deutsche Bank Hong Kong where he worked from 1996 to 1999. Prior to 1996, he had worked at Chemical Bank, Lehman Brothers and Citibank in various investment banking areas. Mr. Shen is currently Deputy Chairman of Home Inns. Mr. Shen received his Master's degree from the School of Management at Yale University and his Bachelor's degree from Shanghai Jiao Tong University.

Gabriel Li has served at different times on our board of directors since 2000. Mr. Li has been Deputy Chairman of our board since August 2003. Mr. Li is a managing director of Orchid Asia Management Co., LLC. Mr. Li was a managing director of The Carlyle Group from December 2002 to October 2003. Prior to

rejoining The Carlyle Group, he was a managing director of Robertson Stephens Private Equity Growth in San Francisco in 2002. Prior to that, Mr. Li had worked as a director at The Carlyle Group from 2000 to 2002, a partner at Orchid Asia Holdings, LLC from 1997 to 2000 and an associate at McKinsey & Co. in Hong Kong and Los Angeles from 1994 to 1997. Mr. Li graduated *summa cum laude* from the University of California at Berkeley and received his Masters of Science from the Massachusetts Institute of Technology and Masters of Business Administration from the Stanford Business School.

JP Gan has served as our director since 2002. Mr. Gan is a Vice President of The Carlyle Group responsible for venture investment activities in the Greater China region. Prior to joining The Carlyle Group in 2000, Mr. Gan worked at the investment banking division at Merrill Lynch, in Hong Kong from 1999 to 2000 and the then Price Waterhouse in the United States from 1994 to 1997. Mr. Gan obtained his Masters of Business Administration from the University of Chicago Graduate School of Business and his Bachelor of Business Administration from the University of Iowa. He is a Certified Public Accountant in the United States.

Suyang Zhang has served as our director since December 1999. Mr. Zhang is currently a Vice President of IDG Technology Venture Investment Inc., where he has worked since 1996, and General Manager of Shanghai Pacific Technology Venture Fund Co., Ltd., where he has worked since 1994. Mr. Zhang has led his firms' investments in a number of high-tech projects in the areas of electronics, telecommunications and software in recent years. He previously served as a division manager of Shanghai Bell, deputy director of Shanghai Telephone Equipment Manufacturing Company, and general manager of Shanghai Vantone Industrial Co. Ltd. He currently serves on the boards of several companies, including Home Inns and Baud Data Communications Co., Ltd. Mr. Zhang holds a Bachelor of Electronics Engineering from Shanghai University, an Executive Masters of Business Administration from China European International Business School.

Yufei Hu has served as our director since 2002. Mr. Hu has been a partner at Shanghai Synergy Venture Capital Management Co., Ltd. since 1999. From 1996 to 1999, he was a manager in the investment department of S.I. Capital Ltd. Mr. Hu worked at Daqing Oilfield Administration Bureau from 1991 to 1994. Mr. Hu received his Master's degree in Business Administration from the School of Management, Fudan University and his Bachelor's degree from Heilongjiang University.

Junichi Goto has served as our director since 2000 and has more than 23 years of experience in direct investment and investment banking. Mr. Goto is also the Chairman and Chief Executive Officer of Go-To-Asia Investment Limited. Between June 1999 and June 2001, he served as a Director of Softbank China Venture Investments Limited, the venture investment arm of SOFTBANK CORP., and between March 2000 and April 2001, he was the President and Executive Director of Softbank Investment International (Strategic) Company Limited, a Hong Kong listed company. Mr. Goto also served as a director of Softech Investment Management Company Limited, the fund manager of the Hong Kong Government Applied Research Fund. Prior to joining SOFTBANK CORP., Mr. Goto had been with the Nomura Group and headed various divisions in investment banking and private equities. He holds a Bachelor's degree in economics from the University of Tokyo.

Qi Ji is one of the co-founders of our company. He has served as our director since our inception. Mr. Ji has been the Chief Executive Officer of Home Inns since early 2002. He was the President of our Company from 1999 to early 2002. Prior to founding Ctrip, he served as Chief Executive Officer of Shanghai Sunflower High-Tech Group which he founded in 1997. He headed the East China Division of Beijing Zhonghua Yinghua Intelligence System Co., Ltd. from 1995 to 1997. He received both his Master's and Bachelor's degrees from Shanghai Jiao Tong University.

Robert Stein is the Chief Executive Officer and Chairman of Adelphi Capital Partners. Prior to establishing Adelphi, Mr. Stein was the Chief Executive Officer of Deutsche Bank Group Asia Pacific. He served on Deutsche Bank's Global Institution Board from 1999 to 2000 and the Global Wealth Management Board from 2000 to 2002. Prior to joining Deutsche Bank, Mr. Stein worked for Merrill Lynch from 1985 to 1995, including as Head of Capital Markets, Asia and member of Merrill Lynch's Global Debt and Equity Management Committee. Currently, Mr. Stein is a member of the Singapore Government's Economic

Review Committee as Chair of the Financial Services Working Group. Until October 2003, he was a director of the Singapore Stock Exchange. Mr. Stein holds a Bachelor's degree in Philosophy and Biochemistry from Dartmouth College and a Master's degree in International and Development Economics from University College, Oxford University.

Min Fan is one of the co-founders of our company. He has served as our Executive Vice President since 2000. Mr. Fan has more than 13 years of experience in travel-related industries. From 1997 to 2000, he was the Chief Executive Officer of Shanghai Travel Service Company, a leading domestic travel agency in China. From 1990 to 1997, he served as the Deputy General Manager and in a number of other senior positions at Shanghai New Asia Hotel Management Company, which was one of the leading hotel management companies in China. Mr. Fan obtained his Master's and Bachelor's degrees from Shanghai Jiao Tong University. He also studied at the Lausanne Hotel Management School of Switzerland in 1995.

Victor Shengli Wang has served as our Vice President and the General Manager of our Beijing branch since 2000. In 1997, Mr. Wang co-founded Beijing Modern Express Co. Ltd., which we acquired in October 2000. From 1991 to 1997, Mr. Wang was the head of the General Plan Division of China Lantian Industrial Company. He holds a Bachelor's degree from Xian Electronics Science & Technology Institute.

Alex Nanyan Zheng has served as our Vice President since 2000 and currently is also our General Manager in charge of Southern and Southwestern China operations. From 1993 to 2000, Mr. Zheng was co-founder and deputy general manager of Guangzhou Wanxun (Armitage) Computer Software Limited, a hotel management information system provider in China. Previously, Mr. Zheng worked at the computer center of Guangdong Provincial Economic and Trade Commission. He obtained his Bachelor's degree from Zhongshan University in China.

Han Ding has served as our Vice President in charge of our air-ticketing business since March 2002. Prior to joining us, Mr. Ding was chief executive officer of Beijing Hai'an Air-ticketing Service Company, Ltd. which he founded in 1995. Previously, he was secretary and director of the Hai'an Industry Group of Companies. Mr. Ding obtained his Master's degree in Business Administration from the Huazhong University of Science and Technology in China and his Bachelor's degree from Anhui Institute of Finance and Trade in China.

Jianmin Zhu has served as our Vice President and Head of Business Operations since 2003. Prior to joining us, he worked with several software and system integration companies, including Compaq and RPTI International Ltd. He was a senior consultant at Compaq from 1999 to 2000 and technical director of RPTI International Ltd. from 1995 to 1998. Mr. Zhu received his Bachelor's degree from Shanghai Jiao Tong University.

Board of Directors

Our board of directors currently consists of nine directors. Currently, our preferred shareholders have the right to appoint five non-independent directors (as indicated in the table above). The founding shareholders have the right to elect the remaining non-independent directors. Our articles of association allow for two independent directors to be appointed to our board by the holders of a majority of our outstanding ordinary shares on an as converted basis.

Committees of the Board of Directors

Audit Committee. Our audit committee reports to the board regarding the appointment of our independent public accountants, the scope and results of our annual audits, compliance with our accounting and financial policies and management's procedures and policies relatively to the adequacy of our internal accounting controls.

Compensation Committee. Our compensation committee reviews and makes recommendations to the board regarding our compensation policies and all forms of compensation to be provided to our executive officers and directors. In addition, the compensation committee reviews bonus and stock compensation arrangements for all of our other employees.

We intend to comply with the requirements of the Sarbanes-Oxley Act of 2002 and Nasdaq's recently proposed corporate governance rules with respect to audit committees and independent directors on or prior to the closing of this offering. We are considering amending the charters of the committees of our board of directors to comply with the Sarbanes-Oxley Act and Nasdaq requirements.

Duties of Directors

Under Cayman Islands law, our directors have a statutory duty of loyalty to act honestly in good faith with a view to our best interests. Our directors also have a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association. A shareholder has the right to seek damages if a duty owed by our directors is breached.

Terms of Directors and Officers

All directors hold office until their successors have been duly elected and qualified. A director may only be removed by the shareholders who nominated and elected such director. Officers are elected by and serve at the discretion of the board of directors.

Prior to the closing of this offering, we intend to amend our articles of association to contain provisions that may discourage transactions involving an actual or potential change of control of our company, including dividing our board of directors into three classes, each having a term of three years, with the term of one class expiring each year. This provision would delay the replacement of a majority of our directors and would make changes to the board of directors more difficult than if such provision was not in place.

Compensation of Directors and Executive Officers

For the year ended December 31, 2002, the aggregate cash compensation to our current senior executive officers, James Jianzhang Liang, Neil Nanpeng Shen and Min Fan, was approximately US$402,262, and we did not pay any cash compensation to our non-executive directors. We did not grant any options to acquire our ordinary shares to our directors and executives officers in 2002.

We have not paid any cash compensation to our non-executive directors in 2003. For the nine months ended September 30, 2003, the aggregate cash compensation to our senior executive officers named above was approximately RMB2,350,000 (US$283,916). We granted options to acquire an aggregate of 470,000 ordinary shares to our executive officers as a group over the same period, but did not grant any options to our non-executive directors for the nine months ended September 30, 2003.

Employee's Stock Option Plans

Our board of directors has adopted two stock option plans, namely, the 2003 Employee's Option Plan, or the 2003 Plan, and 2000 Employee's Stock Option Plan, or the 2000 Plan. The terms of the 2003 Plan and the 2000 Plan are substantially similar. The purpose of the Plans is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees, directors and consultants and to promote the success of our business. Our board of directors believes that our company's long term success is dependent upon our ability to attract and retain superior individuals who, by virtue of their ability and qualifications, make important contributions to our business.

We have granted options to purchase an aggregate of 1,535,760 of our ordinary shares under the 2000 Plan to our employees. We will not issue any additional options under the 2000 Plan to our employees. The following table summarizes, as of November 11, 2003, the option grants made under our 2000 Plan to several

of our current senior executive officers named below and Qi Ji, a former senior executive officer, and to our other employees as a group since our board of directors adopted the 2000 Plan.

	Ordinary Shares Underlying Options Granted	Exercise Price	Date of Grant	Date of Expiration
		(US$/Share)		
James Jianzhang Liang	144,000	0.7716	April 15, 2000	April 15, 2005
Neil Nanpeng Shen	144,000	0.7716	April 15, 2000	April 15, 2005
Min Fan	172,800	0.7716	April 15, 2000	April 15, 2005
Qi Ji	129,600	0.7716	April 15, 2000	April 15, 2005
Other employees as a group	945,360	0.7716	April 15, 2000 to January 1, 2003	April 15, 2005 to January 1, 2010
Total	1,535,760			

We have reserved an aggregate of 1,187,510 of our ordinary shares for issuance under the 2003 Plan, of which 985,640 have been granted. The following table summarizes, as of November 11, 2003, the option grants made under our 2003 Plan to several of our directors and senior executive officers named below, and to our other employees since our board of directors adopted the 2003 Plan. The value of the options granted in October 2003, based on the midpoint of the filing range set forth on the front cover of this prospectus, is US$.

	Ordinary Shares Underlying Options Granted	Exercise Price	Date of Grant	Date of Expiration
		(US$/Share)		
James Jianzhang Liang	230,000	2.11	April 15, 2003	April 15, 2008
Neil Nanpeng Shen	120,000	2.11	April 15, 2003	April 15, 2008
Min Fan	120,000	2.11	April 15, 2003	April 15, 2008
Gabriel Li	30,000	6.00	October 27, 2003	October 27, 2008
Robert Stein	30,000	6.00	October 27, 2003	October 27, 2008
Other employees	241,660	2.11	April 15, 2003	April 15, 2008
	50,000	5.00	October 3, 2003	October 3, 2008
	20,000	6.00	October 27, 2003	October 27, 2008
	143,980	80% of the midpoint of the filing range	October 30, 2003	October 30, 2008
Total	985,640			

Termination of Options. Where the option agreement permits the exercise or purchase of the options granted for a certain period of time following the recipient's termination of service with us, or the recipient's disability or death, the options will terminate to the extent not exercised or purchased on the last day of the specified period or the last day of the original term of the options, whichever occurs first.

Administration. Our stock option plans are administered by our board of directors or a committee designated by our board of directors constituted to comply with applicable laws. In each case, our board of directors or the committee it designates will determine the provisions, terms and conditions of each option grant, including, but not limited to, the option vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment upon settlement of the award, payment contingencies and satisfaction of any performance criteria.

Vesting Schedule. One-third of the options granted under our stock option plans vest 12 months after a specified vesting commencement date; an additional one-third vest 24 months after the specified

commencement date and the remaining one-third vest 36 months after the specified commencement date, subject to the optionee continuing to be a service provider on each of such dates.

Option Agreement. Options granted under our stock option plans are evidenced by an option agreement that contains, among other things, provisions concerning exercisability and forfeiture upon termination of employment or consulting arrangement (by reason of death, disability or otherwise), as determined by our board. In addition, the option agreement also provides that options granted under each Plan are subject to a 180-day lock-up period following the effective date of a registration statement filed by us under the Securities Act, if so requested by us or any representative of the underwriters in connection with any registration of the offering of any of our securities.

Transfer Restrictions. Incentive stock options for the ordinary shares to be issued upon exercise of and right to purchase ordinary shares may not be transferred in any manner by the optionee other than by will or the laws of succession and are exercisable during the lifetime of the optionee only by the optionee.

Option Exercise. The term of options granted under the 2000 Plan may not exceed ten years from the date of grant. The term of options granted under the 2003 Plan may not exceed five years from the date of grant. The consideration to be paid for our ordinary shares upon exercise of an option or purchase of shares underlying the option will be determined by the stock option plan administrator and may include cash, check, ordinary shares, a promissory note, consideration received by us under a cashless exercise program implemented by us in connection with our stock option plans, or any combination of the foregoing methods of payment.

Third-Party Acquisition. If a third party acquires us through the purchase of all or substantially all of our assets, a merger or other business combination, all outstanding options or share purchase rights will be assumed or equivalent options or rights substituted by the successor corporation or parent or subsidiary of successor corporation. In the event that the successor corporation refuses to assume or substitute for the options or share purchase rights, all options or share purchase rights will become fully vested and exercisable immediately prior to such transaction and all unexercised awards will terminate unless, in either case, the awards are assumed by the successor corporation or its parent.

Termination of Plans. Unless terminated earlier, the 2003 Plan will terminate automatically in 2008 and the 2000 Plan will terminate automatically in 2010. Our board of directors has the authority to amend or terminate our stock option plans subject to shareholder approval to the extent necessary to comply with applicable law. However, no such action may (i) impair the rights of any optionee unless agreed by the optionee and the stock option plan administrator, or (ii) affect the stock option plan administrator's ability to exercise the powers granted to it under our stock option plans.

PRINCIPAL AND SELLING SHAREHOLDERS

Every shareholder of the company intends to be a selling shareholder in this offering. The number of shares to be sold by each shareholder is determined based on such shareholder's pro rata ownership interest in our company.

The following table sets forth information with respect to the beneficial ownership of our ordinary shares, on a fully diluted basis assuming conversion of all of our preferred shares and taking into account the aggregate number of ordinary shares underlying our outstanding options, as of September 30, 2003, by:

(1) each of our directors and executive officers;

(2) each person known to us to own beneficially more than 5.0% of our ordinary shares; and

(3) each other selling shareholder.

	Ordinary Shares Beneficially Owned Prior to This Offering		Shares Being Sold in This Offering		Shares Beneficially Owned After This Offering	
Name	Number(1)	%(2)	Number	%	Number(1)	%
Directors and Executive Officers:						
Neil Nanpeng Shen(3)	2,854,924	10.62%				
James Jianzhang Liang(4)	2,317,238	8.62				
Qi Ji(5)	2,072,838	7.71				
Victor Shengli Wang(6)	745,907	2.77				
Min Fan(7)	706,057	2.63				
Gabriel Li(8)	34,104	0.13				
All directors and executive officers as a group of 6 persons(9)	8,701,068	32.48				
Principal Shareholders:						
Carlyle Offshore Partners II, Limited(10)	6,981,267	25.97				
Tiger Technology Private Investment Partners, L.P.(11)	2,180,755	8.11				
IDG Technology Venture Investment, Inc.(12)	1,989,110	7.39				
S.I. Technology Venture Capital Limited(13)	1,571,958	5.85				
Other Selling Shareholders:						
China Enterprise Investments No. 11 Limited(14)	1,312,506	4.88				
Orchid Asia II, L.P.(15)	1,091,330	4.06				
Ecity Investment Limited(16)	875,004	3.26				
Softbank Asia Net-Trans (No. 4) Limited(17)	872,659	3.25				
Jing Dong Li(18)	128,435	0.48				
Xiao Tan(19)	56,191	0.21				
Ze Sheng Wang(20)	24,082	0.09				
Openventure Company Limited(21)	17,452	0.06				
Xi Yuan Fang(22)	16,055	0.06				
Yu Sun(23)	16,055	0.06				

Name	Ordinary Shares Beneficially Owned Prior to This Offering		Shares Being Sold in This Offering		Shares Beneficially Owned After This Offering	
	Number(1)	%(2)	Number	%	Number(1)	%
JFI II, L.P.(24)	3,979	0.01				
Jed Dempsey(25)	3,979	0.01				
Eric Li(26)	2,273	0.01%				
Jim Watson(27)	1,136	—				

(1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting or investment power with respect to the securities.

(2) The number of ordinary shares outstanding used in calculating the percentage for each listed person includes the ordinary shares of underlying options held by such persons. Percentage of beneficial ownership is based on 26,878,317 ordinary shares outstanding as of September 30, 2003 on a fully diluted basis, including 1,535,760 options granted under the 2000 Plan and 711,660 options granted under the 2003 Plan.

(3) Includes 2,590,924 ordinary shares held by Mr. Shen and 264,000 ordinary shares issuable upon exercise of options held by Mr. Shen. The address for Mr. Shen is Unit 2001, The Centrium, 60 Wyndham St., Central, Hong Kong.

(4) Includes 1,943,238 ordinary shares held by Mr. Liang and 374,000 ordinary shares issuable upon exercise of options held by Mr. Liang. The address for Mr. Liang is 3rd Floor, Block 63, No. 421 Hong Cao Road, Shanghai, PRC.

(5) Includes 1,943,238 ordinary shares held by Mr. Ji and 129,600 ordinary shares issuable upon exercise of options held by Mr. Ji. The address for Mr. Ji is 3rd Floor, Block 63, No. 421 Hong Cao Road, Shanghai, PRC.

(6) Includes 561,907 ordinary shares held by Mr. Wang and 184,000 ordinary shares issuable upon exercise of options held by Mr. Wang. The address for Mr. Wang is 6F-G, Block A, Dong Huan Plaza Office Building, No. 9, Dong Zhong Road, Beijing, PRC.

(7) Includes 413,257 ordinary shares held by Mr. Fan and 292,800 ordinary shares issuable upon exercise of options held by Mr. Fan. The address for Mr. Fan is 3rd Floor, Block 63, No. 421 Hong Cao Road, Shanghai, PRC.

(8) Includes 26,250 ordinary shares issuable upon conversion of Series A preferred shares and 7,854 ordinary shares issuable upon conversion of Series B preferred shares held by Mr. Li. The address for Mr. Li is 2206 20th Ave., San Francisco, CA 94116.

(9) Shares owned by all of our directors and executive officers as a group include shares beneficially owned by James Jianzhang Liang, Neil Nanpeng Shen, Min Fan, Qi Ji, Gabriel Li and Victor Shengli Wang. Shares beneficially owned by our directors and executive officers prior to this offering includes additional options to acquire 590,400 ordinary shares. Shares beneficially owned by all of our directors and executive officers after this offering includes options to acquire ordinary shares that are exercisable within 60 days of , 200 , including options to acquire ordinary shares that will become exercisable upon completion of this offering.

(10) Includes 6,581,682 ordinary shares issuable upon conversion of Series B preferred shares held by Carlyle Asia Venture Partners I, L.P., or Asia Ventures, and 399,585 ordinary shares issuable upon conversion of Series B preferred shares held by CIPA Co-Investment, L.P., or CIPA. Asia Ventures and CIPA are investment partnerships. The general partner of each of Asia Ventures and CIPA is CIPA General Partner, L.P. The general partner of CIPA General Partner, L.P., is CIPA Ltd., a Cayman Islands limited company which is wholly-owned by TC Group Cayman, L.P. The general partner of TC Group Cayman, L.P. is TCG Holdings Cayman, L.P. The general partner of TCG Holdings Cayman, L.P. is Carlyle Offshore Partners II, Limited a Cayman Islands limited company. Carlyle Offshore Partners II, Limited, has ultimate voting and dispositive control over the shares held by Asia Ventures and CIPA

through its control of TCG Holdings Cayman, L.P. The address for Carlyle Asia Venture Partners I, L.P. and CIPA is Suite 2801, 28th Floor, 2 Pacific Place, 88 Queensway, Hong Kong.

(11) Includes 2,173,122 ordinary shares issuable upon conversion of Series C preferred shares held by Tiger Technology Private Investment Partners, L.P. and 7,633 ordinary shares issuable upon conversion of Series C preferred shares held by Tiger Technology II, L.P. Tiger Technology PIP Performance, L.L.C., or Tiger PIP, is the sole general partner of Tiger Technology Private Investment Partners, L.P. Charles P. Coleman III, a citizen of the United States of America, is the sole managing member of Tiger PIP. Tiger Technology Performance, L.L.C., or Tiger Performance, is the sole general partner of Tiger Technology II, L.P. Charles P. Coleman III is the sole managing member of Tiger Performance. The address for Tiger Technology Private Investment Partners, L.P. and Tiger Technology II, L.P. is 101 Park Avenue, 48th Floor, New York 10178, U.S.A.

(12) Includes (a) 984,380 ordinary shares; (b) 437,502 ordinary shares issuable upon conversion of Series A preferred shares held by IDG Technology Venture Investment, Inc.; and (c) 567,228 ordinary shares issuable upon conversion of Series B preferred shares held by IDG Technology Venture Investments, L.P. IDG Technology Venture Investment, Inc. is wholly owned by International Data Group, Inc., a Massachusetts corporation, which in turn is majority owned and controlled by Patrick J. McGovern, the chairman and founder of International Data Group, Inc. The address for IDG Technology Venture Investment, Inc. is 15th Floor, One Exeter Plaza, Boston, MA 02116, USA.

(13) Includes 437,502 ordinary shares issuable upon conversion of Series A preferred shares and 1,134,456 ordinary shares issuable upon conversion of Series B preferred shares held by S.I. Technology Venture Capital Limited. The address for S.I. Technology Venture Capital Limited is P.O. Box 957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands.

(14) Includes 1,312,506 ordinary shares issuable upon conversion of Series A Preferred Shares held by China Enterprise Investments No. 11 Limited. The address for China Enterprise Investments No. 11 Limited is Unit 1902B, 60 Wyndham Street, Central, Hong Kong.

(15) Includes 840,004 ordinary shares issuable upon conversion of Series A preferred shares and 251,326 ordinary shares issuable upon conversion of Series B preferred shares. Orchid Asia II, L.P. is indirectly controlled by its president and managing member, Peter M. Joost. The address for Orchid Asia II, L.P. is Suite 5180, 555 California Street, San Francisco, CA 94104-1716, U.S.A.

(16) Includes 875,004 ordinary shares issuable upon conversion of Series A preferred shares. The address for Ecity Investment Limited is 2nd Floor, Le Prince de Galles, 3-5 Avenue des Citronniers, MC 98000 Monaco.

(17) Includes 872,659 ordinary shares issuable upon conversion of Series B preferred shares. The address for Softbank Asia Net-Trans (No. 4) Limited is 5th Floor, SBI Center, 56 Des Voeux Road, Central, Hong Kong.

(18) Includes 128,435 ordinary shares. The address for Jing Dong Li is 6F-G, Block A, Dong Huan Plaza Office Building, No. 9, Dong Zhong Road, Beijing, PRC.

(19) Includes 56,191 ordinary shares. The address for Xiao Tan is 6F-G, Block A, Dong Huan Plaza Office Building, No. 9, Dong Zhong Road, Beijing, PRC.

(20) Includes 24,082 ordinary shares. The address for Ze Sheng Wang Li is 6F-G, Block A, Dong Huan Plaza Office Building, No. 9, Dong Zhong Road, Beijing, PRC.

(21) Includes 17,452 ordinary shares issuable upon conversion of Series B preferred shares. Openventure Company Limited is 100% owned by its managing director, Louise Leung. The address for Openventure Company Limited is 4B, 11 Boyce Road, Hong Kong.

(22) Includes 16,055 ordinary shares. The address for Xi Yuan Fang is 6F-G, Block A, Dong Huan Plaza Office Building, No. 9, Dong Zhong Road, Beijing, PRC.

(23) Includes 16,055 ordinary shares. The address for Yu Sun is 6F-G, Block A, Dong Huan Plaza Office Building, No. 9, Dong Zhong Road, Beijing, PRC.

(24) Includes 3,063 ordinary shares issuable upon conversion of Series A preferred shares and 611 ordinary shares issuable upon conversion of Series B preferred shares. JFI II, L.P. is 100% owned by Peter M. Joost. The address for JFI II, L.P. is Suite 5180, 555 California Street, San Francisco, CA 94104-1716, U.S.A.

(25) Includes 3,063 ordinary shares issuable upon conversion of Series A preferred shares and 611 ordinary shares issuable upon conversion of Series B preferred shares. The address for Jed Dempsey is Suite 5180, 555 California Street, San Francisco, CA 94104-1716, U.S.A.

(26) Includes 1,750 ordinary shares issuable upon conversion of Series A preferred shares and 349 ordinary shares issuable upon conversion of Series B preferred shares. The address for Eric Li is Suite 5180, 555 California Street, San Francisco, CA 94104-1716, U.S.A.

(27) Includes ordinary shares issuable upon conversion of 875 Series A preferred shares and 174 ordinary shares issuable upon conversion of Series B preferred shares. The address for Jim Watson is Suite 5180, 555 California Street, San Francisco, CA 94104-1716, U.S.A.

Prior to the issuance of our Series B preferred shares in November 2000, Neil Nanpeng Shen, James Jianzhang Liang, Qi Ji, IDG Technology Venture Investments, L.P., and S.I. Technology Venture Capital Limited, owned 21.93%, 16.45%, 16.45%, 12.04% and 3.70%, respectively, of the outstanding shares of our company. Their ownership interests were reduced to 11.97%, 8.98%, 8.98%, 9.19% and 7.26%, respectively, after the issuance of Series B preferred shares, as Carlyle Asia Venture Partners I, L.P. acquired an ownership interest of 32.25%. The ownership interests of Neil Nanpeng Shen, James Jianzhang Liang, Qi Ji, Carlyle Asia Venture Partners I, L.P., S.I. Technology Venture Capital Limited and IDG Technology Venture Investments, L.P. were reduced to 10.52%, 7.89%, 7.89%, 28.34%, 6.38% and 8.08%, respectively, after the issuance of our Series C preferred shares to Tiger Technology Private Investment Partners, L.P. and its affiliate, who together acquired an ownership interest of 8.85%, and partial redemption of our outstanding shares in September 2003. All of the calculations in this paragraph exclude shares underlying outstanding options.

As of the date of this prospectus, approximately 11.3%, 33.3%, 8.4% and 100% of our outstanding ordinary shares, Series A preferred shares, Series B preferred shares and Series C preferred shares, respectively, are held by one, seven, seven and two record holders in the United States, respectively.

Our shareholders are entitled to vote together as a single class on all matters submitted to shareholders vote. No shareholder has different voting rights from other shareholders.

Two of our selling shareholders, namely, Carlyle Asia Venture Partners I, L.P. and CIPA Co-Investment, L.P., have represented to us that they are affiliated with a registered broker-dealer. Based on such shareholders' representations, we believe that at the time of the purchase of the shares to be offered by them in this offering, each such shareholder had no agreements or understandings, directly or indirectly, with any person to distribute them. Before Carlyle Asia Venture and CIPA Co-Investment purchased our Series B preferred shares in November 2000, they were not affiliated or otherwise related to us. Neither Carlyle Asia Venture nor CIPA Co-Investment is in the business of underwriting securities.

We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

RELATED PARTY TRANSACTIONS

Arrangements with Affiliated Chinese Entities

Current Chinese laws and regulations impose substantial restrictions on foreign ownership of the air-ticketing, travel agency, advertising and Internet content provision businesses in China. Therefore, we conduct part of our operations in our non-hotel reservation businesses through a series of agreements with our affiliated Chinese entities, which hold the licenses and approvals for conducting the air-ticketing, travel agency, advertising and Internet content provision businesses in China. We do not hold any ownership interest in our affiliated Chinese entities. Qi Ji, who is a co-founder, shareholder and director of our company, Min Fan, who is a co-founder, shareholder and executive vice president of our company, and Alex Nanyan Zheng, who is an officer, are the principal owners of most of the equity in each of our affiliated Chinese entities. Qi Ji and Min Fan own 80% and 20%, respectively, of Beijing Chenhao. Qi Ji and Min Fan own 51% and 49%, respectively, of Ctrip Commerce, which owns 90% of Shanghai Huacheng. Min Fan and Alex Nanyan Zheng own 90% and 10%, respectively, of Guangzhou Guangcheng. Min Fan owns 66% of Shanghai Cuiming.

We believe that the terms of these agreements are no less favorable than the terms that we could obtain from disinterested third parties. The terms of the agreements with the same title between the company and its respective affiliated entities are identical except for the amount of the loans to the shareholders of each entity and the amount of service fees paid by each entity. We believe that Qi Ji, Min Fan and Alex Nanyan Zheng will not receive any personal benefits from these agreements except as shareholders of Ctrip. According to our Chinese counsel, these agreements are valid, binding and enforceable under the current laws and regulations of China. The principal terms of these agreements are described below.

Powers of Attorney. Each of Qi Ji, Min Fan and Alex Nanyan Zheng has irrevocably appointed our President and Chief Financial Officer, Neil Nanpeng Shen, as attorney-in-fact to vote on their behalf on all matters they are entitled to vote on, including matters relating to the transfer of any or all of their respective equity interests in our affiliated Chinese entities and the appointment of the chief executive officer of our affiliated Chinese entities. The appointment of Mr. Shen as the attorney-in-fact will terminate if he is no longer employed by one of our subsidiaries in China. The term of each of the powers of attorney is ten years.

Exclusive Technical Consulting and Services Agreements. We provide our affiliated Chinese entities with technical consulting and related services and staff training and information services. We also maintain their network platforms. We are the exclusive provider of these services. The initial term of these agreements is ten years. In consideration for our services, our affiliated entities agree to pay our service fees as follows: Ctrip Commerce pays us a quarterly fee of RMB240,000 (US$28,996); Beijing Chenhao pays us a monthly fee based on the number of airline tickets sold in the month, at the rate of RMB18.0 (US$2.2) per ticket; Shanghai Huacheng pays us a monthly fee based on the number of packaged-tour products and the number of airline tickets sold in the month, at the rates of RMB60.0 (US$7.3) per tour and RMB20.0 (US$2.4) per ticket; Guangzhou Guangcheng pays us a monthly fee based on the number of airline tickets sold in the month, at the rate of RMB18.0 (US$2.2) per ticket; and Shanghai Cuiming pays us a monthly service fee based on the number of packaged-tour products sold in the month, at the rate of RMB60.0 (US$7.3) per tour. The service fees are subject to quarterly adjustment based on the actual operating results of our affiliated entities.

Share Pledge Agreements. Qi Ji, Min Fan and Alex Nanyan Zheng pledge their respective equity interests in our affiliated Chinese entities as a guarantee for the payment by our affiliated Chinese entities of technical and consulting services fees to us under the exclusive technical consulting and services agreements described above. In the event any of our affiliated entity breaches any of its obligations under the service agreement with us, we are entitled to sell the equity interests held by Qi Ji, Min Fan and/or Alex Nanyan Zheng, as the case may be, and retain the proceeds from such sale or require any of them to transfer his equity interest without consideration to the Chinese citizen(s) designated by us. We will endeavor to enforce our

rights in full under the share pledge agreement in the event that any affiliated entity breaches its obligations under the exclusive technical consulting and services agreement with us.

Trademark License Agreements. We grant our affiliated Chinese entities licenses to use our registered trademarks on their websites for a license fee of RMB3,000 (US$362) per year. The terms of these agreements are ten years and may be extended by us for one year.

Software License Agreements. We grant our affiliated Chinese entities the right to use our software for a royalty fee of RMB3,000 (US$362) per year. The terms of these agreements are one year and may be extended by us for one year.

Loan Agreements. Due to government restrictions on foreign ownership of air-ticketing, travel agencies, Internet content provision and advertising businesses in China, we have made loans to Qi Ji, Min Fan and Alex Nanyan Zheng, with the sole and exclusive purpose of providing funds necessary for the capitalization or acquisition of our affiliated entities. As soon as the Chinese government lifts its substantial restrictions on foreign ownership of the air-ticketing, travel agency, advertising or Internet content provision business in China, as applicable, we will exercise our exclusive option to purchase all of the outstanding equity interests of our affiliated Chinese entities, as described in the following paragraph, and the loans will be cancelled in connection with such purchase. The following table sets forth the amount of each loan, the date the loan agreement was entered into, the principal, interest, maturity date and outstanding balance of the loan, the borrower and the affiliated Chinese entity.

Date of Loan Agreement	Borrower	Affiliated Entity	Principal		Interest	Maturity Date	Outstanding Balance	
			(in thousands of RMB)	(in thousands of US$)			(in thousands of RMB)	(in thousands of US$)
September 10, 2003	Min Fan	Beijing Chenhao	387.4	46.8	None	September 10, 2013	387.4	46.8
September 10, 2003	Qi Ji	Beijing Chenhao	1,549.5	187.2	None	September 10, 2013	1,549.5	187.2
September 10, 2003	Min Fan	Ctrip Commerce	980.0	118.4	None	September 10, 2013	980.0	118.4
September 10, 2003	Qi Ji	Ctrip Commerce	1,020.0	123.2	None	September 10, 2013	1,020.0	123.2
September 10, 2003	Alex Nanyan Zheng	Guangzhou Guangcheng	50.0	6.0	None	September 10, 2013	50.0	6.0
September 10, 2003	Min Fan	Guangzhou Guangcheng	450.0	54.4	None	September 10, 2013	450.0	54.4
October 30, 2003	Min Fan	Shanghai Cuiming	4,290.0	518.3	None	October 30, 2013	4,290.0	518.3

Exclusive Option Agreements. As consideration for our entering into the loan agreements described above, each of Qi Ji, Min Fan and Alex Nanyan Zheng has granted us an exclusive, irrevocable option to purchase all of their equity interests in our affiliated Chinese entities at any time we desire, subject to compliance with the applicable Chinese laws and regulations. If we exercise these options, we will cancel the outstanding loans we extended to Qi Ji, Min Fan and Alex Nanyan Zheng to fund our affiliated Chinese entities.

Operating Agreements. We guarantee the performance by our affiliated Chinese entities of contracts, agreements or transactions with third parties relating to the business operations of our affiliated Chinese entities. As consideration for our entering into these performance guarantees, our affiliated Chinese entities pledge their accounts receivable and all of their assets for our benefit. In addition, our affiliated Chinese entities and their shareholders agree not to enter into any transaction that would affect the assets, obligations, rights or operations of our affiliated Chinese entities without our prior written consent. They also agree to accept our guidance with respect to day-to-day operations, financial management systems and the appointment and dismissal of key employees.

All of the agreements described above were entered into in September 2003. Prior to September 2003, we had services agreements with Beijing Chenhao, Shanghai Huacheng and Ctrip Commerce, whereby

we rendered consulting, technology, administrative, marketing and other services to them, and issued invoices to them on a monthly basis based on the amount of service fees determined at our sole discretion. These service agreements have been terminated and replaced with the currently effective exclusive technical consulting and services agreements.

Stock Option Grants

We have granted options to purchase an aggregate of 1,535,760 of our ordinary shares under the 2000 Plan, all of which were granted to employees. We will not issue any additional options under the 2000 Plan to our employees. The following table summarizes, as of November 11, 2003, the option grants made under our 2000 Plan to several of our current senior executive officers named below and Qi Ji, a former executive officer, and to our other employees as a group since our board of directors adopted the 2000 Plan.

	Ordinary Shares Underlying Options Granted	Exercise Price	Date of Grant	Date of Expiration
		(US$/Share)		
James Jianzhang Liang	144,000	0.7716	April 15, 2000	April 15, 2005
Neil Nanpeng Shen	144,000	0.7716	April 15, 2000	April 15, 2005
Min Fan	172,800	0.7716	April 15, 2000	April 15, 2005
Qi Ji	129,600	0.7716	April 15, 2000	April 15, 2005
Other employees as a group	945,360	0.7716	April 15, 2000 to January 1, 2003	April 15, 2005 to January 1, 2010
Total	1,535,760			

We have reserved an aggregate of 1,187,510 of our ordinary shares for issuance under the 2003 Plan, of which 985,640 have been granted. The following table summarizes, as of November 11, 2003, the option grants made under our 2003 Plan to several of our directors and senior executive officers named below, and to our other employees since our board of directors adopted the 2003 Plan. The value of the options granted in October 2003, based on the midpoint of the filing range set forth on the front cover of this prospectus, is US$.

	Ordinary Shares Underlying Options Granted	Exercise Price	Date of Grant	Date of Expiration
		(US$/Share)		
James Jianzhang Liang	230,000	2.11	April 15, 2003	April 15, 2008
Neil Nanpeng Shen	120,000	2.11	April 15, 2003	April 15, 2008
Min Fan	120,000	2.11	April 15, 2003	April 15, 2008
Gabriel Li	30,000	6.00	October 27, 2003	October 27, 2008
Robert Stein	30,000	6.00	October 27, 2003	October 27, 2008
Other employees	241,660	2.11	April 15, 2003	April 15, 2008
	50,000	5.00	October 3, 2003	October 3, 2008
	20,000	6.00	October 27, 2003	October 27, 2008
	143,980	80% of the midpoint of the filing range	October 30, 2003	October 30, 2008
Total	985,640			

Private Placements

In March 2000, we sold a total of 4,320,000 shares of Series A preferred shares in a private placement at a price of US$1.0417 per share, including 921,600 shares to Orchid Asia II, L.P., 1,440,000 shares to China Enterprise Investments No. 11 Limited (formerly known as Softbank China Venture Investments

No. 11 Limited), 960,000 shares to Ecity Investment Limited, 480,000 IDG Technology Venture Investment, Inc. (formerly known as PTV-China Inc.), 480,000 shares to S.I. Technology Venture Capital Limited and certain individual shareholders. The holders of Series A preferred shares are entitled to vote on an "as converted" basis together with the holders of our ordinary shares. Each Series A preferred share will automatically convert into one ordinary share upon the closing of this offering. Except for IDG Technology Venture, which was also a holder of our ordinary shares, each of the purchasers of our Series A preferred shares was an unrelated third party prior to the issuance and sale of our Series A preferred shares. The value of the Series A preferred shares was determined based on arm's-length negotiations between us and the purchasers and approved by our board of directors. The purpose of the issuance of our Series A preferred shares was to fund our working capital.

In November 2000, we sold a total of 7,193,464 shares of Series B preferred shares in a private placement at a price of US$1.5667 per share, including 5,106,274 shares to Carlyle Asia Venture Partners I, L.P., 638,285 shares to Softbank Asia Net-Trans (No. 4) Limited, 414,885 shares to IDG Technology Venture Investments, L.P., 829,770 shares to S.I. Technology Venture Capital Limited, 12,765 shares to Openventure Company Limited, 183,826 shares to Orchid Asia II, L.P. and certain individuals. Holders of the Series B preferred shares are entitled to vote on an "as converted" basis together with holders of our ordinary shares and have the right to convert their Series B preferred shares into ordinary shares at a 1 to 1.5 conversion ratio. Each Series B preferred share will automatically convert into 1.5 ordinary shares upon the closing of this offering. Each of the purchasers of our Series B preferred shares, except for those who also held our ordinary shares and Series A preferred shares, was an unrelated third party prior to the issuance and sale of our Series B preferred shares. The value of the Series B preferred shares was determined based on arm's-length negotiations between us and the purchasers and approved by our board of directors. The purpose of the issuance of our Series B preferred shares was to fund our working capital.

In September 2003, we sold 2,180,755 shares of Series C preferred shares in a private placement at a price of US$4.5856 per share to Tiger Technology Private Investment Partners, L.P. and Tiger Technology II, L.P. A holder of Series C preferred shares is entitled to vote on an "as converted" basis together with holders of our ordinary shares and has the right to convert shares of Series C preferred share into ordinary shares at a 1 to 1 conversion ratio. Each Series C preferred share will automatically convert into one ordinary share upon the closing of this offering. Each of the purchasers of our Series C preferred shares was an unrelated third party prior to the issuance and sale of our Series C preferred shares. The value of the Series C preferred shares was determined based on arm's-length negotiations between us and the purchasers and approved by our board of directors.

The purposes of the issuance and sale of our Series C preferred shares were to introduce new and well-known investors to facilitate our potential future fund raising efforts and reward our existing shareholders. Immediately after the closing of the sale of our Series C preferred shares, we used the proceeds from such sale to redeem some of our outstanding shares, including 842,936, 382,481 and 636,889 shares of ordinary shares, Series A preferred shares and Series B preferred shares, respectively, at redemption prices of US$4.5283, US$4.5283 and US$6.7924 per share, respectively, after taking into consideration the legal and professional service expenses incurred in connection with the issuance of Series C preferred shares. Each of our then existing shareholders, including our affiliates Carlyle Asia Venture Partners I, L.P., IDG Technology Venture Investment, Inc., S.I. Technology Venture Capital Limited, Neil Nanpeng Shen, James Jianzhang Liang, Min Fan and Qi Ji, participated in our partial redemption of outstanding shares based on the pro rata ownership interest held by such shareholder prior to the issuance and sale of our Series C preferred shares.

Certain Leased Property in Shanghai

We lease approximately 1,223 square meters of our premises in Shanghai from a company controlled by the spouse of our Chief Executive Officer, James Jianzhang Liang. Our lease term commenced on May 1, 2003 and will expire on February 1, 2005. The annual rent for this lease is RMB500,000 (US$60,408).

DESCRIPTION OF SHARE CAPITAL

As of the date of this prospectus, our authorized share capital consists of 49,157,064 ordinary shares, par value US$0.01 each; 3,937,519 Series A preferred shares, par value US$0.01 each; 6,556,575 Series B preferred shares, par value US$0.01 each; and 2,180,755 Series C preferred shares, par value US$0.01 each. As of the date of this prospectus, there are 8,677,762 ordinary shares issued and outstanding; 3,937,518 Series A preferred shares issued and outstanding; 6,556,573 Series B preferred shares issued and outstanding; and 2,180,755 Series C preferred shares issued and outstanding. All of our issued and outstanding Series A, Series B and Series C preferred shares will automatically be converted into our ordinary shares on a basis of one ordinary share to 1, 1.5 and 1 preference share(s), respectively, upon the closing of this offering.

Between March 2000 and September 2003, we issued and sold shares of our Series A preferred shares, Series B preferred shares and Series C preferred shares in reliance upon Section 4(2) of the Securities Act, and Regulation D and Regulation S promulgated thereunder. Immediately after our issuance and sale of Series C preferred shares, we used the proceeds from such sale to redeem some of our outstanding shares held by our existing shareholders. See “Related Party Transactions — Private Placements.”

We are a Cayman Islands company and our affairs are governed by our memorandum and articles of association and the Companies Law (2003 Revision) of the Cayman Islands, which is referred to as the Companies Law below. Upon the closing of this offering, we will adopt an amended and restated memorandum and articles of association. The following are summaries of (i) material provisions of our proposed amended and restated memorandum and articles of association that we expect will become effective upon the closing of this offering and (ii) the Companies Law, insofar as they relate to the material terms of our ordinary shares.

Ordinary Shares

General. All of our outstanding ordinary shares are fully paid and non-assessable. Certificates representing the ordinary shares are issued in registered form. Our shareholders who are nonresidents of the Cayman Islands may freely hold and vote their shares.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors subject to the Companies Law.

Voting Rights. Each ordinary share is entitled to one vote on all matters upon which the ordinary shares are entitled to vote. Voting at any meeting of shareholders is by show of hands unless a poll is demanded. A poll may be demanded by the chairman of our board of directors or any other shareholder present in person or by proxy and holding at least ten percent of the shares giving a right to vote at the meeting.

A quorum required for a meeting of shareholders consists of at least two shareholders present or by proxy or, if a corporation or other non-natural person, by its duly authorized representative. Shareholders’ meetings are held annually and may be convened by our board of directors on its own initiative or upon a request to the directors by shareholders holding in the aggregate 10.0% or more of our voting share capital. Advance notice of at least seven days is required for the convening of our annual general shareholders’ meeting and other shareholders meetings.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast in a general meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes cast attaching to the ordinary shares. A special resolution is required for matters such as a change of name or amending the memorandum and articles of association. Holders of the ordinary shares may by ordinary resolution, among other things, make changes in the amount of our authorized share capital and consolidate and divide all or any of our share capital into shares of larger amount than our existing share capital and cancel any shares.

Liquidation. On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of shares), assets available for distribution among the holders of ordinary shares shall

be distributed among the holders of our ordinary shares on a pro rata basis. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders proportionately.

Calls on Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption of Shares. Subject to the provisions of the Companies Law, we may issue shares on the terms that they are, or at our option or at the option of the holders are, subject to redemption on such terms and in such manner as may be determined by special resolution.

Variations of Rights of Shares. All or any of the special rights attached to any class of shares may, subject to the provisions of the Companies Law, be varied either with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class.

Differences in Corporate Law

The Companies Law is modeled after that of the United Kingdom but does not follow recent United Kingdom statutory enactments. In addition, the Companies Law differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Law applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. Cayman Islands law does not provide for mergers as that expression is understood under United States corporate law. However, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement in question is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder would have the right to express to the court the view that the transaction should not be approved, the court can be expected to approve the arrangement if it satisfies itself that:

- the statutory provisions as to majority vote have been complied with;
- the shareholders have been fairly represented at the meeting in question;
- the arrangement is such as a businessman would reasonably approve; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Law.

When a take-over offer is made and accepted by holders of 90.0% of the shares within four months, the offerer may, within a two-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection may be made to the Grand Court of the Cayman Islands but is unlikely to succeed unless there is evidence of fraud, bad faith or collusion.

If the arrangement and reconstruction is thus approved, any dissenting shareholders would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of United States corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits. We are not aware of any reported class action or derivative action having been brought in a Cayman Islands court. In principle, we will normally be the proper plaintiff and a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in

all likelihood be of persuasive authority in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting or proposing to act illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of its authority, could be effected duly if authorized by more than a simple majority vote which has not been obtained; and
- those who control the company are perpetrating a "fraud on the minority."

Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences or committing a crime. Our articles of association provide for indemnification of officers and directors for losses, damages, costs and expenses incurred in their capacities as such, except through their own willful neglect or default.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and therefore is unenforceable.

Registration Rights

Under the terms of our shareholders agreements with certain of our shareholders, at any time after the closing of the first firm commitment underwritten public offering of our ordinary shares where the shares are subsequently primarily traded on the Nasdaq Stock Market's National Market or the New York Stock Exchange or other comparable exchange or market place approved by our board of directors, any shareholder(s) holding of record at least 50.0% of registrable shares then outstanding or any permitted assignee of record of such registrable shares may, on three occasions only, require us to effect the registration under the Securities Act of all of the registrable shares that such shareholder(s) request to be registered. Registrable shares consist of (i) ordinary shares issued or to be issued pursuant to conversion of any preferred shares, (ii) 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, or in exchange for or in replacement of, any preferred shares and (iii) any other ordinary shares owned or acquired by any holder of preferred shares. To effect such registration, the registrable shares requested by all holders of registrable shares to be registered must be at least 15.0% of all registrable shares then outstanding. We are not, however, obligated to effect any such registration if we have, within the six-month period preceding the date of any request, already effected a registration under the Securities Act pursuant to (a) a request to exercise another registration right, (b) a request by holders of registrable shares of registration of registrable shares they hold on Form F-3 or (c) the "piggyback" registration right as described below, other than a registration from which the registrable shares of the holders of registrable shares have been excluded (with respect to all or any portion of the registrable shares the holders of registrable shares requested be included in such registration).

Further, any time after the first anniversary of the date of the shareholders agreement, any holder or holders of a majority of all registrable shares then outstanding or any permitted assignees of record of registrable shares may require us to effect a registration on Form F-3 (or any equivalent registration in a jurisdiction outside of the United States) for public sale of all or any portion of the registrable shares held by such holder or holders. We are not, however, obligated to effect any such registration on Form F-3:

(i) if Form F-3 is not available for such offering by the holders of registrable shares or any permitted assignees of record of registrable shares;

(ii) if the holders of registrable shares or any permitted assignees of record of registrable shares, together with the holders of any of our other securities entitled to inclusion in such

registration, propose to sell registrable shares and such other securities (if any) at an aggregate price to the public of less than US$5,000,000;

(iii) if we furnish to the holders of registrable shares or any permitted assignees of record of registrable shares a certificate signed by our president or chief executive officer stating that in the good faith judgment of our board of directors, it would be materially detrimental to us and our shareholders for such Form F-3 Registration (or equivalent registration in a jurisdiction outside of the United States) to be effected at such time, in which event we have the right to defer the filing of the Form F-3 registration statement (or equivalent registration statement in a jurisdiction outside of the United States) no more than once during any 12-month period for a period of not more than 90 days after receipt of the request of the holder or holders of registrable share or any permitted assignees of record of registrable shares;

(iv) if we have, within the six-month period preceding the date of such request, already effected a registration under the Securities Act other than a registration from which the registrable shares of holders of registrable shares or any permitted assignees of record of registrable shares have been excluded (with respect to all or any portion of the registration shares the holders of registrable shares requested to be included in such registration) pursuant to the "piggyback" registration right described below; or

(v) in any particular jurisdiction in which we would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

In addition, holders of registrable shares who are parties to the shareholders agreement have "piggyback" registration rights which may require us to register all or any part of the registrable shares then held by such holders when we file any registration statement under the Securities Act other than a registration statement relating to any employee benefit plan or corporate reorganization.

The foregoing registration rights are subject to certain conditions and limitations, including:

- the right of the underwriters in any underwritten offering to limit the number of ordinary shares to be registered for public sale by shareholders; and
- our right to delay for up to 90 days during any 12-month period the filing of a registration statement if our board of directors determines that the registration would be seriously materially adverse to us and our shareholders at that time.

We are generally required to bear all of the expenses of all registrations, except underwriting discounts and commissions. Registration of any of the ordinary shares held by shareholders with registration rights would result in those shares becoming freely tradeable without restriction under the Securities Act immediately after the effectiveness of the registration. We have agreed to indemnify the holders of registration rights in connection with demand, Form F-3 and "piggyback" registrations in certain circumstances. Our obligations to register ordinary shares terminate seven years after the consummation of an initial public offering, or, with respect to any holder of registrable shares, such earlier time after the initial public offering at which such holder can sell all registrable shares held by it pursuant to Rule 144(k) of the Securities Act or holds one percent or less of the outstanding ordinary shares, and all registrable shares held by such holder can be sold in any three-month period without registration in compliance with Rule 144 of the Securities Act.

Inspection of Books and Records

Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we will provide our shareholders with annual audited financial statements. See "Where You Can Find Additional Information."

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

The Bank of New York will execute and deliver the American Depositary Receipts representing Ordinary Shares of the Par Value of US$0.01 per share of Ctrip.com International, Ltd. (Incorporated under the Laws of Cayman Islands), also referred to as ADRs. Each ADR is a certificate evidencing a specific number of American Depositary Shares, also referred to as ADSs. Each ADS will represent shares (or a right to receive shares) deposited with the Hong Kong office of The Hongkong and Shanghai Banking Corporation Limited, as custodian. Each ADR will also represent securities, cash or other property deposited with The Bank of New York but not distributed to ADR holders. The depositary's corporate trust office at which the ADRs will be administered is located at 101 Barclay Street, New York, New York 10286.

You may hold ADSs either directly (by having an ADR registered in your name) or indirectly through your broker or other financial institution. If you hold ADSs directly, you are an ADR holder. This description assumes you hold your ADSs directly. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADR holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

As an ADR holder, we will not treat you as one of our shareholders and you will not have shareholder rights. The depositary will be the holder of the shares underlying your ADSs. As a holder of ADRs, you will have ADR holder rights. A deposit agreement among us, the depositary and you, as an ADR holder, and the beneficial owners of ADRs set out ADR holder rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADRs.

We are providing you with a summary of the deposit agreement. You should read this summary together with the deposit agreement and the ADR. You can inspect a copy of the deposit agreement at the corporate trust office of the depositary, currently located at 101 Barclay Street, New York, New York 10286, and at the principal offices of the custodian, which will act as agent of depositary, currently located at 1 Queen's Road, Central, Hong Kong. We urge you to review the deposit agreement in its entirety as well as the form of ADR attached to the deposit agreement.

Dividends and Other Distributions

The Bank of New York has agreed to pay to you the cash dividends or other distributions it or the custodian receives on shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of shares your ADSs represent.

- ***Cash.*** The Bank of New York will convert any cash dividend or other cash distribution we pay on the 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 without excessively burdensome or otherwise unreasonable efforts, or there are foreign exchange controls in place that prohibit such transfer, the deposit agreement allows The Bank of New York to distribute RMB only to those ADR holders to whom it is possible to do so. It will hold RMB it cannot convert for the account of the ADR holders who have not been paid. It will not invest RMB and it will not be liable for interest.

Before making a distribution, any withholding taxes that must be paid will be deducted. See "Taxation — United States Federal Income Taxation — U.S. Holders — Taxation of Dividends and other Distributions on the Shares of ADSs". The Bank of New York will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent. *If the exchange rates fluctuate during a time when The Bank of New York cannot convert RMB, you may lose some or all of the value of the distribution.*

- ***Shares.*** The Bank of New York may distribute additional ADRs representing any shares we may distribute as a dividend or free distribution, if we furnish it promptly with satisfactory evidence that it is legal to do so. The Bank of New York will only distribute whole ADSs. It will sell shares which would require it to issue a fractional ADS and distribute the net proceeds in

the same way as it does with cash. If The Bank of New York does not distribute additional ADRs, each ADS will also represent the new shares.

- ***Rights to Purchase Additional Shares.*** If we offer holders of our ordinary shares any rights to subscribe for additional shares or any other rights, The Bank of New York may make these rights available to you. We must first instruct The Bank of New York to do so and furnish it with satisfactory evidence that it is legal to do so. If we do not furnish this evidence and/or give these instructions, and The Bank of New York decides it is practical to sell the rights, The Bank of New York will sell the rights and distribute the proceeds, in the same way as it does with cash. The Bank of New York may allow rights that are not distributed or sold to lapse. In that case, you will receive no value for them.

  If The Bank of New York makes rights available to you, it will exercise the rights and purchase the shares on your behalf. The depositary will then deposit the shares and deliver the ADSs to you. It will only exercise rights if you pay it the exercise price and any other charges the rights require you to pay.

  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 Bank of New York 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 of 1933, as amended, 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. In this case, The Bank of New York may issue the ADSs under a separate restricted deposit agreement which will contain the same provisions as the agreement, except for changes needed to put the restrictions in place.

- ***Other Distributions.*** The Bank of New York will send to you anything else we distribute on deposited securities by means it thinks are legal, fair and practical. If it cannot make the distribution in that way, The Bank of New York has a choice. It may decide to sell what we distributed and distribute the net proceeds in the same way as it does with cash or it may decide to hold what we distributed, in which case ADSs will also represent the newly distributed property.

The Bank of New York is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADR holders. We have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADRs, shares, rights or anything else to ADR holders. This means that you may not receive the distribution we make on our shares or any value for them if it is illegal or impractical for us to make them available to you.

Deposit, Withdrawal and Cancellation

The Bank of New York will issue ADRs if you or your broker deposit shares or evidence of rights to receive shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, The Bank of New York will register the appropriate number of ADRs in the names you request and will deliver the ADRs at its corporate trust office to the persons you request.

You may turn in your ADRs at The Bank of New York's office. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, The Bank of New York will deliver:

(1) the deliverable portion of the underlying shares to an account designated by you; and

(2) the deliverable portion of any other deposited securities underlying the ADR at the office of the custodian. Or, at your request, risk and expense, The Bank of New York will deliver the deliverable portion of the deposited securities at its corporate trust office.

Voting Rights

You may instruct The Bank of New York to vote the shares underlying your ADSs but only if we ask The Bank of New York to ask for your instructions. Otherwise, you will not be able to exercise your right to vote unless you withdraw the shares. However, you may not know about the meeting enough in advance to withdraw the shares.

If we ask for your instructions, The Bank of New York will notify you of the upcoming vote and arrange to deliver our voting materials to you. The materials will:

(1) describe the matters to be voted on; and

(2) explain how you, on a specified date, may instruct The Bank of New York to vote the shares or other deposited securities underlying your ADSs as you direct. For instructions to be valid, The Bank of New York must receive them on or before the date specified. The Bank of New York will try, in compliance with Hong Kong law and the provisions of our memorandum and articles of association, to vote or to have its agents vote the shares or other deposited securities as you instruct.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct The Bank of New York to vote your shares. In addition, The Bank of New York 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 your shares are not voted as you requested.

Notices and Reports

Upon receipt of notice of any meeting of holders of ADSs or other deposited securities, if requested in writing by the company, The Bank of New York will, as soon as practicable thereafter, mail to the owners of ADRs a notice which contains (a) such information as is contained in such notice of meeting received by The Bank of New York from the company, (b) a statement that the owners of ADRs as of the close of business on a specified record date will be entitled, subject to any applicable provisions of the Cayman Islands law and of the Memorandum and Articles of Association of the company, to instruct The Bank of New York as to the exercise of the voting rights, if any, pertaining to the amount of shares or other deposited securities represented by their respective ADSs, and (c) a statement as to the manner in which instructions may be given.

The Bank of New York will make available for inspection by registered holders at its Corporate Trust Office any reports and communications, including any proxy soliciting material, received from the company, which are both (a) received by The Bank of New York as the holder of the deposited securities, and (b) made generally available to the holders of such deposited securities by the company. However, such inspection shall not be for the purpose of communicating with registered holders of ADRs in the interest of a business or object other than the business of our company, or matters relating to the deposit agreement or the ADRs. The Bank of New York will also, upon written request, send to the registered holders copies of such reports when furnished by the company pursuant to the deposit agreement. Any such reports and communications, including any proxy soliciting material, furnished to The Bank of New York by the company will be furnished in English.

Fees and Expenses

Persons depositing shares or **ADR holders must pay:**	**For:**
US$5.00 (or less) per 100 ADSs (or portion thereof)	• Each issuance of an ADS, including as a result of a distribution of shares or rights or other property • Each cancellation of an ADS, including if the deposit agreement terminates
US$0.02 (or less) per ADS (or portion thereof)	• Any cash payment
A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs	• Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to ADR holders
US$0.02 (or less) per ADSs per calendar year (if the depositary has not collected any cash distribution fee during that year)	• Depositary services
Registration or transfer fees	• Transfer and registration of shares on the shares register of the registrar of the Foreign Registrar from your name to the name of the depositary or its agent when you deposit or withdraw common shares
Expenses of the depositary	• Conversion of RMB to U.S. dollars • Cable, telex, and facsimile transmission expenses as are expressly provided in the deposit agreement
Taxes and other governmental charges the depositary or the custodian have to pay on any ADS or share underlying an ADS	• As necessary
Any charges incurred by the depositary or its agents for servicing the deposited securities	• As necessary

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable on your ADRs or on the deposited securities underlying your ADRs. The Bank of New York may refuse to transfer your ADRs or allow you to withdraw the deposited securities underlying your ADRs until such taxes or other charges are paid. It may apply payments owed to you or sell deposited securities underlying your ADRs to pay any taxes owed and you will remain liable for any deficiency. If it sells deposited securities, it will, if appropriate, reduce the number of ADRs to reflect the sale and pay to you any proceeds, or send to you any property, remaining after it has paid the taxes.

Reclassifications, Recapitalizations and Mergers

If we:	Then:
• Change the nominal or par value of our shares	The cash, shares or other securities received by the depositary will become deposited securities. Each ADS will automatically represent its equal share of the new deposited securities.
• Reclassify, split up or consolidate any of the deposited securities	
• Distribute securities on the shares that are not distributed to you	The depositary may, and will if we ask it to, distribute some or all of the cash, shares or other securities it received. It may also issue new ADSs or ask you to surrender your outstanding ADRs in exchange for new ADRs identifying the new deposited securities.
• Recapitalize, reorganize, merge, liquidate, sell all or substantially all of our assets, or take any similar action	

Amendment and Termination

We may agree with The Bank of New York to amend or extend the deposit agreement and the ADRs without your consent for any reason. If the amendment will cause any of the following results, the amendment will become effective 30 days after The Bank of New York notifies you of the amendment:

- adds or increases fees or charges, except for:
  - taxes and other governmental charges;
  - registration fees;
  - cable, telex or facsimile transmission costs;
  - delivery costs or other such expenses; or
- prejudices any important right of ADR holders.

At the time an amendment becomes effective, you are considered, by continuing to hold your ADR, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended. An amendment to the deposit agreement may include extending such agreement.

The Bank of New York will terminate the deposit agreement if we ask it to do so. In such case, The Bank of New York must notify you at least 90 days before termination. The Bank of New York may also terminate the deposit agreement if The Bank of New York has told us that it would like to resign and we have not appointed a new depositary bank within 90 days.

After termination, The Bank of New York and its agents will be required to do only the following under the deposit agreement:

- collect distributions on the deposited securities;
- sell rights and other property; and
- deliver shares and other deposited securities upon cancellation of ADRs.

One year after termination, The Bank of New York may sell any remaining deposited securities by public or private sale. After that, The Bank of New York will hold the proceeds of the sale, as well as any other cash it is holding under the deposit agreement for the pro rata benefit of the ADR holders that have not surrendered their ADRs. It will not invest the money and will have no liability for interest. The Bank of New York's only obligations will be an indemnification obligation and an obligation to account for the proceeds of the sale and other cash. After termination, our only obligations will be an indemnification obligation and our obligation to pay specified amounts to The Bank of New York.

Limitations On Obligations and Liability to ADR Holders

The deposit agreement expressly limits our obligations and the obligations of The Bank of New York, and it limits our liability and the liability of The Bank of New York. We and The Bank of New York:

- are only obligated to take the actions specifically provided for in the deposit agreement without negligence or bad faith;
- are not liable if either is prevented or delayed by law or circumstances beyond their control from performing our obligations under the deposit agreement;
- are not liable if either exercises discretion permitted under the deposit agreement;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADRs or the deposit agreement on your behalf of any other party; and
- may rely upon any documents they believe in good faith to be genuine and to have been signed or presented by the proper party.

In the deposit agreement, we and The Bank of New York agree to indemnify each other under designated circumstances.

Requirements for Depositary Actions

The ADRs are transferable on the books of The Bank of New York, provided that The Bank of New York may close the transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. Before The Bank of New York will issue or register transfer of an ADR, make a distribution on an ADR, or process a withdrawal of shares, The Bank of New York may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any shares or other deposited securities;
- production of satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The Bank of New York may refuse to deliver, transfer or register transfers of ADRs generally when our books or the books of The Bank of New York are closed, or at any time if The Bank of New York or we think it advisable to do so.

You have the right to cancel your ADRs and withdraw the underlying shares at any time except:

- when temporary delays arise because: (1) The Bank of New York or we have closed its or our transfer books; (2) the transfer of shares is blocked to permit voting at a shareholders' meeting; or (3) we are paying a dividend on the shares;
- when you or other ADR holders seeking to withdraw shares owe money to pay fees, taxes and similar charges; or
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADRs or to the withdrawal of shares or other deposited securities.

The right of withdrawal may not be limited by any other provision of the deposit agreement.

Pre-Release of ADRs

In compliance with the provisions of the deposit agreement, The Bank of New York may issue ADRs before deposit of the underlying shares. This is called a pre-release of the ADR. The Bank of New York may also deliver shares upon cancellation of pre-released ADRs, even if the ADRs are cancelled before the pre-

release transaction has been closed out. A pre-release is closed out as soon as the underlying shares are delivered to The Bank of New York. The Bank of New York may receive ADRs instead of shares to close out a pre-release. The Bank of New York may pre-release ADRs only under the following conditions:

- before or at the time of the pre-release, the person to whom the pre-release is being made must represent to The Bank of New York in writing that it or its customer owns the shares or ADRs to be deposited;
- the pre-release must be fully collateralized with cash or other collateral that The Bank of New York considers appropriate; and
- The Bank of New York must be able to close out the pre-release on not more than five business days' notice.

In addition, The Bank of New York will limit the number of ADRs that may be outstanding at any time as a result of pre-release to 30.0% of total shares deposited, although The Bank of New York may disregard the limit from time to time, if it thinks it is appropriate to do so.

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this offering, we will have outstanding ADSs representing approximately % of our ordinary shares. All of the ADSs sold in this offering will be freely transferable by persons other than our "affiliates" without restriction or further registration under the Securities Act. Sales of substantial amounts of our ADSs in the public market could adversely affect prevailing market prices of our ADSs. Prior to this offering, there has been no public market for our ordinary shares or the ADSs, and while we have applied for the ADSs to be quoted on the Nasdaq National Market, we cannot assure you that a regular trading market will develop in the ADSs. We do not expect that a trading market will develop for our ordinary shares not represented by the ADSs.

Lock-Up Agreements

Our directors, executive officers and shareholders have signed lock-up agreements under which they have agreed, subject to some exceptions, not to transfer or dispose of, directly or indirectly, any of our ordinary shares, in the form of ADSs or otherwise, or any securities convertible into or exchangeable or exercisable for shares of our ordinary shares, in the form of ADSs or otherwise, for a period of 180 days in the case of all these persons, excluding the holders of our Series C preferred shares, and for one year in the case of the holders of our Series C preferred shares, after the date this registration statement becomes effective. After the expiration of the 180-day period, the ordinary shares or ADSs held by our directors, executive officers or shareholders may be sold subject to the restrictions under Rule 144 under the Securities Act or by means of registered public offerings.

Rule 144

In general, under Rule 144 as currently in effect, a person (or persons whose shares are aggregated) who has beneficially owned our ordinary shares for at least one year, is entitled to sell within any three-month period a number of ordinary shares that does not exceed the greater of the following:

- 1% of the then outstanding ordinary shares, in the form of ADSs or otherwise, which will equal approximately ordinary shares immediately after this offering; or
- the average weekly trading volume of our ordinary shares in the form of ADSs or otherwise, during the four calendar weeks preceding the date on which notice of the sale is filed with the Securities and Exchange Commission.

Sales under Rule 144 must be through unsolicited brokers' transactions. They are also subject to manner of sale provisions, notice requirements and the availability of current public information about us.

Rule 144(k)

Under Rule 144(k), a person who is not our affiliate at any time during the three months preceding a sale, and who has beneficially owned the ordinary shares, in the form of ADSs or otherwise, proposed to be sold for at least two years, including the holding period of any prior owner other than an affiliate, is entitled to sell those shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144. Therefore, unless otherwise restricted, "144(k) shares" may be sold at any time.

Rule 701

In general, under Rule 701 of the Securities Act as currently in effect, each of our employees, consultants or advisors who purchases ordinary shares, in the form of ADSs or otherwise, from us in connection with a compensatory stock plan or other written agreement is eligible to resell such shares in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144.

Registration Rights

Upon completion of this offering, certain holders of our ordinary shares or their transferees will be entitled to request that we register their ordinary shares under the Securities Act, following the expiration of the lockup agreements described above. See "Description of Share Capital — Registration Rights."

TAXATION

The following summary of the material Cayman Islands and United States federal income tax consequences of an investment in our ADSs or ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this prospectus, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ADSs or ordinary shares, such as the tax consequences under state, local and other tax laws. To the extent that the discussion relates to matters of Cayman Islands tax law, it represents the opinion of Maples and Calder Asia, special Cayman Islands counsel to us. To the extent the discussion relates to matters of United States law or legal conclusions and subject to the qualification herein, it represents the opinion of Latham & Watkins LLP, our special U.S. counsel.

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 levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties. There are no exchange control regulations or currency restrictions in the Cayman Islands.

United States Federal Income Taxation

The following discussion describes the material United States federal income tax consequences under present law of an investment in the ADSs or ordinary shares. This summary applies only to investors that hold the ADSs or ordinary shares as capital assets and that have the U.S. dollar as their functional currency. This discussion is based on the tax laws of the United States as in effect on the date of this prospectus and on United States Treasury regulations in effect or, in some cases, proposed, as of the date of this prospectus, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The following discussion does not deal with the tax consequences to any particular investor or to persons in special tax situations such as:

- banks;
- financial institutions;
- insurance companies;
- broker dealers;
- traders that elect to mark to market;
- tax-exempt entities;
- persons liable for alternative minimum tax;
- persons holding an ADS or ordinary share as part of a straddle, hedging, conversion or integrated transaction;
- holders that actually or constructively own 10% or more of our voting stock; or
- persons holding ADSs or ordinary shares through partnerships or other pass-through entities.

Prospective purchasers are urged to consult their tax advisors about the application of the United States Federal tax rules to their particular circumstances as well as the state and local and foreign tax consequences to them of the purchase, ownership and disposition of ADSs or ordinary shares.

The discussion below of the United States federal income tax consequences to "U.S. Holders" will apply if you are the beneficial owner of ADSs or ordinary shares and you are

- a citizen or resident of the United States;
- a corporation or partnership organized under the laws of the United States, any State or the District of Columbia;
- an estate whose income is subject to United States federal income taxation regardless of its source;
- a trust that (1) is subject to the supervision of a court within the United States and the control of one or more United States persons or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

If you are not described as a U.S. Holder, you will be considered a "Non-U.S. Holder." Non-U.S. Holders should consult the discussion below regarding the United States federal income tax consequences applicable to Non-U.S. Holders.

The discussion below assumes that the representations contained in the deposit agreement are true and that the obligations in the deposit agreement and any related agreement will be complied with in accordance with the terms. If you hold ADSs, you should be treated as the holder of the underlying ordinary shares represented by those ADSs for United States federal income tax purposes.

U.S. Holders

Taxation of Dividends and Other Distributions on the ADSs or Ordinary Shares

Subject to the passive foreign investment company rules discussed below, the gross amount of dividends paid with respect to the ADSs or ordinary shares, generally will be included in your gross income as ordinary income on the date of receipt by the depositary, in the case of ADSs, or by you, in the case of ordinary shares, but only to the extent that the distribution is paid out of our current or accumulated earnings and profits. For this purpose, earnings and profits will be computed under United States federal income tax principles. The dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations. To the extent that the amount of the distribution exceeds our current and accumulated earnings and profits, it will be treated first as a tax-free return of your tax basis in your ADSs or ordinary shares, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain.

Dividends paid in RMB will be included in your income as a U.S. dollar amount based on the exchange rate in effect on the date of receipt by the depositary, in the case of ADSs, or by you, in the case of ordinary shares, regardless of whether the payment is in fact converted into U.S. dollars at that time. If you do not receive U.S. dollars on the date the dividend is distributed, you will be required to include either gain or loss in income when you later exchange the RMB for U.S. dollars. The gain or loss will be equal to the difference between the U.S. dollar value of the amount that you include in income upon receipt of the dividend and the amount that you receive when you actually exchange the RMB for U.S. dollars. The gain or loss generally will be ordinary income or loss from United States sources. If we distribute to you non-cash property, you will include in income an amount equal to the U.S. dollar equivalent of the fair market value of the property on the date that it is distributed.

Under recently enacted legislation, with respect to non-corporate taxpayers for taxable years beginning after December 1, 2002 and before January 1, 2009 such dividends may be taxed at the lower applicable capital gains rate provided that (1) the ADSs or ordinary shares are readily tradable on an established securities market in the United States, (2) we are not a passive foreign investment company (as

discussed below) or a foreign personal holding company (as discussed below) for either our taxable year in which the dividend was paid or the preceding taxable year, and (3) certain holding period requirements are met. You should consult your tax advisors regarding the availability of the lower rate for dividends paid with respect to our ADSs or ordinary shares.

Dividends will constitute foreign source income for foreign tax credit limitation purposes. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to the ADSs or ordinary shares will be "passive income" or, in the case of certain U.S. Holders, "financial services income."

Taxation of Disposition of Shares

Subject to the passive foreign investment company rules discussed below, you will recognize taxable gain or loss on any sale, exchange or other taxable disposition of an ADS or ordinary share equal to the difference between the amount realized (in U.S. dollars) for the ADS or ordinary share and your tax basis (in U.S. dollars) in the ADS or ordinary share. If the consideration you receive for the ADS or ordinary share is not paid in U.S. dollars, the amount realized will be the U.S. dollar value of the payment received. In general, the U.S. dollar value of such a payment will be determined on the date of receipt of payment if you are a cash basis taxpayer and on the date of disposition if you are an accrual basis taxpayer. However, if the ADSs or ordinary shares are treated as traded on an established securities market and you are either a cash basis taxpayer or an accrual basis taxpayer who has made a special election, you will determine the U.S. dollar value of the amount realized in a foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. The gain or loss generally will be capital gain or loss. If you are an individual who has held the ADS or ordinary share for more than one year, you will be eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitation. Any such gain or loss that you recognize will generally be treated as United States source income or loss.

Passive Foreign Investment Company

We believe that we are not a passive foreign investment company for United Sates federal income tax purposes and do not expect to become a passive foreign investment company in the future. A non-U.S. corporation is considered a passive foreign investment company for any taxable year if either

- at least 75% of its gross income is passive income, or
- at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income.

We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, more than 25% (by value) of the stock.

We must make a separate determination each year as to whether we are a passive foreign investment company. As a result, our passive foreign investment company status may change. In particular, fluctuation in the market price of our ADSs or ordinary shares may result in us becoming a passive foreign investment company.

If we are a passive foreign investment company for any taxable year during which you hold ADSs or ordinary shares, you will be subject to special tax rules with respect to any "excess distribution" that you receive and any gain you realize from a sale or other disposition (including a pledge) of the ADSs or ordinary shares, unless you make a "mark-to-market" election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of

the three preceding taxable years or your holding period for the ADSs or ordinary shares will be treated as an excess distribution. Under these special tax rules

- the excess distribution or gain will be allocated ratably over your holding period for the ADSs or ordinary shares,
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we were a passive foreign investment company, will be treated as ordinary income, and
- the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the ADSs or ordinary shares cannot be treated as capital, even if you hold the ADSs or ordinary shares as capital assets.

If we are a passive foreign investment company, you may avoid taxation under the rules described above by making a "qualified electing fund" election to include your share of our income on a current basis, or a "deemed sale" election once we no longer qualify as a passive foreign investment company. However, you may make a qualified electing fund election only if we agree to furnish you annually with certain tax information, and we do not presently intend to prepare or provide such information.

Alternatively, a U.S. Holder of "marketable stock" in a passive foreign investment company may make a mark-to-market election for stock of a passive foreign investment company to elect out of the tax treatment discussed three paragraphs above. If you make a mark-to-market election for the ADSs or ordinary shares, you will include in income each year an amount equal to the excess, if any, of the fair market value of the ADSs or ordinary shares as of the close of your taxable year over your adjusted basis in such ADSs or ordinary shares. You are allowed a deduction for the excess, if any, of the adjusted basis of the ADSs or ordinary shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the ADSs or ordinary shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the ADSs or ordinary shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the ADSs or ordinary shares, as well as to any loss realized on the actual sale or disposition of the ADSs or ordinary shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such ADSs or ordinary shares. Your basis in the ADSs or ordinary shares will be adjusted to reflect any such income or loss amounts. The tax rules that apply to distributions by corporations which are not passive foreign investment companies would apply to distributions by us.

The mark-to-market election is available only for stock which is regularly traded on a qualified exchange or other market, as defined in applicable Treasury regulations. We expect that the ADSs and the ordinary shares will be listed on Nasdaq National Market and, consequently, the mark-to-market election would be available to you were we to be or become a passive foreign investment company.

If you hold ADSs or ordinary shares in any year in which we are a passive foreign investment company, you would be required to file Internal Revenue Service Form 8621 regarding distributions received on the ADSs or ordinary shares and any gain realized on the disposition of the ADSs or ordinary shares.

Foreign Personal Holding Company

Depending on the degree of direct or indirect ownership of our shares (including shares represented by ADSs) by individuals who are U.S. citizens or residents (directly, indirectly or by attribution), we may constitute a foreign personal holding company. In general, a foreign corporation will constitute a foreign personal holding company for United States federal income tax purposes if more than 50% of the equity of the

corporation, measured by reference to voting power or value of the corporation, is owned directly, indirectly or by attribution by five or fewer individuals who are U.S. citizens or residents and at least 60% (50% in taxable years after the corporation qualifies as a foreign personal holding company) of the foreign corporation's income is passive income. We believe that we are not a foreign personal holding company and do not expect to become a foreign personal holding company in the future. If we were treated as a foreign personal holding company, all U.S. Holders of our shares or ADSs would be treated as receiving a dividend at the end of our taxable year in an amount equal to each such holder's pro rata share of our "undistributed foreign personal holding company income" (very generally, all of our taxable income less a dividend paid deduction).

Non-U.S. Holders

If you are a Non-U.S. Holder, you generally will not be subject to United States federal income tax on dividends paid by us unless the income is effectively connected with your conduct of a trade or business in the United States.

You generally will not be subject to United States federal income tax on any gain attributable to a sale or other disposition of the ADSs or ordinary shares unless such gain is effectively connected with your conduct of a trade or business within the United States or you are a natural person who is present in the United States for 183 days or more and certain other conditions exist.

Dividends and gains that are effectively connected with your conduct of a trade or business in the United States generally will be subject to tax in the same manner as they would be if you were a U.S. Holder. Effectively connected dividends and gains received by a corporate Non-U.S. Holder may also be subject to an additional branch profits tax at a 30% rate or a lower tax treaty rate.

Information Reporting and Backup Withholding

In general, information reporting for U.S. Federal income tax purposes will apply to distributions made on the ADSs or ordinary shares paid within the United States to a non-corporate United States person and on sales of the ADSs or ordinary shares to or through a United States office of a broker by a non-corporate United States person. Payments made outside the United States will be subject to information reporting in limited circumstances.

In addition, backup withholding of U.S. Federal income tax will apply to distributions made on ADSs or ordinary shares within the United States to a non-corporate United States person and on sales of ADSs or ordinary shares to or through a United States office of a broker by a non-corporate United States person who:

- fails to provide an accurate taxpayer identification number,
- is notified by the Internal Revenue Service that backup withholding will be required, or
- fails to comply with applicable certification requirements.

The amount of any backup withholding collected will be allowed as a credit against United States federal income tax liability provided that appropriate returns are filed.

A Non-U.S. Holder generally may eliminate the requirement for information reporting and backup withholding by providing certification of its foreign status to the payer, under penalties of perjury, on IRS Form W-8BEN.

UNDERWRITING

We, together with the selling shareholders, intend to offer the ADSs in the United States and Canada through the U.S. underwriters and elsewhere through the international managers. Merrill Lynch, Pierce, Fenner & Smith Incorporated, North Tower, World Financial Center, New York, New York 10281-1201, is acting as representative of the U.S. underwriters named below. Subject to the terms and conditions contained in the U.S. underwriting agreement among us, the selling shareholders and the U.S. underwriters, and concurrently with the sale of ADSs to the international managers, we and the selling shareholders have agreed to sell to the U.S. underwriters, and the U.S. underwriters severally have agreed to purchase from us and the selling shareholders, the number of ADSs listed opposite their names below.

U.S. Underwriters	Number of ADSs
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Total	

We and the selling shareholders have also entered into an international purchase agreement with the international managers for sale of the ADSs outside the United States and Canada for whom Merrill Lynch Far East Limited, 18/F Asia Pacific Finance Tower, 3 Garden Road, Central, Hong Kong, is acting as the lead manager. Subject to the terms and conditions contained in the international purchase agreement, and concurrently with the sale of ADSs to the U.S. underwriters, we and the selling shareholders have agreed to sell to the international managers, and the international managers severally have agreed to purchase from us and the selling shareholders, the number of ADSs listed opposite their names below.

International Managers	Number of ADSs
Merrill Lynch Far East Limited	
Total	

The public offering price per ADS and the total underwriting discount per ADS are identical under the U.S. underwriting agreement and the international purchase agreement. Merrill Lynch, Pierce, Fenner & Smith Incorporated is acting as the global coordinator and bookrunner for the offering.

The U.S. underwriters and the international managers, collectively referred to as the underwriters in the section, have agreed to purchase all of the ADSs sold under the U.S. underwriting agreement and the international purchase agreement if any of these ADSs are purchased. If an underwriter defaults, the U.S. underwriting agreement and international purchase agreement provide that, in certain circumstances, the purchase commitments of the nondefaulting underwriters may be increased or the U.S. underwriting agreement and the international purchase agreement may be terminated. The closings for the sale of the ADSs to be purchased by the U.S. underwriters and the international managers are conditioned on one another.

We and the selling shareholders have agreed to indemnify the U.S. underwriters and the international managers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the U.S. underwriters and the international managers may be required to make in respect of those liabilities.

The underwriters are offering the ADSs, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the ADSs, and other conditions contained in the U.S. underwriting agreement and international purchase agreement, such as the

receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The U.S. underwriters have advised us and the selling shareholders that the U.S. underwriters propose initially to offer the ADSs to the public at the public offering price on the cover page of this prospectus, and to certain dealers at that price less a concession not in excess of US$ per ADS. The U.S. underwriters may allow, and the dealers may reallow, a concession not in excess of US$ per ADS to other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

Over-allotment Options

The selling shareholders have granted to the U.S. underwriters and the international managers an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional ADSs at the public offering price less the underwriting discount. The U.S. underwriters and the international managers may exercise such option to purchase solely for the purpose of covering over-allotments, if any, incurred in the sale of the ADSs offered hereby. If the U.S. underwriters exercise such option, each will become obligated, subject to conditions contained in the U.S. underwriting agreement or international purchase agreement, to purchase a number of additional ADSs proportionate to that U.S. underwriter's initial amount reflected in the above table.

The following table shows the per ADS initial public offering price, underwriting discount and the proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the over-allotment option.

	Per ADS	Total Without Exercise	Total With Exercise
Public offering price	US$	US$	US$
Underwriting discount	US$	US$	US$
Proceeds, before expenses, to us and the selling shareholders	US$	US$	US$

Intersyndicate Agreement

The U.S. underwriters and the international managers have entered into an intersyndicate agreement that provides for the coordination of their activities. Under the intersyndicate agreement, the U.S. underwriters and the international managers may sell the ADSs to each other for purposes of resale at the initial public offering price, less an amount not greater than the selling concession. Under the intersyndicate agreement, the U.S. underwriters and any dealer to whom they sell the ADSs will not offer to sell or sell the ADSs to non-U.S. or non Canadian persons or to persons they believe intend to resell to non-U.S. or non-Canadian persons, except in the case of transactions under the intersyndicate agreement. Similarly, the international managers and any dealer to whom they sell the ADSs will not offer to sell or sell the ADSs to U.S. persons or Canadian persons or to persons they believe intend to resell to U.S. or Canadian persons, except in the case of transactions under the intersyndicate agreement.

No Sale of Similar Securities

We and our executive officers, directors and shareholders have agreed, with exceptions, not to sell or transfer any of our ordinary shares or ADSs for 180 days in the case of all of these persons, excluding the holders of our Series C preferred shares, and for one year in the case of the holders of our Series C preferred shares, after the date of this prospectus without first obtaining the written consent of the global coordinator and bookrunner. Specifically, we and these other individuals have agreed not to directly or indirectly:

- offer, pledge, sell or contract to sell any ordinary shares and ADSs,
- sell any option or contract to purchase any ordinary shares and ADSs,

- purchase any option or contract to sell any ordinary shares and ADSs,
- grant any option, right or warrant for the sale of any ordinary shares and ADSs,
- lend or otherwise dispose of or transfer any ordinary shares and ADSs, or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any ordinary shares and ADS whether any such swap or transaction is to be settled by delivery of shares, ADS or other securities, in cash or otherwise.

This lock-up provision applies to the ordinary shares, ADSs and to securities convertible into or exchangeable or exercisable for or repayable with the ordinary shares or ADSs. It also applies to the ordinary shares and ADSs owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

Quotation on the Nasdaq National Market

We expect the ADSs to be approved for quotation on the Nasdaq National Market, subject to notice of issuance, under the symbol "CTRP."

Before this offering, there has been no public market for our ordinary shares or ADSs. The public offering price will be determined through negotiations among us and the global coordinator and bookrunner. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- the valuation multiples of publicly traded companies that the global coordinator and bookrunner believes to be comparable to us,
- our financial information,
- the history of, and the prospects for, our company and the industry in which we compete,
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues,
- the present state of our development, and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the ADSs may not develop. It is also possible that after the offering the ADSs will not trade in the public market at or above the public offering price.

The underwriters do not expect to sell more than 5.0% of the ADSs in the aggregate to accounts over which they exercise discretionary authority.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the ADSs is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our ADSs. However, the U.S. representative may engage in transactions that stabilize the price of the ADSs, such as bids or purchases to peg, fix or maintain that price.

If the underwriters create a short position in the ADSs in connection with the offering, i.e., if they sell more shares than are listed on the cover of this prospectus, the U.S. representative may reduce that short position by purchasing the ADSs in the open market. The U.S. representative may also elect to reduce any short position by exercising all or part of the over-allotment option described above. The underwriters may sell more ADSs than could be covered by exercising all of the over-allotment option, in which case, they would have to cover these sales through open market purchases. Purchases of the ADSs to stabilize its price or to reduce a short position may cause the price of the ADSs to be higher than it might be in the absence of such purchases.

The U.S. representative may also impose a penalty bid on underwriters and selling group members. This means that if the U.S. representative purchase ADSs in the open market to reduce the underwriter's short position or to stabilize the price of such ADSs, they may reclaim the amount of the selling concession from the underwriters and selling group members who sold those ADSs. The imposition of a penalty bid may also affect the price of the shares in that it discourages resales of those ADSs.

Neither we nor the selling shareholders nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the ADSs. In addition, neither we nor the selling shareholders nor any of the underwriters makes any representation that the U.S. representative or the lead manager will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Other Relationships

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us. They have received customary fees and commissions for these transactions.

Selling Restrictions

This prospectus does not constitute an offer of, or an invitation by or on behalf of, us or by or on behalf of the underwriters, to subscribe for or purchase, any of the ADSs in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in that jurisdiction. The distribution of this prospectus and the offering of the ADSs in certain jurisdictions may be restricted by law. We and the underwriters require persons into whose possession this prospectus comes to inform themselves about and to observe any such restrictions.

We will not offer or sell any ordinary shares or ADSs to any member of the public in the Cayman Islands.

Settlement Cycle

We expect that delivery of the ADSs will be made against payment therefor on or about the date specified in the last paragraph of the cover page of this prospectus, which is the business day in New York following the date of this prospectus. Pursuant to Rule 15c6-1 under the Securities Exchange Act trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the ADSs on the date of this prospectus or the next four succeeding business days will be required, by virtue of the fact that these securities will settle in T+ , to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement and should consult their own advisors.

LEGAL MATTERS

The validity of the ADSs and certain other legal matters with respect to U.S. federal and New York laws in connection with this offering will be passed upon for us by Latham & Watkins LLP. Certain legal matters with respect to U.S. federal and New York laws in connection with this offering will be passed upon for the underwriters by Simpson Thacher & Bartlett LLP. The validity of the ordinary shares represented by the ADSs offered in this offering will be passed upon for us by Maples and Calder Asia. Legal matters as to Chinese law will be passed upon for us by Commerce & Finance Law Office and for the underwriters by Jingtian & Gongcheng. Legal matters as to Hong Kong law will be passed upon for us by Boughton Peterson Yang Anderson. Latham & Watkins LLP may rely upon Maples and Calder Asia with respect to matters governed by Cayman Islands' law, Commerce & Finance Law Office with respect to matters governed by Chinese law, and upon Boughton Peterson Yang Anderson with respect to matters governed by Hong Kong law. Simpson Thacher & Bartlett LLP may rely upon Maples and Calder Asia with respect to matters governed by Cayman Islands' law and Jingtian & Gongcheng with respect to matters governed by Chinese law.

EXPERTS

Our consolidated financial statements as of and for the years ended December 31, 2001 and 2002, and as of and for the nine months ended September 30, 2003, included in this prospectus have been audited by PricewaterhouseCoopers, independent public accountants, as stated in their reports appearing elsewhere in this prospectus, and are included in reliance upon the reports of PricewaterhouseCoopers given on their authority as experts in auditing and accounting.

The offices of PricewaterhouseCoopers are located at 19th Floor, Shui On Plaza, 333 Huai Hai Zhong Road, Shanghai, 200021, China.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form F-1, including relevant exhibits and schedules under the Securities Act with respect to the ADSs and underlying ordinary shares, to be sold in this offering. This prospectus, which constitutes a part of the registration statement, does not contain all of the information contained in the registration statement. You should read the registration statement and its exhibits and schedules for further information with respect to us and our ADSs.

Immediately upon completion of this offering, we will become 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. All information filed with the SEC can be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., 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. Additional information may also be obtained over the Internet at the SEC's website at www.sec.gov. Our SEC filings, including this registration statement, and other information may also be inspected at the offices of the Nasdaq National Market, Reports Section, 1735 K Street, N.W. Washington, D.C. 20006.

We will furnish the depositary referred to under "Description of American Depositary Shares" with annual reports, which will include annual audited consolidated financial statements prepared in accordance with U.S. GAAP. The depositary has agreed that, at our request, it will promptly mail these reports to all registered holders of ADSs. We will also furnish to the depositary all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depositary will arrange for the mailing of these documents to record holders of ADSs. Please see "Description of American Depositary Shares" for further details on the responsibilities of the depositary.

CTRIP.COM INTERNATIONAL, LTD.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT AUDITORS

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF

CTRIP.COM INTERNATIONAL, LTD.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations and comprehensive income (loss), of changes in shareholders' equity (deficit) and of cash flows expressed in Renminbi present fairly, in all material respects, the financial position of Ctrip.com International, Ltd. as of December 31, 2001 and 2002, and the results of its operations and its cash flows for the years ended December 31, 2001 and 2002, in conformity with generally accepted accounting principles in the United States of America. These financial statements are the responsibility of Ctrip.com International, Ltd.'s management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards in the United States of America, which require that we plan and perform the audits 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 8 to the consolidated financial statements, Ctrip.com International, Ltd. changed its method of accounting for goodwill in the year ended December 31, 2002, to conform to Statement of Financial Accounting Standards No. 142, *"Goodwill and Other Intangible Assets."*

/s/ PricewaterhouseCoopers

Shanghai, People's Republic of China

September 19, 2003

CTRIP.COM INTERNATIONAL, LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

FOR THE YEARS ENDED DECEMBER 31, 2000, 2001 AND 2002

	Note	2000 (unaudited)	2001	2002	2002
		RMB	RMB	RMB	US$ (Note 2d)
Revenues:					
Hotel reservation		5,338,990	43,379,536	96,762,837	11,690,427
Air-ticketing		845,776	1,831,855	5,600,241	676,595
Packaged tour		310,750	594,802	432,295	52,228
Others		412,940	576,075	2,517,316	304,130
Total revenues		6,908,456	46,382,268	105,312,689	12,723,380
Less: business tax and related surcharges		(455,554)	(2,398,690)	(5,264,035)	(635,976)
Net revenues		6,452,902	43,983,578	100,048,654	12,087,404
Costs of services		(1,949,479)	(7,939,835)	(13,673,013)	(1,651,909)
Gross profit		4,503,423	36,043,743	86,375,641	10,435,495
Operating expenses:					
Product development		(6,817,324)	(7,759,081)	(13,364,920)	(1,614,686)
Sales and marketing		(17,378,333)	(30,359,491)	(32,308,004)	(3,903,300)
General and administrative		(11,677,103)	(14,814,417)	(15,702,137)	(1,897,058)
Share-based compensation*	13	—	(21,950)	(462,140)	(55,834)
Amortization of goodwill and other intangible assets		(370,822)	(1,806,611)	(353,241)	(42,677)
Other expenses incurred for joint venture companies	6	—	(934,572)	(915,056)	(110,553)
Total operating expenses		(36,243,582)	(55,696,122)	(63,105,498)	(7,624,108)
Income (loss) from operations		(31,740,159)	(19,652,379)	23,270,143	2,811,387
Interest income		735,178	2,190,983	319,230	38,568
Interest expense		—	(62,058)	(41,261)	(4,985)
Other income (expense)	10	(60,328)	(79,858)	1,014,872	122,613
Income (loss) before income tax benefit (expense), minority interests and share of loss of joint venture companies		(31,065,309)	(17,603,312)	24,562,984	2,967,583
Income tax benefit (expense)	10	7,087,874	2,341,899	(10,042,624)	(1,213,302)
Minority interests		—	—	70,997	8,578
Share of loss of joint venture companies	6	—	—	(397,824)	(48,064)
Net income (loss) for the year		(23,977,435)	(15,261,413)	14,193,533	1,714,795
Accretion for Series B Redeemable Convertible Preferred Shares		(2,195,177)	(14,316,112)	(16,492,526)	(1,992,549)
Dividends to holders of Series A and Series B Preferred Shares		—	—	(16,762,322)	(2,025,144)
Net loss attributable to ordinary shareholders		(26,172,612)	(29,577,525)	(19,061,315)	(2,302,898)
Other comprehensive income:					
Translation adjustments		22,851	39,433	38,904	4,700
Comprehensive income (loss)		(23,954,584)	(15,221,980)	14,232,437	1,719,495
Loss per share — Basic and diluted	17	(3.03)	(3.26)	(2.00)	(0.24)
Weighted average ordinary shares outstanding — Basic and diluted		8,640,000	9,080,349	9,520,698	9,520,698
* Share-based compensation was related to the associated operating expense categories as follows:					
Product development		—	(4,662)	(131,163)	(15,847)
Sales and marketing		—	(1,399)	(27,109)	(3,275)
General and administrative		—	(15,889)	(303,868)	(36,712)
		—	(21,950)	(462,140)	(55,834)

The accompanying notes are an integral part of these consolidated financial statements.

CTRIP.COM INTERNATIONAL, LTD.

CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2000, 2001 AND 2002

	Note	2000 (unaudited)	2001	2002	2002
		RMB	RMB	RMB	US$ (Note 2d)
ASSETS					
Current assets:					
Cash		88,907,851	42,463,537	38,931,118	4,703,473
Restricted short-term investment	4	—	24,829,800	—	—
Accounts receivable		1,705,447	7,369,159	13,969,400	1,687,717
Due from related parties	15	—	—	2,610,807	315,425
Prepayments and other current assets	5	1,601,089	3,896,008	3,406,593	411,568
Deferred tax assets, current	10	36,222	9,837,979	593,143	71,661
Total current assets		92,250,609	88,396,483	59,511,061	7,189,844
Investments in joint venture companies	6	—	—	5,102,176	616,421
Long-term loans to related parties	15	2,000,000	2,000,000	2,100,000	253,712
Long-term deposits		829,109	701,527	1,332,456	160,981
Property, equipment and software	7	5,288,388	9,571,311	18,707,187	2,260,114
Goodwill	8	7,702,552	6,915,849	9,515,849	1,149,660
Other intangible assets	8	2,359,281	1,339,373	986,132	119,140
Deferred tax assets, non-current	10	7,459,858	—	—	—
Total assets		117,889,797	108,924,543	97,254,861	11,749,872
LIABILITIES					
Current liabilities:					
Short-term bank loan	9	—	4,000,000	—	—
Accounts payable		1,797,037	589,304	1,001,359	120,979
Due to related parties	15	212,017	1,807,567	1,250,862	151,123
Salary and welfare payable		2,214,082	2,779,213	2,381,713	287,748
Taxes payable		147,167	706,147	1,937,586	234,090
Advances from customers		235,746	258,394	1,891,494	228,521
Provisions for customer reward program	2L	109,762	911,526	2,297,403	277,561
Deferred acquisition costs	3	3,008,749	—	—	—
Other payables and accruals	16	2,011,168	1,909,604	2,333,114	281,876
Total current liabilities		9,735,728	12,961,755	13,093,531	1,581,898
Minority interests		—	—	827,961	100,030
Series B Redeemable Convertible Preferred Shares (US$0.01 par value; 7,193,464 shares authorized, issued and outstanding as of December 31, 2000, 2001 and 2002, respectively; redeemable in October 2005 at US$3.1334 per share)	12	94,153,866	108,469,978	124,962,504	15,097,378
Commitments and contingencies	18	—	—	—	—
Shareholders' equity (deficit)					
Share capital (US$0.01 par value; 40,000,000 shares authorized, 8,640,000 shares issued and outstanding as of December 31, 2000, and 9,520,698 issued and outstanding as of December 31, 2001 and 2002, respectively)		715,392	788,314	788,314	95,240
Series A Convertible Preferred Shares (US$0.01 par value; 4,320,000 shares authorized, issued and outstanding as of December 31, 2000, 2001 and 2002, respectively)	11	357,696	357,696	357,696	43,215
Additional paid-in capital		37,883,425	26,621,353	—	—
Deferred share-based compensation	13	—	(96,263)	(1,077,460)	(130,174)
Cumulative translation adjustments		22,851	62,284	101,188	12,226
Accumulated deficit		(24,979,161)	(40,240,574)	(41,798,873)	(5,049,941)
Total shareholders' equity (deficit)		14,000,203	(12,507,190)	(41,629,135)	(5,029,434)
Total liabilities and shareholders' equity (deficit)		117,889,797	108,924,543	97,254,861	11,749,872

The accompanying notes are an integral part of these consolidated financial statements.

CTRIP.COM INTERNATIONAL, LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

FOR THE YEARS ENDED DECEMBER 31, 2000, 2001 AND 2002

	Ordinary shares of Ctrip.com (Hong Kong) Limited (US$1 par value)		Ordinary shares of Ctrip.com, International Ltd. (US$0.01 par value)		Series A Convertible Preferred Share (US$0.01 par value)		Additional	Deferred	Cumulative		Total
	Number of shares	Par value	Number of shares	Par value	Number of shares	Par value	paid-in capital	share-based compensation	translation adjustments	Accumulated deficit	shareholders' equity (deficit)
		RMB		RMB		RMB	RMB	RMB	RMB	RMB	RMB
Balance as of January 1, 2000 (unaudited)	1,000	7,334	—	—	—	—	—	—	—	(1,001,726)	(994,392)
Issuance of ordinary shares of Ctrip.com International, Ltd. in exchange for ordinary shares of Ctrip.com (Hong Kong) Limited	(1,000)	(7,334)	8,640,000	715,392	—	—	2,593,525	—	—	—	3,301,583
Issuance of Series A Convertible Preferred Shares	—	—	—	—	4,320,000	357,696	35,870,437	—	—	—	36,228,133
Accretion for Series B Redeemable Convertible Preferred Shares	—	—	—	—	—	—	(2,195,177)	—	—	—	(2,195,177)
Loans waived by shareholders	—	—	—	—	—	—	1,614,640	—	—	—	1,614,640
Translation adjustments	—	—	—	—	—	—	—	—	22,851	—	22,851
Net loss	—	—	—	—	—	—	—	—	—	(23,977,435)	(23,977,435)
Balance as of December 31, 2000 (unaudited)	—	—	8,640,000	715,392	4,320,000	357,696	37,883,425	—	22,851	(24,979,161)	14,000,203
Accretion for Series B Redeemable Convertible Preferred Shares	—	—	—	—	—	—	(14,316,112)	—	—	—	(14,316,112)
Issuance of ordinary shares for an acquisition	—	—	880,698	72,922	—	—	2,935,827	—	—	—	3,008,749
Deferred share- based compensation	—	—	—	—	—	—	118,213	(96,263)	—	—	21,950
Translation adjustments	—	—	—	—	—	—	—	—	39,433	—	39,433
Net loss	—	—	—	—	—	—	—	—	—	(15,261,413)	(15,261,413)
Balance as of December 31, 2001	—	—	9,520,698	788,314	4,320,000	357,696	26,621,353	(96,263)	62,284	(40,240,574)	(12,507,190)

The accompanying notes are an integral part of these consolidated financial statements.

CTRIP.COM INTERNATIONAL, LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT) — (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2000, 2001 AND 2002

	Ordinary shares of Ctrip.com International, Ltd. (US$0.01 par value)		Series A Convertible Preferred Share (US$0.01 par value)						
	Number of shares	Par value	Number of shares	Par value	Additional paid-in capital	Deferred share-based compensation	Cumulative translation adjustments	Accumulated deficit	Total shareholders' equity (deficit)
		RMB		RMB	RMB	RMB	RMB	RMB	RMB
Balance as of January 1, 2002	9,520,698	788,314	4,320,000	357,696	26,621,353	(96,263)	62,284	(40,240,574)	(12,507,190)
Accretion for Series B Redeemable Convertible Preferred Shares	—	—	—	—	(16,492,526)	—	—	—	(16,492,526)
Deferred share-based compensation	—	—	—	—	1,443,337	(981,197)	—	—	462,140
Dividends to shareholders	—	—	—	—	(11,572,164)	—	—	(15,751,832)	(27,323,996)
Translation adjustments	—	—	—	—	—	—	38,904	—	38,904
Net income	—	—	—	—	—	—	—	14,193,533	14,193,533
Balance as of December 31, 2002	9,520,698	788,314	4,320,000	357,696	—	(1,077,460)	101,188	(41,798,873)	(41,629,135)

The accompanying notes are an integral part of these consolidated financial statements.

CTRIP.COM INTERNATIONAL, LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2000, 2001 AND 2002

	2000 (unaudited)	2001	2002	2002
	RMB	RMB	RMB	US$ (Note 2d)
Cash flows from operating activities:				
Net income (loss) for the year	(23,977,435)	(15,261,413)	14,193,533	1,714,795
Adjustments for:				
Share-based compensation costs	—	21,950	462,140	55,834
Depreciation and amortization of property, equipment and software	494,900	1,480,249	3,233,381	390,642
Minority interests	—	—	(70,997)	(8,578)
Amortization of goodwill and other intangible assets	370,822	1,806,611	353,241	42,677
Share of loss of joint venture companies	—	—	397,824	48,063
Increase in accounts receivable	(1,705,447)	(5,663,712)	(6,600,241)	(797,410)
Increase in due from related parties	—	—	(2,610,807)	(315,425)
(Increase) decrease in prepayments and other current assets	(929,332)	(2,294,919)	489,415	59,129
(Increase) decrease in long-term deposits	(829,109)	127,582	(630,929)	(76,226)
(Increase) decrease in deferred tax assets	(7,087,874)	(2,341,899)	9,244,836	1,116,917
Increase (decrease) in accounts payable	1,797,037	(1,207,733)	1,245,705	150,500
Increase (decrease) in due to related parties	1,421,186	1,595,550	(556,705)	(67,258)
Increase (decrease) in salary and welfare payable	2,051,304	565,131	(397,500)	(48,024)
Increase in taxes payable	128,329	558,980	1,231,439	148,777
Increase in advances from customers	235,096	22,648	1,633,100	197,303
Increase in provisions for customer reward program	109,762	801,764	1,385,877	167,435
(Decrease) increase in other payables and accruals	(663,462)	(101,564)	423,510	51,167
Net cash (used in) provided by operating activities	(28,584,223)	(19,890,775)	23,426,822	2,830,318
Cash flows from investing activities:				
Purchase of property, equipment and software	(4,561,965)	(5,763,172)	(13,202,907)	(1,595,113)
Increase in long-term loans to related parties	(2,000,000)	—	(100,000)	(12,081)
(Increase) decrease in restricted short-term investment	—	(24,829,800)	24,829,800	2,999,819
Purchase of a subsidiary	(7,086,150)	—	—	
Purchase of a business	—	—	(2,600,000)	(314,120)
Investments in joint venture companies	—	—	(5,500,000)	(664,484)
Net cash (used in) provided by investing activities	(13,648,115)	(30,592,972)	3,426,893	414,021
Cash flows from financing activities:				
Proceeds from (repayment of) short-term bank loan	—	4,000,000	(4,000,000)	(483,261)
Proceeds from issuance of Series A Convertible Preferred Shares and Series B Redeemable Convertible Preferred Shares, net of issuance costs of RMB1,025,627 and RMB1,341,133, respectively	128,186,822	—	—	—
Cash received by a subsidiary on issuance of ordinary shares from minority shareholders	—	—	898,958	108,608
Dividends paid	—	—	(27,323,996)	(3,301,156)
Net cash provided by (used in) financing activities	128,186,822	4,000,000	(30,425,038)	(3,675,809)
Effect of foreign exchange rate changes on cash	22,851	39,433	38,904	4,700
Net increase (decrease) in cash	85,977,335	(46,444,314)	(3,532,419)	(426,770)
Cash, beginning of year	2,930,516	88,907,851	42,463,537	5,130,243
Cash, end of year	88,907,851	42,463,537	38,931,118	4,703,473
Supplemental disclosure of cash flow information				
Cash paid during the year for income taxes	—	—	—	
Cash paid during the year for interest expense	—	62,058	41,261	4,985
Supplemental schedule of non-cash investing and financing activities:				
Issuance of ordinary shares for the acquisition of a subsidiary	—	3,008,749	—	—

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION AND NATURE OF OPERATIONS

The accompanying consolidated financial statements include the financial statements of Ctrip.com International, Ltd. (the "Company") and its subsidiaries, which consist of Ctrip.com (Hong Kong) Limited ("Ctrip Hong Kong"), Ctrip Computer Technology (Shanghai) Co., Ltd. ("Ctrip Computer Technology") and Home Inns & Hotels Management (Hong Kong) Limited ("Home Inns Hong Kong"). The Company and its subsidiaries are collectively referred to as the "Group".

The Company was incorporated in the Cayman Islands on March 3, 2000 as an exempt company with limited liability under the Companies Law Cap. 22. After the incorporation of the Company, ordinary shares of Ctrip.com International, Ltd. were exchanged for ordinary shares of Ctrip Hong Kong, which owns all the equity interest of Ctrip Computer Technology. Since this reorganization was treated as a transaction among common shareholders, the accompanying consolidated financial statements have been prepared as if the Company had been in operation since the incorporation of Ctrip Hong Kong.

Ctrip Hong Kong and Home Inns Hong Kong were incorporated in Hong Kong on June 11, 1999 and May 28, 2001, respectively. Ctrip Computer Technology was incorporated in the People's Republic of China (the "PRC") on January 19, 1994.

The Group is principally engaged in the provision of travel related services including hotel reservations, air-ticketing, packaged-tour services, as well as, to a lesser extent, Internet-related advertising and other related services. The Group has also been engaged in hotel management operations in the PRC through Home Inns Hong Kong.

2. PRINCIPAL ACCOUNTING POLICIES

a. Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP").

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenues and expenses during the reporting periods. Actual results could materially differ from those estimates.

b. Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. All significant transactions and balances between the Company and its subsidiaries have been eliminated upon consolidation. Investments in joint venture companies are accounted for by the equity method. The Company's share of income (loss) of the joint venture companies is included in the consolidated statements of operations and comprehensive income (loss).

A subsidiary is an entity in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to appoint or remove the majority of the members of the board of directors; to cast a majority of votes at the meeting of the board of directors or to govern the financial and operating policies of the investee under a statue or agreement among the shareholders or equity holders.

A joint venture company is an entity under a contractual arrangement whereby the Company and other unrelated parties undertake economic activities, which is subject to joint control and none of the participating parties has unilateral control over the economic activities.

c. Variable interest entities

As of December 31, 2002, the Company conducts a small part of its operations through a series of agreements with certain variable interest entities ("VIE or VIEs") including Shanghai Ctrip Commerce, Shanghai Huacheng and Beijing Chenhao. These VIEs are used solely to facilitate the Company's participation in Internet content provision, advertising business, travel agency and air-ticketing services in the PRC where foreign ownership is restricted (Note 15).

Shanghai Ctrip Commerce is a domestic company incorporated in Shanghai, the PRC. Shanghai Ctrip Commerce holds an Internet content provider ("ICP") license and advertising license and is primarily engaged in provision of advertising business on the Internet website. A director and senior executive of the Company hold 51% and 49% of the equity interest in Shanghai Ctrip Commerce, respectively. The registered capital of Shanghai Ctrip Commerce is RMB2,000,000.

Shanghai Huacheng is also a domestic company incorporated in Shanghai, the PRC. Shanghai Huacheng holds a domestic travel agency license and an air transport sales agency license and mainly provides local guided tour services. Shanghai Ctrip Commerce holds 90% of the equity interest in Shanghai Huacheng. The registered capital of Shanghai Huacheng is RMB500,000.

Beijing Chenhao is also a domestic company incorporated in Beijing, the PRC. Beijing Chenhao holds an air transport sales agency license and is mainly engaged in the provision of air-ticketing services. A director and senior executive of the Company hold 80% and 20% of the equity interest in Beijing Chenhao, respectively. The registered capital of Beijing Chenhao is RMB500,000.

As of December 31, 2002, the cumulative losses incurred by the VIEs were less than RMB450,000. The aggregate maximum legal exposure for the Company's involvement with its VIEs as of December 31, 2002 is RMB2,950,000, representing the capital injected by the director or senior executives. The capital injected by the director or senior executives are funded by the Company and were recorded as long-term loans to related parties. The Company does not have any ownership interest in these VIEs.

d. Foreign currencies

The Company's functional currency is the Renminbi ("RMB"). Transactions denominated in currencies other than RMB are translated into RMB at the exchange rates quoted by the People's Bank of China (the "PBOC") prevailing at the dates of the transactions. Gains and losses resulting from foreign currency transactions are included in the consolidated statements of operations and comprehensive income (loss). Monetary assets and liabilities denominated in foreign currencies are translated into RMB using the applicable exchange rates quoted by the PBOC at the balance sheet dates. All such exchange gains and losses are included in the statements of operations and comprehensive income (loss). The exchange differences for the translation of group companies balances where RMB is not their functional currency are included in translation adjustments, which is a separate component of shareholders' equity (deficit) on the consolidated financial statements.

Translations of amounts from RMB into United States dollars ("US$") are solely for the convenience of the reader and were calculated at the rate of US$1.00 = RMB8.2771, on September 30, 2003, representing the noon buying rate in the City of New York for cable transfers of RMB, as certified for customs purposes by the Federal Reserve Bank of New York. No representation is intended to imply that the RMB amounts could have been, or could be, converted, realized or settled into US$ at that rate on September 30, 2003, or at any other rate.

e. Cash

Cash represents cash on hand and demand deposits placed with banks or other financial institutions. Included in the cash balance as of December 31, 2000, 2001 and 2002 are amounts denominated in US$ totaling US$10,142,030; US$4,266,819 and US$1,102,635, respectively (equivalent to approximately RMB83,946,597; RMB35,316,888 and RMB9,126,620, respectively).

f. Short-term investment

As of December 31, 2001, short-term investment represented time deposits placed with a bank, with an original maturity of over three months (Note 9).

g. Property, equipment and software

Property, equipment and software are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the following estimated useful lives, taking into account any estimated residual value:

Building	20 years
Leasehold improvements	Lesser of the term of the lease or the estimated useful lives of the assets
Website-related equipment	5 years
Computer equipment	5 years
Furniture and fixtures	3-5 years
Software	5 years

h. Goodwill and other intangible assets

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141, *"Business Combination"* and SFAS No. 142, *"Goodwill and Other Intangible Assets"*. SFAS No. 141 requires that all business combinations be accounted for under the purchase method and that certain acquired intangible assets in a business combination be recognized as assets apart from goodwill. SFAS No. 142 requires that ratable amortization of goodwill be replaced with periodic tests of the goodwill's impairment and that identifiable intangible assets other than goodwill be amortized over their estimated useful lives. The Company adopted SFAS No. 142 in 2002 and performed the initial steps of the transitional impairment tests as required.

Separately identifiable intangible assets that have determinable lives continue to be amortized, and consist primarily of a customer list and a travel supplier agreement. As required under SFAS No. 142, the Company continues to amortize intangible assets on a straight-line basis over their estimated useful lives, which range from one to five years. The Company has prospectively ceased the amortization of goodwill upon the adoption of SFAS No. 142.

No impairment on goodwill and other intangible assets was recognized each of the years ended December 31, 2000, 2001 and 2002.

i. Impairment of long-lived assets

Prior to January 1, 2002, the Company evaluated the recoverability of long-lived assets in accordance with SFAS No. 121, *"Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of "*. As of January 1, 2002, the Company has adopted SFAS Opinion No. 144, *"Accounting for the Impairment or Disposal of Long-Lived Assets"*, which addresses the financial accounting and reporting for

the recognition and measurement of impairment losses for long-lived assets. In accordance with these standards, long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company recognizes impairment of long-lived assets in the event that the net book value of such assets exceeds the future undiscounted cash flows attributable to such assets. No impairment of long-lived assets was recognized for each of the years ended December 31, 2000, 2001 and 2002.

j. Long-term loans to related parties

Long-term loans to related parties were made to a director and senior executives of the Company to fund their acquisition or establishment of certain VIEs that are used solely to facilitate the Company's participation in Internet content provision, advertising business, travel agency and air-ticketing services in the PRC where foreign ownership is restricted. The Company expects that it will continue to be involved in, and provide financial support to, the VIEs. Accordingly, to the extent losses not recoverable are incurred by the VIEs, the Company will accrue for such losses by recording a valuation allowance against long-term loans to related parties.

k. Financial instruments

Financial instruments of the Company primarily comprise of cash, restricted short-term investment, accounts receivable, due from related parties, short-term bank loan, accounts payable, long-term loans to related parties, due to related parties, advances from customers and other payables. As of December 31, 2000, 2001 and 2002, their carrying value approximated their fair value.

l. Provisions for customer reward program

The Company invites its customers to participate in a reward program, which provides travel awards and other gifts to members based on accumulated membership points that vary depending on the services rendered and fees paid. The estimated incremental costs to provide free travel and other gifts are recognized as sales and marketing expense in the statements of operations and comprehensive income (loss) and accrued for as a current liability as members accumulate points. As members redeem awards or their entitlements expire, the provision is reduced correspondingly. As of December 31, 2000, 2001 and 2002, the Company made provisions of RMB109,762, RMB 911,526 and RMB 2,297,403, respectively, based on the estimated liabilities under the customer reward program.

m. Revenue recognition

The Group conducts its principal businesses primarily through Ctrip Computer Technology. Some of the operations of Ctrip Computer Technology are conducted through a series of services and other agreements with certain VIEs, including Shanghai Ctrip Commerce, Shanghai Huacheng and Beijing Chenhao.

Ctrip Computer Technology is subject to business tax and related surcharges on the services provided in the PRC. Such tax is levied on the Ctrip Computer Technology based on gross revenues at the applicable rate of 5.5%. In the statements of operations and comprehensive income, business tax and related surcharges are deducted from gross revenues to arrive at net revenues.

Hotel reservation services

The Company receives commissions from travel suppliers for hotel room reservations through the Company's transaction and service platform. Commissions from hotel reservation services rendered are recognized after hotel customers have completed their stay at the applicable hotel and upon confirmation of

pending payment of the commissions by the hotel. Contracts with certain travel suppliers contain incentive commissions typically subject to achieving specific performance targets and such incentive commissions are recognized when it is reasonably assured that the Company is entitled to such incentive commissions. The Company generally receives incentive commissions from monthly arrangements with hotels based on the number of hotel room reservations where customers have completed their stays. The Company presents revenues from such transactions on a net basis in the statements of operations and comprehensive income (loss) as the Company does not assume any inventory risks and generally has no obligations for cancelled hotel reservations.

Air-ticketing services

The Company receives commissions from travel suppliers for air-ticketing services through the Company's transaction and service platform under various services agreements with related and unrelated parties. Commissions from air-ticketing services rendered are recognized after air tickets are issued and delivered to customers. Contracts with certain travel suppliers contain incentive commissions typically subject to achieving specific performance targets and such incentive commissions are recognized when they are reasonably assured that the Company is entitled to such incentive commissions. The Company presents revenues from such transactions on a net basis in the statements of operations and comprehensive income (loss) as the Company does not assume any inventory risks and generally has no obligations for cancelled airline ticket reservations.

Under the service agreement entered into between Ctrip Computer Technology and Beijing Chenhao, a related party, the Company derives a portion of the revenues on air-ticketing services from services provided to Beijing Chenhao at a fee agreed by both parties. During the years ended December 31, 2000, 2001 and 2002, service fees charged to Beijing Chenhao amounted to nil, nil and RMB1,208,673, respectively.

Packaged tour

The Company receives referral fees from related and unrelated travel agencies for packaged tour services. Referral fees are recognized at net commission after the services are rendered. Under the service agreement entered into between Ctrip Computer Technology and Shanghai Huacheng, a related party, the Company derives a portion of the revenues on packaged tour services from services provided to Shanghai Huacheng at a fee agreed by both parties. During the years ended December 31, 2000, 2001 and 2002, service fees charged to Shanghai Huacheng amounted nil, nil and RMB217,530, respectively.

Other businesses

Other businesses comprise Internet–related advertising services and the sale of VIP membership cards.

Under the service agreement entered into between Ctrip Computer Technology and Shanghai Ctrip Commerce, a related party, the Company derives its advertising revenue from the fees earned from services provided to Shanghai Ctrip Commerce at the price mutually agreed by both parties. Accordingly, the Company recognizes advertising revenue from Shanghai Ctrip Commerce based on the service agreement at the same time as Shanghai Ctrip Commerce recognizes its advertising revenue when services are rendered. During the years ended December 31, 2000, 2001 and 2002, service fees charged to Shanghai Ctrip Commerce amounted to RMB410,878, RMB395,788 and RMB684,675, respectively.

Revenue from the sale of VIP membership cards is recognized when the products are sold, provided that no significant obligations remain for the Company.

n. Costs of services

Costs of services consist primarily of payroll compensation, telecommunication expenses, depreciation, rentals and related expenses incurred by the Company's transaction and service platform which are directly attributable to the rendering of the Company's travel related services and other businesses.

o. Product development

Product development costs include expenses incurred by the Company to develop the Company's travel supplier networks as well as to maintain, monitor and manage the Company's websites. The Company recognizes website and software development costs in accordance with Statement of Position ("SOP") No. 98-1, *"Accounting for the Costs of Computer Software Developed or Obtained for Internal Use"*. As such, 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 and websites content. Costs incurred in the development phase are capitalized and amortized over the estimated product life. Since the inception of the Company, the amount of costs qualifying for capitalization has been immaterial and as a result, all website and software development costs have been expensed as incurred.

p. Sales and marketing

Sales and marketing costs consist primarily of costs of advertising expenses, commission fees, production costs of marketing materials, expenses associated with the Company's customer reward program and payroll and related compensation for the Company's sales and marketing personnel. Advertising expenses, totaled RMB8,910,378, RMB4,372,030 and RMB4,949,206 during the years ended December 31, 2000, 2001 and 2002, respectively, are charged to the statements of operations and comprehensive income (loss) when incurred.

q. Share-based compensation

The Company accounts for share-based compensation arrangements in accordance with Accounting Principles Board ("APB") Opinion No. 25, *"Accounting for Stock Issued to Employees"* ("APB No. 25"), and complies with the disclosure provisions of SFAS No. 123, *"Accounting for Stock-Based Compensation"* ("SFAS No. 123"). In general, compensation cost under APB No. 25 is recognized based on the difference, if any, between the estimated fair value of the Company's ordinary shares and the amount an employee is required to pay to acquire the ordinary shares, as determined on the date the option is granted. Total compensation cost as determined at the grant date of option is recorded in shareholders' equity as additional paid-in-capital with an offsetting entry recorded to deferred share-based compensation. Deferred share-based compensation is amortized on a straight-line basis and charged to expense over the vesting period of the underlying options.

If the compensation cost for the Company's share-based compensation plan had been determined based on the estimated fair value at the grant dates for the share option awards as prescribed by SFAS

No. 123, the Company's net loss attributable to ordinary shareholders and loss per share would have resulted in the pro forma amounts disclosed below:

	2000 (unaudited)	2001	2002
	RMB	RMB	RMB
Net loss attributable to ordinary shareholders as reported	(26,172,612)	(29,577,525)	(19,061,315)
Add: Adjustments for APB No. 25	—	21,950	462,140
Less: Fair value of share options	—	(46,881)	(528,074)
Pro forma net loss attributable to ordinary shareholders	(26,172,612)	(29,602,456)	(19,127,249)
Basic and diluted loss per share			
— As reported	(3.03)	(3.26)	(2.00)
— Pro forma	(3.03)	(3.26)	(2.01)

The effects of applying SFAS No. 123 methodology in this pro forma disclosure are not indicative of future amounts. Additional share option awards in future years are expected.

r. Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received by the Company from the leasing company are charged to the statements of operations and comprehensive income (loss) on a straight-line basis over the lease periods.

s. Taxation

Deferred income taxes are provided using the balance sheet liability method. Under this method, deferred income taxes are recognized for the tax consequences of significant temporary differences by applying enacted statutory rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided to reduce the amount of deferred tax assets if it is considered more likely than not that some portion of, or all of, the deferred tax assets will not be realized.

t. Other income

Other income primarily consists of financial subsidies. During the year ended December 31, 2002, the Company received financial subsidies totaling RMB783,900 from a local government authority and such amount is recorded as other income in the statement of operations and comprehensive income. There are no defined rules and regulations to govern the criteria necessary for companies to enjoy such benefits and the amount of financial subsidy are determined at the discretion of the relevant government authority. Financial subsidies are recognized as other income when received.

u. Statutory reserves

In accordance with the Regulations on Enterprises with Foreign Investment of China and its articles of association, Ctrip Computer Technology, a wholly foreign owned enterprise, is required to allocate at least

10% of its after-tax profit according to Chinese accounting standards and regulations to the general reserve. Ctrip Computer Technology may stop allocations to the general reserve if such reserve has reached 50% of its registered capital. Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the board of directors of Ctrip Computer Technology. These reserves can only be used for specific purposes and are not transferrable to the Company in form of loans, advances, or cash dividends. During the years ended December 31, 2000, 2001 and 2002, no appropriations to statutory reserves have been made as Ctrip Computer Technology was in an accumulated deficit position.

v. Dividends

Dividends are recognized when declared. The dividends recognized in 2002 totaling RMB27,323,996, representing a return of capital, was distributed to holders of ordinary shares, Series A and Series B convertible preferred shares on a pro rata as-converted basis.

The allocation for the dividends to the then existing holders of ordinary shares, Series A and Series B Convertible preferred shares were RMB10,561,674, RMB4,792,341 and RMB11,969,981, respectively.

w. Earning (loss) per share

In accordance with SFAS No. 128 *"Computation of Earnings Per Share"* ("SFAS No. 128"), basic earning (loss) per share is computed by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earning (loss) per share is calculated by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of the ordinary shares issuable upon the conversion of the convertible preference shares (using the as-converted method) and ordinary shares issuable upon the exercise of outstanding share options (using the treasury stock method). Ordinary equivalent shares in the diluted earning (loss) per share computation are excluded in net loss periods as their effect would be anti-dilutive.

w. Segment reporting

The Company follows SFAS No. 131 *"Disclosures about Segment of an Enterprise and Related Information"*.

The Company operates and manages its business as a single segment. The Company primarily generates its revenues from customers in China. Accordingly, no geographical segments are presented.

x. Recent accounting pronouncements

In June 2001, the FASB issued SFAS No. 143 *"Accounting for Asset Retirement Obligations"* which addresses accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. SFAS No. 143 requires an entity to recognize an asset retirement obligation in the period in which it is incurred, and the entity shall capitalize the asset retirement cost by increasing the carrying amount of the related asset by the same amount as the liability and subsequently allocate that retirement cost to expense over the asset's useful life. SFAS No. 143 is effective for fiscal years beginning after June 15, 2002. The Company does not expect that the adoption of SFAS No. 143 will have a material effect on the Company's financial position or results of operations.

In December 2002, the FASB issued SFAS No. 148, *"Accounting for Stock-Based Compensation — Transition and Disclosure"*. SFAS No. 148 amends SFAS No. 123, *"Accounting for Stock-Based Compensation"*, to provide alternative methods of transition for companies that voluntarily change to a fair value-based method of accounting for share-based employee compensation. SFAS No. 148 also amends the disclosure provisions of SFAS No. 123. The provisions of SFAS No. 148 are effective for fiscal years ending after

December 15, 2002. The Company has elected to continue to account for share-based compensation under the provisions of APB No. 25 and has followed the disclosure requirements under SFAS No. 148.

In April 2002, the FASB issued SFAS No. 145 *"Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections"*. SFAS No. 145 requires gains and losses on extinguishments of debt to be classified as income or loss from continuing operations, rather than as extraordinary items, as previously required under SFAS Opinion No. 4 *"Reporting Gains and Losses from Extinguishment of Debt, an amendment of APB Opinion No. 30"*. Extraordinary treatment will be required for certain extinguishments, as provided in APB Opinion No. 30 *"Reporting the Results of Operations — Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions"*. The statement also amended SFAS No. 13 *"Accounting for Leases"* for certain sale-leaseback transactions and sublease accounting. SFAS No. 145 is effective since January 1, 2003. The adoption of SFAS No. 145 did not have a material effect on the Company's financial position or results of operations.

In June 2002, the FASB issued SFAS No. 146, *"Accounting for Costs Associated with Exit or Disposal Activities"*. SFAS No. 146 nullifies Emerging Issues Task Force ("EITF") Issue No. 94-3, *"Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity"*, under which a liability for an exit cost was recognized at the date of an entity's commitment to an exit plan. SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized at fair value when the liability is incurred. The provisions of this statement are effective for exit or disposal activities that are initiated after December 31, 2002. The Company does not believe that this announcement will have a significant impact on its financial statements.

In November 2002, the FASB issued FASB Interpretation No. 45, *"Guarantor's Accounting and Disclosure Requirements for Guarantees, including Indirect Guarantees of Indebtedness of Others"* ("FIN 45"). FIN 45 requires the recognition of a liability for certain guarantee obligations issued or modified after December 31, 2002. FIN 45 also clarifies disclosure requirements to be made by a guarantor for certain guarantees. The disclosure provisions of FIN 45 are effective for interim periods and fiscal years ending after December 15, 2002. The Company has adopted the disclosure provisions of FIN 45 as of December 31, 2002.

In November 2002, the EITF reached a consensus on Issue No. 00-21, *"Revenue Arrangements with Multiple Deliverables"* ("EITF No. 00-21"). This issue addresses how revenue arrangements with multiple deliverables should be divided into separate units of accounting and how the arrangement consideration should be allocated to the identified separate accounting units. EITF No. 00-21 is effective for fiscal periods beginning after June 15, 2003. The Company does not believe that this announcement will have a significant impact on its financial statements.

In January 2003, the FASB issued FASB Interpretation No. 46, *"Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51"* ("FIN 46"). FIN 46 requires certain VIEs to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 is effective for all new VIEs created or acquired after January 31, 2003. For VIEs created or acquired prior to February 1, 2003, FIN 46 must be adopted for the first interim or annual period beginning after June 15, 2003. The Company will fully adopt this announcement during the year ending December 31, 2003 in which the financial statements of Guangzhou Guangcheng, a Variable Interest Entity established on April 28, 2003 in the PRC (Note 19), will be consolidated into the Company's financial statements on the date of establishment, where the financial statements of Shanghai Ctrip Commerce, Shanghai Huacheng and Beijing Chenhao, all of which were established prior to January 31, 2003, will be consolidated into the Company's financial statements starting the third quarter of 2003. The Company does not believe that this announcement will have a significant impact on

the presentation of its historical financial statements as of and for the years ended December 31, 2000, 2001 and 2002.

In June 2003, the FASB issued SFAS No. 149 *"Amendment of Statement 133 on Derivative Instruments and Hedging Activities"*. SFAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS No. 133 *"Accounting for Derivative Instruments and Hedging Activities"*. It is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. All provisions of SFAS No. 149 should be applied prospectively. The Company does not expect that the adoption of SFAS No. 149 will have a material effect on the Company's financial position or results of operations.

In June 2003, the FASB issued SFAS No. 150 *"Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity"*. SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or as an asset in some circumstances). It is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. It is to be implemented by reporting the cumulative effect of a change in an accounting principle for financial instruments created before the issuance date of SFAS No. 150 and still existing at the beginning of the interim period of adoption. Restatement is not permitted. The Company does not expect that the adoption of SFAS No. 150 will have a material effect on the Company's financial position or results of operations.

z. Certain risks and concentration

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, restricted cash, accounts receivable, due from related parties and prepayments and other current assets. As of December 31, 2000, 2001 and 2002, substantially all of the Company's cash, restricted cash and short-term investments were held in major financial institutions located in the PRC and in Hong Kong, which management believes are of high credit quality. Accounts receivable are typically unsecured and denominated in RMB, and are derived from revenues earned from operations arising in the PRC. Due from related parties mainly represent amounts lent to directors for the purpose of acquisitions of operations/ businesses and the establishment of various VIEs for the benefits of the Company's operations.

No individual customer accounted for more than 10% of net revenues during the years ended December 31, 2000, 2001 and 2002. No individual customer accounted for more than 10% of accounts receivable as of December 31, 2000, 2001 and 2002.

3. MAJOR ACQUISITION

On October 18, 2000, the Company acquired Beijing Modern Express Business Travel Services Co. Ltd. ("Beijing Modern Express"), a company incorporated in the PRC, for a total consideration of approximately RMB11,008,749, consisting of 880,698 of the Company's ordinary shares with an estimated fair value of RMB3,008,749 and a cash consideration of RMB8,000,000. The ordinary shares were issued in July 2001. Accordingly, the estimated fair value of the ordinary shares on the date of acquisition has been recognized as deferred acquisition costs as of December 31, 2000. The acquisition has been accounted for as a purchase business combination and the results of operations from the acquisition date have been included in the Company's consolidated financial statements.

The allocation of the purchase price is as follows:

Cash	913,850
Other current assets	272,463
Property, equipment and software	904,238
Intangible assets —	
Customer list	1,766,206
Travel supplier agreement	800,000
Goodwill	7,866,449
Current liabilities	(1,514,457)
Total consideration	11,008,749

The net cash impact due to the acquisition of Beijing Modern Express is as follows:

Cash consideration paid	8,000,000
Less: Cash of Beijing Modern Express	(913,850)
Net cash outflow upon acquisition of Beijing Modern Express	7,086,150

The excess of purchase price over fair values of tangible and identified intangible acquired assets and liabilities assumed was recorded as goodwill. The estimated useful lives of goodwill and intangible assets acquired are as follows:

	Years
Goodwill	10
Intangible assets —	
Customer list	5
Travel supplier agreement	1

The Company ceased amortization of goodwill after the adoption of SFAS No. 142.

The following unaudited pro forma consolidated financial information reflects the results of operations for the year ended December 31, 2000, as if the acquisition had occurred on January 1, 2000. These pro forma results have been prepared for comparative purposes only and do not purport to be indicative of what operating results would have been had the acquisition actually taken place on January 1, 2000, and may not be indicative of future operating results.

	For the year ended December 31, 2000 (unaudited)
	RMB
Revenues	13,016,096
Loss from operations	31,264,161
Net loss for the year	23,501,437

In February 2002, the Company acquired the air-ticketing business of Beijing Hai'an Air-ticketing Service Company for a total cash consideration of RMB2,600,000.

4. RESTRICTED SHORT-TERM INVESTMENT

As of December 31, 2001, restricted short-term investment represents time deposits held with a bank, with an original maturity of over three months, in the amount of US$3,000,000 pledged for a RMB denominated short-term bank loan of RMB4,000,000.

5. PREPAYMENTS AND OTHER CURRENT ASSETS

Components of prepayments and other current assets as of December 31 are as follows:

	2000 (unaudited)	2001	2002
	RMB	RMB	RMB
Interest receivable	—	1,180,709	—
Employee advances	10,700	55,556	120,226
Inventory for resale	—	792,034	437,240
Rental and other deposits	475,692	1,016,383	986,848
Prepayments for acquisition of property, equipment and software	236,717	—	665,543
Prepayments for rental and advertisement	414,993	397,403	486,871
Others	462,987	453,923	709,865
Total	1,601,089	3,896,008	3,406,593

6. INVESTMENTS IN JOINT VENTURE COMPANIES

During the year ended December 31, 2002, Home Inns Hong Kong, an investment holding company, together with a Chinese joint venture partner, established joint venture companies engaged in hotel management operations in the PRC. Certain details of the joint venture companies as of December 31, 2002 are as follows:

Name	Place and date of incorporation	Percentage of equity interest attributable to the Group	Principal activities
Home Inns & Hotels Management (Beijing) Limited (“Home Inns Beijing”)	The PRC June 28, 2002	55% (indirectly)	Hotel management
Home Inns & Hotels Management (Shanghai) Limited	The PRC November 29, 2002	55% (indirectly)	Hotel management

The operations of the joint venture companies have not been included in the consolidated financial statements as the Group does not exercise effective control over these companies. The joint venture companies are accounted for under the equity method of accounting as the Company does have significant influence over the operations of these companies due to certain substantive participating rights held by the minority shareholders.

Combined financial information of the joint venture companies as of and for the year ended December 31, 2002 is as follows:

	2002
	RMB (unaudited)
Balance sheet:	
Current assets	5,448,470
Less: current liabilities	(2,331,894)
Non-current assets	6,160,108
Net assets	9,276,684
Statement of operations:	
Revenues	4,414,845
Net loss	(723,316)

In the statements of operations and comprehensive income (loss), other expenses incurred for joint venture companies mainly consist payroll compensation and other expenses incurred by the Company in relation to the development of hotel management operations prior to the establishment of Home Inns Beijing.

Subsequent to the issuance of convertible preferred shares by Home Inns Hong Kong on February 28, 2003, the Company ceased to have control over Home Inns Hong Kong. Accordingly, investment in Home Inns Hong Kong is accounted for by equity method thereafter (Note 19).

According to a board resolution on August 27, 2003, all the Company's equity interest in Home Inns Hong Kong has been distributed out of the Company's reserves to the existing holders of Series A and Series B Convertible Preferred Shares and ordinary shares as share dividends on an as-converted basis (Note 19).

7. PROPERTY, EQUIPMENT AND SOFTWARE

Property, equipment and software and its related accumulated depreciation and amortization as of December 31 are as follows:

	2000 (unaudited)	2001	2002
	RMB	RMB	RMB
Building	—	—	7,189,803
Leasehold improvements	230,729	1,085,036	1,951,462
Website-related equipment	1,052,285	2,203,388	3,662,707
Computer equipment	3,380,837	6,580,180	7,838,315
Furniture and fixtures	657,243	1,153,199	2,649,313
Software	780,700	843,163	471,363
Less: accumulated depreciation and amortization	(813,406)	(2,293,655)	(5,055,776)
Net book value	5,288,388	9,571,311	18,707,187

8. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets are attributable to the purchase of Beijing Modern Express and Beijing Hai'an Air-ticketing Service Company (Note 3).

Gross carrying amount, accumulated amortization and net book value of the goodwill and other intangible assets as of December 31 are as follows:

	2000 (unaudited)	2001	2002
	RMB	RMB	RMB
Goodwill	7,866,449	7,866,449	10,466,449
Less: accumulated amortization	(163,897)	(950,600)	(950,600)
Net book value	7,702,552	6,915,849	9,515,849
Other intangible assets —			
Customer list	1,766,206	1,766,206	1,766,206
Travel supplier agreement	800,000	800,000	800,000
	2,566,206	2,566,206	2,566,206
Less: accumulated amortization —			
Customer list	(73,592)	(426,833)	(780,074)
Travel supplier agreement	(133,333)	(800,000)	(800,000)
	(206,925)	(1,226,833)	(1,580,074)
Net book value	2,359,281	1,339,373	986,132

	2000 (unaudited)	2001	2002
	RMB	RMB	RMB
Goodwill at the beginning of the year	—	7,702,552	6,915,849
additions due to acquisition of businesses	7,866,449	—	2,600,000
amortization for the year	(163,897)	(786,703)	—
Goodwill at the end of the year	7,702,552	6,915,849	9,515,849

The table below shows the effect on net loss attributable to ordinary shareholders and loss per share had SFAS No. 142 been adopted in prior periods:

	2000	2001
	RMB	RMB
Reported net loss attributable to ordinary shareholders	(26,172,612)	(29,577,525)
Add back: Amortization of goodwill	163,897	786,703
Adjusted net loss attributable to ordinary shareholders	(26,008,715)	(28,790,822)
Reported basic and diluted loss per share	(3.03)	(3.26)
Add back: Amortization of goodwill	0.02	0.09
Adjusted basic and diluted loss per share	(3.01)	(3.17)

The annual estimated amortization expense for the acquired intangible assets for the next five years is as follows:

	Amortization
	RMB
2003	353,241
2004	353,241
2005	279,650
2006	—
2007	—
	986,132

9. SHORT-TERM BANK LOAN

As of December 31, 2001, short-term bank loan represented a RMB4,000,000 bank loan secured by bank deposits of US$3,000,000. The annual interest rate applicable to the bank loan was 6.138%. The short-term bank loan was drawn for working capital purposes.

10. TAXATION

Cayman Islands

Under the current laws of Cayman Islands, the Company is not subject to tax on income or capital gain. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed.

Hong Kong

The Company's subsidiaries did not have assessable profits that were earned in or derived from Hong Kong during the years ended December 31, 2000, 2001 and 2002. Therefore, no Hong Kong profit tax has been provided for.

China

The Company's subsidiary and joint venture companies registered in the PRC are subject to PRC Enterprise Income Tax ("EIT") on the taxable income as reported in their respective statutory financial statements adjusted in accordance with relevant income tax laws. In accordance with "Income Tax Law of China for Enterprises with Foreign Investment and Foreign Enterprises", the applicable EIT rates are 30% plus a local income tax of 3%.

Subsequent to December 31, 2002, Ctrip Computer Technology has applied to the relevant government authorities to obtain the status of a "High New Technology Development Enterprise". Upon approval by the relevant government authorities and tax bureau, Ctrip Computer Technology would enjoy a preferential EIT rate of 15%. However, as of the date of the issuance of these financial statements, there is no assurance that such preferential tax rate will be granted to Ctrip Computer Technology.

Composition of income tax benefit (expense)

The current and deferred portion of income tax benefit (expense) included in the consolidated statements of operations and comprehensive income (loss) for the years ended December 31 are as follows:

	2000 (unaudited)	2001	2002
	RMB	RMB	RMB
Current income tax	—	—	(797,788)
Recognition (utilization) of deferred tax assets	7,087,874	2,341,899	(9,244,836)
Income tax benefit (expense)	7,087,874	2,341,899	(10,042,624)

Reconciliation of the differences between statutory tax rate and the effective tax rate

A reconciliation between the statutory EIT rate and the Group's effective tax rate for the years ended December 31 is as follows:

	2000 (unaudited)	2001	2002
Statutory EIT rate	33%	33%	33%
Non-deductible expenses incurred outside the PRC	(7)%	(21)%	7%
Other non-deductible expenses	(3)%	1%	1%
Effective EIT rate	23%	13%	41%

Significant components of deferred tax assets

	2000 (unaudited)	2001	2002
	RMB	RMB	RMB
Tax loss carryforwards	7,459,858	8,739,932	—
Temporary differences	36,222	1,098,047	593,143
Less: valuation allowance	—	—	—
Deferred tax assets	7,496,080	9,837,979	593,143

The Company has not recorded a valuation allowance related to deferred tax assets. During the years ended December 31, 2000 and 2001, the Company had operating loss and credit carryforwards for income tax purposes aggregating RMB22,605,630 and RMB26,484,642, which expire in 2004 through 2005 and expire in 2004 through 2006, respectively. The tax loss carryforwards were fully utilized during the year ended December 31, 2002.

11. SERIES A CONVERTIBLE PREFERRED SHARES

In March 2000, the Company entered into a Series A Preferred Share Subscription Agreement, whereby the Company authorized and issued 432,000 shares of the Company's Series A Convertible Preferred Shares ("Series A Preferred Shares") at an issue price of $10.4167 per share. In June 6, 2000, the Company increased the number of Series A Preferred Shares from 432,000 shares to 4,320,000 shares by decreasing the par value from US$0.10 each to US$0.01 each. The authorized and issued Series A Preferred Shares was increased to 4,320,000 shares accordingly.

The holders of Series A Preferred Shares had various rights and preferences as follows:

Voting

Each holder of Series A Preferred Shares had voting rights equal to the number of ordinary shares then issuable upon its conversion into ordinary shares. Each holder of Series A Preferred Shares generally voted together with holders of the ordinary shares.

Dividends

The holders of the Series A Preferred Shares shall be entitled to receive out of any funds legally available therefore, when and if declared by the Board of Directors of the Company, dividends equal to five percent (5%) of initial conversion price. No dividends or distribution shall be payable except out of the profits of the Company, realized or unrealized, or out of the share premium account or as otherwise permitted.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, after setting aside or paying in full the Series B Preferred Shares liquidation preference, the holders of the Series A Preferred Shares shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the ordinary shares or any other class or series of shares by reason of their ownership of such shares, the amount equal to US$1.0417 (the “Series A Preferred Shares Liquidation Preference”) for each shares held and, plus declared but unpaid dividends.

Conversion

Each Series A Preferred Share shall automatically be converted into ordinary shares at the then effective conversion price, respectively, upon the closing of an underwritten public offering of the ordinary shares of the Company in the United States at a price not less than US$4.70 per share proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations, or mergers, with the gross proceeds to the Company in excess of US$25,000,000, or in a similar public offering of the ordinary shares of the Company in a jurisdiction and on a recognized securities exchange outside of the United States, provided that such public offering is reasonably equivalent to the aforementioned public offering in the United States in terms of price, offering proceeds and regulatory approval. Otherwise, a holder of Series A Preferred Shares may opt to convert all but not part at any time after issuance date into such number of fully paid and non-assessable ordinary shares at a conversion price of US$1.04167 (each Series A Convertible Preferred Share is convertible into one ordinary share). No beneficial conversion feature charge was recognized for the issuance of Series A Preferred Shares as the estimated fair value of the ordinary shares is less than the conversion price on the date of issuance.

12. SERIES B REDEEMABLE CONVERTIBLE PREFERRED SHARES

In November 2000, the Company entered into a Series B Preferred Shares Subscription Agreement, whereby the Company authorized and issued 7,193,464 shares of the Company’s Series B Mandatorily Redeemable Convertible Preferred Shares (“Series B Preferred Shares”) at an issue price of US$1.5667 per share.

The holders of Series B Preferred Shares had various rights and preferences as follows:

Voting

Each holder of Series B Preferred Shares had voting rights equal to the number of ordinary shares then issuable upon its conversion into ordinary shares. However, subsequent to the adjustment of the Series B

Preferred Shares conversion price as of December 31, 2001, each holder of Series B Preferred Shares shall be entitled to one and a half (1.5) times the number of votes equal to the number of ordinary shares. Each holder of Series B Preferred Shares generally voted together with holders of the ordinary shares.

Dividends

No dividends, whether in cash, in property or in ordinary shares of the Company can be declared on outstanding ordinary shares unless the Board of Directors has declared a dividend for Series B Preferred Share. No dividends or distribution shall be payable except out of the profits of the Company, realized or unrealized, or out of the share premium account or as otherwise permitted.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of Series B Preferred Shares shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus of the Company to the holders of Series A Preferred Shares and ordinary shares or any other class or series of shares by reason of their ownership of such shares, the amount equal to US$1.5667.

Conversion

Each share of Series B Preferred Shares shall automatically be converted into ordinary shares at the then effective conversion price, upon the closing of an underwritten public offering of the ordinary shares of the Company in the United States at a price not less than US$4.70 per share proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations, or mergers, with the gross proceeds to the Company in excess of US$25,000,000, or in a similar public offering of the ordinary shares of the Company in a jurisdiction and on a recognized securities exchange outside of the United States, provided that such public offering is reasonably equivalent to the aforementioned public offering in the United States in terms of price, offering proceeds and regulatory approval. Otherwise, a holder of Series B Preferred Shares may opt to convert each share at any time after issue date into such number of fully paid and non-assessable ordinary shares at a conversion price of US$1.5667 prior to December 31, 2001. Subsequently, the conversion price was adjusted to US$1.0445 (each Series B Convertible Preferred Share is convertible into 1.5 ordinary shares) in accordance with a formula as determined by the Subscription Agreement of Series B Preference Shares with reference to the net revenue as shown in year 2001 audited consolidated financial statements, prepared under accounting principles generally accepted in Hong Kong. No beneficial conversion feature charge was recognized for the issuance of Series A Preferred Shares as the estimated fair value of the ordinary shares is less than the conversion price on the date of issuance.

Redemption

At any time commencing five calendar years after the Series B Preferred Shares issue date, each Series B Preferred Share shall be redeemable at the option of the holders of a majority of the then outstanding shares of Series B Preferred Shares, out of funds legally available, therefore including capital, at a redemption price equal to US$3.13334 per share plus all declared but unpaid dividends.

On September 4, 2003, holders of Series B Preferred Shares agreed to forfeit its redemption rights for no consideration (Note 19).

13. SHARE OPTION PLAN

On April 15, 2000, the Company adopted a share option plan that provides for the issuance of up to 144,000 ordinary shares in effect for a term of 10 years unless sooner terminated by shareholders and Board of

Directors. Under the share option plan, the directors may, at their discretion, grant any senior executives (including directors) and employees of the Company and/or its subsidiaries to take up share options to subscribe for shares. These share options are vested over a period of 3 years and can be exercised within 5 years from the date of grant. On June 6, 2000, the Company increased the number of ordinary shares from 2,000,000 shares to 20,000,000 shares by decreasing the par value from US$0.10 each to US$0.01 each. The total number of ordinary shares reserved for the share option plan increased from 144,000 to 1,440,000 accordingly. On July 1, 2001, the total number of ordinary shares reserved for the share option plan was increased to 1,728,000 shares. All share options granted under this plan have an exercise price of US$0.7716. Up to the date of the issuance of these financial statements, 1,538,160 options were granted under this share option plan.

The following table summarizes the Company's share option activity:

	2000 (unaudited)	2001	2002
Outstanding at beginning of year	—	1,422,280	1,330,100
Granted	1,868,680	207,080	253,440
Exercised	—	—	—
Forfeited	(446,400)	(299,260)	(134,820)
Outstanding at end of year	1,422,280	1,330,100	1,448,720
Vested and exercisable at end of year	—	394,978	803,425

In connection with the share options granted during the years ended December 31, 2000, 2001 and 2002, the Company recognized deferred share-based compensation totaling nil, RMB96,263 and RMB1,077,460, respectively, which is being amortized over the vesting period of three years. Share-based compensation expense recognized during the years ended December 31, 2000, 2001 and 2002, totaled nil, RMB21,950 and RMB462,140, respectively.

The Company calculated the estimated fair value of share options on the date of grant using the Black-Scholes pricing method with the following assumptions:

	2000 (unaudited)	2001	2002
Risk-free interest rate	2.65%	2.65%	2.65%
Expected life (years)	5	5	5
Expected dividend yield	0	0	0
Volatility	0	0	0
Fair value of options at grant date	US$ nil	US$0.0145	US$0.8628
	US$ nil	US$0.3375	US$1.1311

If compensation cost for the Company's share-based compensation plan been determined based on the estimated fair value at the grant dates for the share option awards as prescribed by SFAS No. 123, the Company's net loss attributable to ordinary shareholders during the years ended December 31, 2000, 2001 and 2002 will be RMB26,172,612, RMB29,602,456 and RMB2,364,927, respectively.

14. EMPLOYEE BENEFITS

The full-time employees of Ctrip Computer Technology which was established in the PRC are entitled to staff welfare benefits including medical care, welfare subsidies, unemployment insurance and pension benefits. Ctrip Computer Technology is required to accrue for these benefits based on certain percentages of the employees' salaries in accordance with the relevant regulations and make contributions to

the state-sponsored pension and medical plans out of the amounts accrued for medical and pension benefits. The total provision accrued for such employee benefits amounted to RMB1,026,011, RMB2,793,619 and RMB3,458,859 for the years ended December 31, 2000, 2001 and 2002, respectively. The Chinese government is responsible for the medical benefits and ultimate pension liability to these employees.

15. RELATED PARTY TRANSACTIONS

Certain VIEs were considered related parties as these VIEs were owned by a director and senior executives of the company. These VIEs own certain licenses that are necessary for a certain part of the Group's operation. The Company has entered into various service agreements with these VIEs which generally charge a fee agreed by both parties (Note 2(c)).

Under the service agreements, the Company provides consulting and other support on technology, administrative, marketing and other services to the VIE and charges a service fee for those services rendered. Under the terms of the service agreements with Beijing Chenhao and Ctrip Commerce, Beijing Chenhao and Ctrip Commerce are not allowed to (i) receive similar services from other parties or (ii) transfer, sell, leave, or pledge its assets without the consent of the Company. The terms of the service agreements with Shanghai Huacheng and Beijing Chenhao expire in April 2004 and June 2004, respectively. The service agreement with Ctrip Commerce can be terminated by the Company without cause.

During the years ended December 31, significant related party transactions are as follows:

	2000 (unaudited)	2001	2002
	RMB	RMB	RMB
Service fees from Beijing Chenhao	—	—	1,208,673
Service fees from Shanghai Huacheng	—	—	217,530
Service fees from Shanghai Ctrip Commerce	410,878	395,788	684,675
Commission income from joint venture companies	—	—	163,548
Rental expense to a related party	51,000	—	—
Property, equipment and software purchased from a related party	186,000	—	—
Consulting fees to a related party	100,000	—	—
Payables waived by directors and senior executives	1,614,640	—	—

As of December 31, balances with related parties are as follows:

	2000 (unaudited)	2001	2002
	RMB	RMB	RMB
Due from related parties:			
Due from VIEs — Shanghai Huacheng	—	—	747,283
— Beijing Chenhao	—	—	1,863,524
	—	—	2,610,807
Long-term loans to related parties:			
— Director and senior executives	2,000,000	2,000,000	2,100,000
Due to related parties:			
Due to VIEs — Shanghai Ctrip Commerce	212,017	1,504,283	1,250,862
— Shanghai Huacheng	—	303,284	—
	212,017	1,807,567	1,250,862

The amounts due from and due to related parties as of December 31, 2000, 2001 and 2002, mainly arose from the transactions disclosed above and in Note 2(i), revenue received and expenses paid on behalf on each other. They are unsecured, interest-free and have no fixed repayment terms.

16. OTHER PAYABLES AND ACCRUALS

Components of other payables and accruals as of December 31 are as follows:

	2000 (unaudited)	2001	2002
	RMB	RMB	RMB
Deposits received from suppliers	265,000	492,000	403,046
Accrued expenses	765,440	1,124,176	1,466,130
Accrued share issuance costs	869,400	—	—
Others	111,328	293,428	463,938
Total	2,011,168	1,909,604	2,333,114

17. LOSS PER SHARE

Basic loss per share and diluted loss per share have been calculated in accordance with SFAS No. 128 as follows:

	2000 (unaudited)	2001	2002
	RMB	RMB	RMB
Net loss (Numerator for basic and diluted loss per share — net loss attributable to ordinary shareholders)	(26,172,612)	(29,577,525)	(19,061,315)
Denominator for basic loss per share — weighted average ordinary shares outstanding	8,640,000	9,080,349	9,520,698
Effect of dilutive securities	—	—	—
Denominator for diluted loss per share — weighted average number of ordinary shares and dilutive potential ordinary shares	8,640,000	9,080,349	9,520,698
Basic and diluted loss per share	(3.03)	(3.26)	(2.00)

Potentially dilutive securities that were not included in the computation of diluted loss per share because of their antidilutive effects include Series A Preferred Shares, the Series B Preferred Shares and share options granted to employees.

18. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group has entered into leasing arrangements relating to office premises, equipment and others that are classified as operating leases. Future minimum lease payments for non-cancelable operating leases at December 31 are as follows:

	Office premises	Equipment and others	Total
	RMB	RMB	RMB
2003	2,417,629	4,547,548	6,965,177
2004	1,805,552	430,802	2,236,354
2005	54,291	7,500	61,791
2006	—	—	—
2007	—	—	—
	4,277,472	4,985,850	9,263,322

Rental expense totaled approximately RMB2,843,141, RMB4,798,074 and RMB4,687,822 during the years ended December 31, 2000, 2001 and 2002, respectively, and is charged to the statements of operations and comprehensive income (loss) when incurred.

Capital commitments

As of December 31, 2002, capital commitments for office decoration amounted to RMB579,045.

Contingencies

The Company is incorporated in Cayman Islands and considered as a foreign entity under PRC laws. Due to the restrictions on foreign ownership of the air-ticketing, travel agency, advertising and Internet content provision businesses, the Company conducts these businesses partly through various VIEs. These VIEs hold the licenses and approvals that are essential for the Company's business operations. In the opinion of the Company's PRC legal counsel, the current ownership structures and the contractual arrangements with these VIEs and their shareholders as well as the operations of these VIEs are in compliance with all existing PRC laws, rules and regulations. However, there may be changes and other developments in PRC laws and regulations. Accordingly, the Company cannot be assured that PRC government authorities will not take a view in the future contrary to the opinion of the Company's legal counsel. If the current ownership structures of the Company and its contractual arrangements with VIEs were found to be in violation of any existing or future PRC laws or regulations, the Company may be required to restructure its ownership structure and operations in China to comply with changing and new Chinese laws and regulations.

19. SUBSEQUENT EVENTS

a. On February 28, 2003, Home Inns Hong Kong entered into a Series A Preferred Shares Purchase Agreement, whereby Home Inns Hong Kong authorized and issued 86,207 shares of Series A Convertible Preferred Shares at an issue price of US$46.40 per share. Following the issue of the preferred shares and according to the shareholders' agreement, the equity interest of the Company on an as converted basis dropped to 31.16% and the investors are entitled to appoint the majority of directors on the board of Home Inns Hong Kong. The Company ceased to have control over Home Inns Hong Kong on February 28, 2003, and accordingly the investment in Home Inns Hong Kong is accounted for by equity method thereafter.

b. On February 28, 2003, Home Inns Hong Kong has contributed an additional registered capital of RMB28,945,000 into Home Inns Beijing. The effective equity interest of Home Inns Hong Kong in Home Inns Beijing increased from 55% to 76%.

c. On March 13, 2003, Ctrip.com Travel Information Technology (Shanghai) Co., Ltd. ("Ctrip Travel Information"), a wholly-owned subsidiary of the Company, was established in Shanghai, PRC. Effective April 2003, Ctrip Computer Technology transferred a certain portion of the hotel reservation business to Ctrip Travel Information. The EIT rate applicable to Ctrip Travel Information is 15% as it is registered in Pudong New District, Shanghai.

d. On April 15, 2003, the Company adopted a new share option plan which provides for the issuance of up to 1,187,510 ordinary shares. Under the share option plan, the directors may, at their discretion, grant any senior executives (including directors) and employees of the Company and/or its subsidiaries to take up share options to subscribe for shares. These share options are vested over a period of 3 years and can be exercised within 5 years from the date of grant. Up to the date of the issuance of these financial statements, 711,660 share options were granted with an exercise price of US$2.11 under this new share option plan.

e. On April 28, 2003, Guangzhou Guangcheng Commercial Service Co., Ltd. ("Guangzhou Guangcheng"), a VIE incorporated in Guangzhou, PRC, was established by Shanghai Ctrip Commerce and a senior executive, each holding 90% and 10% of the equity interest in Guangzhou Guangcheng, respectively. Guangzhou Guangcheng is in the process of applying for an air-ticketing license.

f. On August 4, 2003, the Company, through its senior executive, entered into an agreement to acquire 66% of equity interests of Shanghai Cuiming International Travel Agency Co., Ltd. ("Shanghai

Cuiming"), a company incorporated in Shanghai, PRC, with a consideration of RMB1,980,000. Shanghai Cuiming holds a travel agency license for both cross border and domestic package-tour business. The Company is in the process of entering into a service agreement with Shanghai Cuiming. However, these transactions have not yet been completed as of the date of the issuance of these financial statements.

g. On August 27, 2003, the board resolved to distribute, out of the Company's reserves, all equity interest of the Company in Home Inns Hong Kong to the existing holders of Series A and Series B Convertible Preferred Shares and ordinary shares as share dividends on an as-converted basis.

h. On September 4, 2003, the Company entered into a Series C Preferred Shares Purchase Agreement, whereby the Company authorized and issued 2,180,755 shares of Series C Convertible Preferred Shares, with a par value of US$0.01, at an issue price of US$4.5856 per share. Series C Convertible Preferred Shares are non-redeemable and are automatically convertible into one ordinary share at an initial conversion price of US$4.5856 (subject to anti-dilution adjustment) upon (i) the election of a majority of the outstanding shares of Series C Convertible Preferred Shares or (ii) the consummation of an underwritten public offering with aggregate proceeds in excess of US$25,000,000. Holders of Series C Convertible Preferred Shares are entitled to participate with holders of ordinary shares in any dividends or similar distributions on an as-converted basis. In the event of any liquidation, dissolution or winding-up of the Company, holder of Series C Convertible Preferred Shares are entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the ordinary shares or any other class of series of shares. No beneficial conversion feature charge was recognized for the issuance of Series C Convertible Preferred Shares as the estimated fair value of the ordinary shares is less than the conversion price on the date of issuance.

i. In September 2003, as part of the Series C Convertible Preferred Share issuance, the shareholders of the Company's Series B Preferred Shares forfeited their redemption rights for no consideration in anticipation of the public offering of the Company's ordinary shares.

j. In September 2003, immediately after the issuance of Series C Convertible Preferred Shares, the net proceeds received from investors were fully utilized to repurchase 842,936, 382,481 and 636,889 shares of Company's ordinary shares, Series A Convertible Preferred Shares and Series B Convertible Preferred Shares at US$4.5283, US$4.5283 and US$6.7924, respectively, on a pro-rata as-converted basis. The repurchase price per share for each class of shares was determined based on the issuance price of Series C Preferred Shares adjusted for legal and other professional service expenses and conversion features, where applicable. The excess of the repurchase price over the carrying amount of the Series A and Series B Convertible Preferred Shares was treated as a deemed dividend and amounted to RMB11,223,324 and RMB24,112,826, respectively. The purchased shares were retired upon repurchase.

REPORT OF INDEPENDENT AUDITORS

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF

CTRIP.COM INTERNATIONAL, LTD.:

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of operations and comprehensive income, of changes in shareholders' equity and of cash flows expressed in Renminbi present fairly, in all material respects, the financial position of Ctrip.com International, Ltd. as of September 30, 2003, and the results of its operations and its cash flows for the nine-month period ended September 30, 2003, in conformity with generally accepted accounting principles in the United States of America. These financial statements are the responsibility of Ctrip.com International, Ltd.'s management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with generally accepted auditing standards in the United States of America, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers

Shanghai, People's Republic of China

October 30, 2003

CTRIP.COM INTERNATIONAL, LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2002 AND 2003

	Note	For the nine-month period ended September 30, 2002 (unaudited)	For the nine-month period ended September 30, 2003	For the nine-month period ended September 30, 2003
		RMB	RMB	US$ (Note 2d)
Revenues:				
Hotel reservation		67,221,566	95,528,052	11,541,246
Air-ticketing		3,342,852	11,647,949	1,407,250
Packaged tour		390,215	1,735,043	209,620
Others		1,483,571	2,415,036	291,773
Total revenues		72,438,204	111,326,080	13,449,889
Less: business tax and related surcharges		(3,628,998)	(5,609,269)	(677,685)
Net revenues		68,809,206	105,716,811	12,772,204
Costs of services		(9,100,511)	(14,447,164)	(1,745,438)
Gross profit		59,708,695	91,269,647	11,026,766
Operating expenses:				
Product development		(9,170,139)	(13,254,566)	(1,601,354)
Sales and marketing		(23,519,885)	(28,401,278)	(3,431,308)
General and administrative		(11,173,090)	(12,432,604)	(1,502,048)
Share-based compensation*	11	(336,127)	(1,030,843)	(124,541)
Amortization of goodwill and other intangible assets		(264,931)	(264,931)	(32,008)
Other expenses incurred for joint venture companies	4	(915,056)	—	—
Total operating expenses		(45,379,228)	(55,384,222)	(6,691,259)
Income from operations		14,329,467	35,885,425	4,335,507
Interest income		216,972	242,577	29,307
Interest expense		(41,261)	—	—
Other income, net	7	263,044	3,474,706	419,797
Income before income tax expense, minority interests and share of income (loss) of joint venture companies		14,768,222	39,602,708	4,784,611
Income tax expense	7	(6,155,572)	(10,966,291)	(1,324,895)
Minority interests		31,594	(17,540)	(2,119)
Share of income (loss) of joint venture companies	4	(187,931)	573,423	69,278
Net income for the period		8,456,313	29,192,300	3,526,875
Accretion for Series B Redeemable Convertible Preferred Shares		(12,140,355)	(12,365,534)	(1,493,945)
Deemed dividends to holders of Series A and Series B Convertible Preferred Shares for spin-off of joint venture companies	2u	—	(2,829,064)	(341,794)
Deemed dividends upon repurchase of Preferred Shares	10	—	(35,336,150)	(4,269,146)
Net loss attributable to ordinary shareholders		(3,684,042)	(21,338,448)	(2,578,010)
Other comprehensive income:				
Translation adjustments		39,803	86,670	10,471
Comprehensive income		8,496,116	29,278,970	3,537,346
Loss per share	15			
— Basic and diluted		(0.39)	(2.26)	(0.27)
Weighted average ordinary shares outstanding				
— Basic and diluted		9,520,698	9,439,526	9,439,526
* Share-based compensation was related to the associated operating expense categories as follows:				
Product development		(94,640)	(254,072)	(30,696)
Sales and marketing		(22,497)	(81,997)	(9,906)
General and administrative		(218,990)	(694,774)	(83,939)
		(336,127)	(1,030,843)	(124,541)

The accompanying notes are an integral part of these financial statements.

CTRIP.COM INTERNATIONAL, LTD.

CONSOLIDATED BALANCE SHEETS

AS OF SEPTEMBER 30, 2002 AND 2003

	Note	September 30, 2002 (unaudited)	September 30, 2003	September 30, 2003 (unaudited pro forma - Note 16)	September 30, 2003	September 30, 2003 (unaudited pro forma - Note 16)
		RMB	RMB	RMB	US$ (Note 2d)	US$ (Note 2d)
ASSETS						
Current assets:						
Cash		61,488,096	70,352,608	70,352,608	8,499,669	8,499,669
Accounts receivable		12,962,938	25,536,956	25,536,956	3,085,254	3,085,254
Due from related parties	13	5,912,762	545,270	545,270	65,877	65,877
Prepayments and other current assets	3	3,348,439	8,110,991	8,110,991	979,931	979,931
Deferred tax assets, current	7	3,682,407	684,155	684,155	82,656	82,656
Total current assets		87,394,642	105,229,980	105,229,980	12,713,387	12,713,387
Investments in joint venture companies	4	5,314,195	—	—	—	—
Long-term loans to related parties	13	2,100,000	4,290,000	4,290,000	518,298	518,298
Long-term deposits		850,997	9,276,454	9,276,454	1,120,737	1,120,737
Property, equipment and software	5	11,420,189	22,965,842	22,965,842	2,774,624	2,774,624
Goodwill	6	9,515,849	9,515,849	9,515,849	1,149,660	1,149,660
Other intangible assets	6	1,074,442	721,201	721,201	87,132	87,132
Total assets		117,670,314	151,999,326	151,999,326	18,363,838	18,363,838
LIABILITIES						
Current liabilities:						
Accounts payable		2,312,223	14,393,027	14,393,027	1,738,897	1,738,897
Due to related parties	13	1,511,946	—	—	—	—
Salary and welfare payable		3,749,423	5,013,383	5,013,383	605,693	605,693
Taxes payable		1,241,576	10,492,243	10,492,243	1,267,623	1,267,623
Advances from customers		197,591	2,002,790	2,002,790	241,968	241,968
Provisions for customer reward program	2k	1,869,656	3,470,457	3,470,457	419,284	419,284
Other payables and accruals	14	1,480,392	7,538,601	7,538,601	910,778	910,778
Total current liabilities		12,362,807	42,910,501	42,910,501	5,184,243	5,184,243
Minority interests		512,476	57,266	57,266	6,919	6,919
Series B Redeemable Convertible Preferred Shares (US$0.01 par value; 7,193,464 shares authorized, issued and outstanding as of September 30, 2002)	9	120,610,333	—	—	—	—
Commitments and contingencies	17	—	—	—	—	—
Shareholders' equity (deficit)						
Share capital (US$0.01 par value; 40,000,000 shares authorized, 9,520,698 shares issued and outstanding as of September 30, 2002; 49,157,064 shares authorized, 8,677,762 issued and outstanding as of September 30, 2003)		788,314	718,522	2,039,447	86,808	246,396
Series A Convertible Preferred Shares (US$0.01 par value; 4,320,000 shares authorized, issued and outstanding as of September 30, 2002; 3,937,519 shares authorized, issued and outstanding as of September 30, 2003)	8	357,696	326,025	—	39,389	—
Series B Convertible Preferred Shares (US$0.01 par value; 6,556,575 shares authorized, issued and outstanding as of September 30, 2003)	9	—	542,886	—	65,589	—
Series C Convertible Preferred Shares (US$0.01 par value; 2,180,755 shares authorized, issued and outstanding as of September 30, 2003)	10	—	180,570	—	21,815	—
Additional paid-in capital		15,937,815	140,114,159	139,842,715	16,927,929	16,895,134
Deferred share-based compensation	11	(1,216,953)	(3,454,731)	(3,454,731)	(417,384)	(417,384)
Cumulative translation adjustments		102,087	187,858	187,858	22,696	22,696
Accumulated deficit		(31,784,261)	(29,583,730)	(29,583,730)	(3,574,166)	(3,574,166)
Total shareholders' equity (deficit)		(15,815,302)	109,031,559	109,031,559	13,172,676	13,172,676
Total liabilities and shareholders' equity (deficit)		117,670,314	151,999,326	151,999,326	18,363,838	18,363,838

The accompanying notes are an integral part of these financial statements.

CTRIP.COM INTERNATIONAL, LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2002 AND 2003

	Ordinary shares (US$0.01 par value)		Series A Convertible Preferred Share (US$0.01 par value)		Series B Convertible Preferred Share (US$0.01 par value)		Series C Convertible Preferred Share (US$0.01 par value)						
	Number of shares	Par value	Number of shares	Par value	Number of shares	Par value	Number of shares	Par value	Additional paid-in capital	Deferred share-based compensation	Cumulative translation adjustments	Accumulated deficit	Total shareholders' equity (deficit)
		RMB		RMB		RMB		RMB	RMB	RMB	RMB	RMB	RMB
Balance as of January 1, 2002	9,520,698	788,314	4,320,000	357,696	—	—	—	—	26,621,353	(96,263)	62,284	(40,240,574)	(12,507,190)
Deferred share-based compensation	—	—	—	—	—	—	—	—	1,456,817	(1,120,690)	—	—	336,127
Accretion for Series B Redeemable Convertible Preferred Shares	—	—	—	—	—	—	—	—	(12,140,355)	—	—	—	(12,140,355)
Translation adjustments	—	—	—	—	—	—	—	—	—	—	39,803	—	39,803
Net income	—	—	—	—	—	—	—	—	—	—	—	8,456,313	8,456,313
Balance as of September 30, 2002 (unaudited)	9,520,698	788,314	4,320,000	357,696	—	—	—	—	15,937,815	(1,216,953)	102,087	(31,784,261)	(15,815,302)
Balance as of January 1, 2003	9,520,698	788,314	4,320,000	357,696	—	—	—	—	—	(1,077,460)	101,188	(41,798,873)	(41,629,135)
Accretion for Series B Redeemable Convertible Preferred Shares	—	—	—	—	—	—	—	—	—	—	—	(12,365,534)	(12,365,534)
Spin-off of joint venture companies	—	—	—	—	—	—	—	—	—	—	—	(4,611,623)	(4,611,623)
Reclassification upon removal of redemption rights for Series B Convertible Preferred Shares	—	—	—	—	7,193,464	595,621	—	—	136,732,417	—	—	—	137,328,038
Issuance of Series C Convertible Preferred Shares	—	—	—	—	—	—	2,180,755	180,570	82,619,430	—	—	—	82,800,000
Repurchase of shares	(842,936)	(69,792)	(382,481)	(31,671)	(636,889)	(52,735)	—	—	(82,645,802)	—	—	—	(82,800,000)
Deferred share-based compensation	—	—	—	—	—	—	—	—	3,408,114	(2,377,271)	—	—	1,030,843
Translation adjustments	—	—	—	—	—	—	—	—	—	—	86,670	—	86,670
Net income	—	—	—	—	—	—	—	—	—	—	—	29,192,300	29,192,300
Balance as of September 30, 2003	8,677,762	718,522	3,937,519	326,025	6,556,575	542,886	2,180,755	180,570	140,114,159	(3,454,731)	187,858	(29,583,730)	109,031,559

The accompanying notes are an integral part of these financial statements.

CTRIP.COM INTERNATIONAL, LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2002 AND 2003

	For the nine-month period ended September 30, 2002 (unaudited)	For the nine-month period ended September 30, 2003	For the nine-month period ended September 30, 2003
	RMB	RMB	US$ (Note 2d)
Cash flows from operating activities:			
Net income for the period	8,456,313	29,192,300	3,526,875
Adjustments for:			
Share-based compensation costs	336,127	1,030,843	124,541
Depreciation and amortization of property, equipment and software	2,319,203	3,908,674	472,227
Minority interests	(31,594)	17,540	2,119
Amortization of goodwill and other intangible assets	264,931	264,931	32,008
Share of loss (income) of joint venture companies	187,931	(573,423)	(69,278)
Increase in accounts receivable	(5,593,779)	(11,567,556)	(1,397,537)
(Increase) decrease in due from related parties	(5,912,762)	3,700,243	447,046
Decrease (increase) in prepayments and other current assets	547,569	(4,704,398)	(568,363)
Increase in long-term deposits	(149,470)	(7,943,998)	(959,756)
Decrease (increase) in deferred tax assets	6,155,572	(91,012)	(10,996)
Increase in accounts payable	2,556,569	13,391,668	1,617,918
Decrease in due to related parties	(295,621)	(1,250,862)	(151,123)
Increase in salary and welfare payable	970,210	2,631,670	317,946
Increase in taxes payable	535,429	8,554,657	1,033,533
(Decrease) increase in advances from customers	(60,803)	111,296	13,446
Increase in provisions for customer reward program	958,130	1,173,054	141,723
Decrease in other payables and accruals	(429,212)	(241,447)	(29,170)
Net cash provided by operating activities	10,814,743	37,604,180	4,543,159
Cash flows from investing activities:			
Decrease in restricted short-term investment	24,829,800	—	—
Proceeds from disposal of equity interest in a former subsidiary	—	199,962	24,158
Purchase of property, equipment and software	(5,003,857)	(8,078,728)	(976,034)
Increase in long-term loans to related parties	(100,000)	(2,190,000)	(264,585)
Decrease in cash arising from deconsolidation of a former subsidiary	—	(1,789,594)	(216,210)
Purchase of a business	(2,600,000)	—	—
Investments in joint venture companies	(5,500,000)	—	—
Net cash provided by (used in) investing activities	11,625,943	(11,858,360)	(1,432,671)
Cash flows from financing activities:			
Cash received by a subsidiary on issuance or ordinary shares from minority shareholders	544,070	—	—
Repayment of short-term bank loan	(4,000,000)	—	—
Proceeds from issuance of Series C Convertible Preferred Shares	—	82,800,000	10,003,504
Repurchase of ordinary and Series A and B Convertible Preferred Shares	—	(77,211,000)	(9,328,267)
Net cash (used in) provided by financing activities	(3,455,930)	5,589,000	675,237
Effect of foreign exchange rate changes on cash	39,803	86,670	10,471
Net increase in cash	19,024,559	31,421,490	3,796,196
Cash, beginning of period	42,463,537	38,931,118	4,703,473
Cash, end of period	61,488,096	70,352,608	8,499,669
Supplemental disclosure of cash flow information:			
Cash paid during the periods for income taxes	—	3,345,114	404,141
Cash paid during the periods for interest expense	41,261	—	—
Supplemental disclosure of non-cash financing activities:			
Spin-off of joint venture companies as share dividends	—	4,611,623	557,154
Repurchase of shares unpaid in cash	—	4,843,800	585,205

The accompanying notes are an integral part of these financial statements.

1. ORGANIZATION AND NATURE OF OPERATIONS

The accompanying consolidated financial statements include the financial statements of Ctrip.com International, Ltd. (the "Company"), its subsidiaries and certain variable interest entities ("VIEs" or), which primarily consist of Ctrip.com (Hong Kong) Limited ("Ctrip Hong Kong"), Ctrip Computer Technology (Shanghai) Co., Ltd. ("Ctrip Computer Technology") and Ctrip Travel Information Technology (Shanghai) Co., Ltd. ("Ctrip Travel Information"). The Company and its subsidiaries and consolidated VIEs are collectively referred to as the "Group".

The Group is principally engaged in the provision of travel related services including hotel reservations, air-ticketing, packaged tour services, as well as, to a lesser extent, Internet-related advertising and other related services. The Group had also been engaged in hotel management operations in the People's Republic of China (the "PRC") through Home Inns & Hotels Management (Hong Kong) Limited ("Home Inns Hong Kong"), a company established on May 28, 2001.

Subsequent to the issuance of convertible preferred shares by Home Inns Hong Kong on February 28, 2003, the Company ceased to have control over Home Inns Hong Kong. Accordingly, investment in Home Inns Hong Kong is accounted for by equity method until August 27, 2003 when all equity interest of the Company in Home Inns Hong Kong was distributed to the then existing holders of Series A and Series B Convertible Preferred Shares and ordinary shares as share dividends on a pro rata as-converted basis.

2. PRINCIPAL ACCOUNTING POLICIES

a. Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP").

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenues and expenses during the reporting periods. Actual results could materially differ from those estimates.

b. Consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries and certain VIEs. All significant transactions and balances among the Company, its subsidiaries and VIEs have been eliminated upon consolidation. Investments in joint venture companies are accounted for by the equity method. The Company's share of income (loss) of the joint venture companies is included in the consolidated statements of operations and comprehensive income.

A subsidiary is an entity in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to appoint or remove the majority of the members of the board of directors; to cast a majority of votes at the meeting of the board of directors or to govern the financial and operating policies of the investee under a statue or agreement among the shareholders or equity holders.

The Company has adopted FASB Interpretation No. 46, *"Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51"* ("FIN 46"). FIN 46 requires certain VIEs to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. Accordingly, the financial statements of Guangzhou Guangcheng Commercial Service Co., Ltd. ("Guangzhou Guangcheng"), a VIE established on

April 28, 2003 is consolidated in the Company's financial statements since its incorporation. Shanghai Ctrip Commerce Co., Ltd. ("Shanghai Ctrip Commerce"), Shanghai Huacheng Southwest Travel Agency Co., Ltd. ("Shanghai Huacheng") and Beijing Chenhao Xingye Air Ticketing Service Co., Ltd. ("Beijing Chenhao"), all of which were established prior to January 31, 2003, are consolidated in the Company's financial statements beginning July 1, 2003. The Company has consolidated the assets and liabilities of its VIEs in accordance with transition guidance under FIN 46. Upon consolidation, there were no material difference between the carrying value (as defined in FIN 46) added to the balance sheet and the previously recognized long-term loan balances.

c. Variable interest entities

As of September 30, 2003, the Company conducts a small part of its operations through a series of agreements with its VIEs, including Shanghai Ctrip Commerce, Shanghai Huacheng, Beijing Chenhao and Guangzhou Guangcheng. These VIEs are used solely to facilitate the Company's participation in Internet content provision, advertising business, travel agency and air-ticketing services in the PRC where foreign ownership is restricted.

Shanghai Ctrip Commerce is a domestic company incorporated in Shanghai, the PRC. Shanghai Ctrip Commerce holds an Internet content provider ("ICP") license and advertising license and is primarily engaged in provision of advertising business on the Internet website. A director and senior executive of the Company hold 51% and 49% of the equity interest in Shanghai Ctrip Commerce, respectively. The registered capital of Shanghai Ctrip Commerce as of September 30, 2003 is RMB2,000,000.

Shanghai Huacheng is also a domestic company incorporated in Shanghai, the PRC. Shanghai Huacheng holds a domestic travel agency license and an air transport sales agency license and mainly provides local guided tour services. Shanghai Ctrip Commerce holds 90% of the equity interest in Shanghai Huacheng. The registered capital of Shanghai Huacheng as of September 30, 2003 is RMB500,000.

Beijing Chenhao is also a domestic company incorporated in Beijing, the PRC. Beijing Chenhao holds an air transport sales agency license and is mainly engaged in the provision of air-ticketing services. A director and senior executive of the Company hold 80% and 20% of the equity interest in Beijing Chenhao, respectively. The registered capital of Beijing Chenhao as of September 30, 2003 is RMB2,000,000.

Guangzhou Guangcheng is also a domestic company incorporated in Guangzhou, the PRC, which has not commenced operations as of September 30, 2003. Guangzhou Guangcheng holds an air transport sales agency license and is mainly engaged in the provision of air-ticketing services. Two senior executives of the Company hold 100% of the equity interest in Guangzhou Guangcheng. The registered capital of Guangzhou Guangcheng as of September 30, 2003 is RMB500,000.

The capital injected by the director or senior executives are funded by the Company and were recorded as long-term loans to related parties prior to the adoption of FIN 46. The Company does not have any ownership interest in these VIEs.

As of September 30, 2003, the Company has various agreements with its consolidated VIEs, including loan agreements, exclusive technical consulting and services agreements, share pledge agreements, exclusive option agreements and other operating agreements.

Details of certain key agreements with our VIEs are as follows:

Powers of Attorney: The equity owners of the VIEs irrevocably appointed the Company's officers to vote on their behalf on all matters they are entitled to vote on, including matters relating to the transfer of any or all of their respective equity interests in VIEs and the appointment of the chief executive officer of the VIEs.

Share Pledge Agreements. The equity owners pledge their respective equity interests in the VIEs as a guarantee for the payment by the VIEs of technical and consulting services fees under the exclusive technical consulting and services agreements described above.

Exclusive Technical Consulting and Services Agreements. The Company provides the VIEs with technical consulting and related services and information services. The Company is the exclusive provider of these services. The initial term of these agreements is ten years. In consideration for those services, the VIEs agree to pay the Company service fees. Those service fees are recognized as revenues prior to adoption of FIN 46. Upon adoption of FIN 46, the service fees are eliminated upon consolidation.

Loan Agreements. Loans were granted to certain directors and officers with the sole and exclusive purpose of providing funds necessary for the capitalization and acquisition of the VIEs. As soon as the Chinese government lifts its substantial restrictions on foreign ownership of the air-ticketing, travel agency, advertising, or Internet content provision business in China, as applicable, the Company will exercise its exclusive option to purchase all outstanding equity interest of the VIEs and the Loan Agreements will be canceled.

d. Foreign currencies

The Company's functional currency is the Renminbi ("RMB"). Transactions denominated in currencies other than RMB are translated into RMB at the exchange rates quoted by the People's Bank of China (the "PBOC") prevailing at the dates of the transactions. Gains and losses resulting from foreign currency transactions are included in the consolidated statements of operations and comprehensive income. Monetary assets and liabilities denominated in foreign currencies are translated into RMB using the applicable exchange rates quoted by the PBOC at the balance sheet dates. All such exchange gains and losses are included in the statements of operations and comprehensive income. The exchange differences for translation of group companies balances where RMB is not their functional currency are included in translation adjustments, which is a separate component of shareholders' equity (deficit) on the consolidated financial statements.

Translations of amounts from RMB into United States dollars ("US$") are solely for the convenience of the reader and were calculated at the rate of US$1.00 = RMB8.2771, on September 30, 2003, representing the noon buying rate in the City of New York for cable transfers of RMB, as certified for customs purposes by the Federal Reserve Bank of New York. No representation is intended to imply that the RMB amounts could have been, or could be, converted, realized or settled into US$ at that rate on September 30, 2003, or at any other rate.

e. Cash

Cash represents cash on hand and demand deposits placed with banks or other financial institutions. Included in the cash balance as of September 30, 2002 and 2003 are amounts denominated in US$ amounted to US$4,462,843 and US$1,497,468, respectively (equivalent to approximately RMB36,939,398 and RMB12,394,692, respectively).

f. Property, equipment and software

Property, equipment and software are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the following estimated useful lives, taking into account any estimated residual value:

Building	20 years
Leasehold improvements	Lesser of the term of the lease or the estimated useful lives of the assets
Website-related equipment	5 years
Computer equipment	5 years
Furniture and fixtures	3-5 years
Software	5 years

g. Goodwill and other intangible assets

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141, *"Business Combination"* ("SFAS No. 141") and SFAS No. 142, *"Goodwill and Other Intangible Assets"* ("SFAS No. 142"). SFAS No. 141 requires that all business combinations be accounted for under the purchase method and that certain acquired intangible assets in a business combination be recognized as assets apart from goodwill. SFAS No. 142 requires that ratable amortization of goodwill be replaced with periodic tests of the goodwill's impairment and that identifiable intangible assets other than goodwill be amortized over their estimated useful lives. The Company adopted SFAS No. 142 in 2002 and performed the initial steps of the transitional impairment tests as required.

Separate identifiable intangible assets that have determinable lives continue to be amortized, and consist primarily of a customer list and a travel supplier agreement. As required under SFAS No. 142, the Company continues to amortize intangible assets on a straight-line basis over their estimated useful lives, which range from one to five years. The Company has prospectively ceased the amortization of goodwill upon the adoption of SFAS No. 142.

No impairment on goodwill and other intangible assets was recognized each of the nine-month periods ended September 30, 2002 and 2003.

h. Impairment of long-lived assets

Prior to January 1, 2002, the Company evaluated the recoverability of long-lived assets in accordance with SFAS No. 121, *"Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of"*. As of January 1, 2002, the Company has adopted SFAS No. 144,*"Accounting for the Impairment or Disposal of Long-Lived Assets"*, which addresses the financial accounting and reporting for the recognition and measurement of impairment losses for long-lived assets. In accordance with these standards, long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company recognizes impairment of long-lived assets in the event that the net book value of such assets exceeds the future undiscounted cash flows attributable to such assets. No impairment of long-lived assets was recognized during the nine-month periods ended September 30, 2002 and 2003.

i. Long-term loans to related parties

Long-term loans to related parties were made to directors and senior executives of the Company to fund their acquisition or establishment of certain VIEs that are used solely to facilitate the Company's participation in Internet content provision, advertising business, travel agency and air-ticketing services in the

PRC where foreign ownership is restricted. The Company expects that it will continue to be involved in, and provide financial support to, the VIEs. Accordingly, to the extent losses not recoverable are incurred by the VIEs and prior to the adoption of FIN 46, the Company will accrue for such losses by recording a valuation allowance against long-term loans to related parties. Upon adoption of FIN 46, the VIEs are consolidated and our long-term loans to the related parties are eliminated upon consolidation (Note 13).

j. Financial instruments

Financial instruments of the Company primarily comprise of cash, accounts receivable, due from related parties, long-term loans to related parties, accounts payable, due to related parties, advances from customers and other payables. As of September 30, 2002 and 2003, their carrying value approximated their fair value.

k. Provisions for customer reward program

The Company invites its customers to participate in a reward program, which provides travel awards and other gifts to members based on accumulated membership points that vary depending on the services rendered and fees paid. The estimated incremental costs to provide free travel and other gifts are recognized as sales and marketing expense in the statements of operations and comprehensive income and accrued for as a current liability as members accumulate points. As members redeem awards or their entitlements expire, the provision is reduced correspondingly. As of September 30, 2002 and 2003, the Company made provisions of RMB1,869,656 and RMB3,470,457, respectively, based on the estimated liabilities under the customer reward program.

l. Revenue recognition

The Group conducts its principal businesses primarily through Ctrip Computer Technology and Ctrip Travel Information. Some of the operations of Ctrip Computer Technology are conducted through a series of services and other agreements with certain VIEs, including Shanghai Ctrip Commerce, Shanghai Huacheng and Beijing Chenhao.

Ctrip Computer Technology, Ctrip Travel Information and the VIEs are subject to business tax and related surcharges on the services provided in the PRC. Such tax is levied on the group companies in the PRC based on gross revenues at the applicable rate of 5.5%. In the statements of operations and comprehensive income, business tax and related surcharges are deducted from gross revenues to arrive at net revenues.

Hotel reservation services

The Company receives commissions from travel suppliers for hotel room reservations through the Company’s transaction and service platform. Commissions from hotel reservation services rendered are recognized after hotel customers have completed their stay at the applicable hotel and upon confirmation of pending payment of the commissions by the hotel. Contracts with certain travel suppliers contain incentive commissions typically subject to achieving specific performance targets and such incentive commissions are recognized when it is reasonably assured that the Company is entitled to such incentive commissions. The Company generally receives incentive commissions from monthly arrangements with hotels based on the number of hotel room reservations where customers have completed their stay. The Company presents revenues from such transactions on a net basis in the statements of operations and comprehensive income as the Company does not assume any inventory risks and generally has no obligations for cancelled hotel reservations.

Air-ticketing services

The Company receives commissions from travel suppliers for air-ticketing services through the Company's transaction and service platform under various services agreements with related and unrelated parties. Commissions from air-ticketing services rendered are recognized after air tickets are issued and delivered to customers. Contracts with certain travel suppliers contain incentive commissions typically subject to achieving specific performance targets and such incentive commissions are recognized when they are reasonably assured that the Company is entitled to such incentive commissions. The Company presents revenues from such transactions on a net basis in the statements of operations and comprehensive income as the Company does not assume any inventory risks and generally has no obligations for cancelled airline ticket reservations.

Under the service agreement entered into between Ctrip Computer Technology and Beijing Chenhao, a unconsolidated VIE prior to July 1, 2003, the Company derives a portion of the revenues on air-ticketing services from services provided to Beijing Chenhao at a fee agreed between Ctrip Computer Technology and the Beijing Chenhao. During the nine-month periods ended September 30, 2002 and 2003, service fees charged to Beijing Chenhao amounted to RMB548,673 and RMB1,358,612, respectively.

Packaged tour services

The Company receives referral fees from related and unrelated travel agencies for packaged tour services through the Company's transaction and service platform. Referral fees are recognized at net commission after the services are rendered. Under the service agreement entered into between Ctrip Computer Technology and Shanghai Huacheng, a unconsolidated VIE prior to July 1, 2003, the Company derives a portion of the revenues on the packaged tour services from services provided to Shanghai Huacheng at a fee agreed by both parties. During the periods ended September 30, 2002 and 2003, service fees charged to Shanghai Huacheng amounted to RMB175,746 and RMB140,000, respectively.

Other businesses

Other businesses comprise Internet-related advertising services and the sale of VIP membership cards.

Under the service agreement entered into between Ctrip Computer Technology and Shanghai Ctrip Commerce, a unconsolidated VIE prior to July 1, 2003, the Company derives its advertising revenue from the fees earned from services provided to Shanghai Ctrip Commerce at the price mutually agreed by both parties. During the periods ended September 30, 2002 and 2003, service fees charged to Shanghai Ctrip Commerce amounted to RMB331,925 and RMB678,502, respectfully.

Shanghai Ctrip Commerce receives advertising revenue, which principally represent the sale of banners or sponsorship on the website from customers. Advertising revenues are recognized ratably over the fixed term of the agreement as services are provided.

Revenue from the sale of VIP membership cards is recognized when the products are sold, provided that no significant obligations remain for the Company.

m. Costs of services

Costs of services consist primarily of payroll compensation, telecommunication expenses, depreciation and amortization, rentals and related expenses incurred by the Company's transaction and service platform which are directly attributable to the rendering of the Company's travel related services and other businesses.

n. Product development

Product development costs include expenses incurred by the Company to develop the Company's travel supplier networks as well as to maintain, monitor and manage the Company's websites. The Company recognizes website and software development costs in accordance with Statement of Position ("SOP") No. 98-1, *"Accounting for the Costs of Computer Software Developed or Obtained for Internal Use"*. As such, the Company expenses all costs that are incurred in connection with the planning and implementation phases of development and cost that are associated with repair or maintenance of the existing websites or the development of software and websites content. Costs incurred in the development phase are capitalized and amortized over the estimated product life. Since the inception of the Company, the amount of costs qualifying for capitalization has been immaterial and as a result, all website and software development costs have been expensed as incurred.

o. Sales and marketing

Sales and marketing costs consist primarily of costs of advertising expenses, commission fees, production costs of marketing materials, expenses associated with the Company's customer reward program and payroll and related compensation for the Company's sales and marketing personnel. Advertising expenses, amounted to RMB4,572,594 and RMB2,634,119 during the nine-month periods ended September 30, 2002 and 2003, respectively, are charged to the statements of operations and comprehensive income when incurred.

p. Share-based compensation

The Company accounts for share-based compensation arrangements in accordance with Accounting Principles Board ("APB") Opinion No. 25, *"Accounting for Stock Issued to Employees"* ("APB No. 25"), and complies with the disclosure provisions of SFAS No. 123, *"Accounting for Stock-Based Compensation"* ("SFAS No. 123"). In general, compensation cost under APB No. 25 is recognized based on the difference, if any, between the estimated fair value of the Company's ordinary shares and the amount an employee is required to pay to acquire the ordinary shares, as determined on the date the option is granted. Total compensation cost as determined at the grant date of option is recorded in shareholders' equity as additional paid-in-capital with an offsetting entry recorded to deferred share-based compensation. Deferred share-based compensation is amortized on a straight-line basis and charged to expense over the vesting period of the underlying options.

If the compensation cost for the Company's share-based compensation plan had been determined based on the estimated fair value at the grant dates for the share option awards as prescribed by SFAS No. 123, the Company's net loss attributable to ordinary shareholders and loss per share would have resulted in the pro forma amounts for the nine-month periods ended September 30 disclosed below:

	2002 (unaudited)	2003
	RMB	RMB
Net loss attributable to ordinary shareholders as reported	(3,684,042)	(21,338,448)
Add: Adjustments for APB No. 25	336,127	1,030,843
Less: Fair value of share options	(384,225)	(1,366,465)
Pro forma net loss attributable to ordinary shareholders	(3,732,140)	(21,674,070)
Basic and diluted loss per share		
— As reported	(0.39)	(2.26)
— Pro forma	(0.39)	(2.30)

The effects of applying SFAS No. 123 methodologies in this pro forma disclosure are not indicative of future amounts. Additional share option awards in future years are expected.

q. Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received by the Company from the leasing company are charged to the statements of operations and comprehensive income on a straight-line basis over the lease periods.

r. Taxation

Deferred income taxes are provided using the balance sheet liability method. Under this method, deferred income taxes are recognized for the tax consequences of significant temporary differences by applying enacted statutory rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided to reduce the amount of deferred tax assets if it is considered more likely than not that some portion of, or all of, the deferred tax assets will not be realized.

s. Other income

Other income primarily consists of financial subsidies. During the nine-month period ended September 30, 2003, the Company received financial subsidies totaling RMB3,354,450 from a local government authority of which RMB922,950 of the subsidies were granted for entities impacted by SARS. Such amount is recorded as other income in the statement of operations and comprehensive income. There are no defined rules and regulations to govern the criteria necessary for companies to enjoy such benefits, and the amount of financial subsidy are determined at the discretion of the relevant government authority. Financial subsidies are recognized as other income when received.

t. Statutory reserves

In accordance with the regulations in China and the articles of association, the Company's subsidiaries and the VIEs are required to allocate at least 10% of its after-tax profit according to Chinese accounting standards and regulations to the general reserve. The allocations to the general reserve can be stopped if such reserve has reached 50% of their registered capital. Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the board of directors of Ctrip Computer Technology and Ctrip Travel Information, the subsidiaries of the Company. The VIEs are required to allocate at least 5% of its after-tax profit to the statutory welfare fund. These reserves can only be used for specific purposes and are not transferable to the Company in the form of loans, advances, or cash dividends. As of and for the nine-month period ended September 30, 2003, no appropriation to statutory reserves have been made as the Chinese subsidiaries and VIEs were in an accumulated deficit position as of the most recent fiscal year end, as applicable, and no reserve requirements are necessary during interim periods in accordance with Chinese regulations.

u. Dividends

Dividends are recognized when declared. On August 27, 2003, the Board of Directors of the Company resolved to distribute all equity interest of the Company in Home Inns Hong Kong to the then existing holders of Series A and Series B Convertible Preferred Shares and ordinary shares respectively as dividends on a pro rata as-converted basis, based on the carrying value of the equity interest which was

RMB4,611,623. The allocation for the dividends to the then existing holders of Series A and Series B Preferred Shares and ordinary shares were RMB808,827, RMB2,020,237 and RMB1,782,559, respectively. The number of shares of Home Inns Hong Kong distributed to the holders of Series A and B Preferred Shares and ordinary shares were 1,543,427 shares, 3,855,067 shares and 3,401,506 shares, respectively.

v. Earning (loss) per share

In accordance with SFAS No. 128 *"Computation of Earnings Per Share"* ("SFAS No. 128"), basic earning (loss) per share is computed by dividing net profit (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earning (loss) per share is calculated by dividing net profit (loss) attributable to ordinary shareholders by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of the ordinary shares issuable upon the conversion of the convertible preference shares (using the as-converted method) and ordinary shares issuable upon the exercise of outstanding share options (using the treasury stock method). Ordinary equivalent shares in the diluted earning (loss) per share computation are excluded in net loss periods, as their effect would be anti-dilutive.

w. Segment reporting

The Company follows SFAS No. 131 *"Disclosures about Segment of an Enterprise and Related Information"*.

The Company operates and manages its business as a single segment. The Company primarily generates its revenues from customers in China. Accordingly, no geographical segments are presented.

x. Recent accounting pronouncements

In June 2001, the FASB issued SFAS No. 143 *"Accounting for Asset Retirement Obligations"* ("SFAS No. 143") which addresses accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. SFAS No. 143 requires an entity to recognize an asset retirement obligation in the period in which it is incurred, and the entity shall capitalize the asset retirement cost by increasing the carrying amount of the related asset by the same amount as the liability and subsequently allocate that retirement cost to expense over the asset's useful life. SFAS No. 143 is effective for fiscal years beginning after June 15, 2002. The Company does not expect that the adoption of SFAS No. 143 will have a material effect on the Company's financial position or results of operations.

In June 2002, the FASB issued SFAS No. 146, *"Accounting for Costs Associated with Exit or Disposal Activities"* ("SFAS No. 146"). SFAS No. 146 nullifies Emerging Issues Task Force ("EITF") Issue No. 94-3, *"Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity"*, under which a liability for an exit cost was recognized at the date of an entity's commitment to an exit plan. SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized at fair value when the liability is incurred. The provisions of this statement are effective for exit or disposal activities that are initiated after December 31, 2002. The Company does not believe that this announcement will have a significant impact on its financial statements.

In April 2002, the FASB issued SFAS No. 145 *"Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections"* ("SFAS No. 145"). SFAS No. 145 requires gains and losses on extinguishments of debt to be classified as income or loss from continuing operations, rather than as extraordinary items, as previously required under SFAS Opinion No. 4 *"Reporting Gains and Losses from Extinguishment of Debt, an amendment of APB Opinion No. 30"*. Extraordinary treatment will be required for certain extinguishments, as provided in APB Opinion No. 30 *"Reporting the Results of Operations — Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary,*

Unusual and Infrequently Occurring Events and Transactions". The statement also amended SFAS No. 13 *"Accounting for Leases"* for certain sale-leaseback transactions and sublease accounting. SFAS No. 145 is effective since January 1, 2003. The adoption of SFAS No. 145 did not have a material effect on the Company's financial position or results of operations.

In November 2002, the FASB issued FASB Interpretation No. 45, *"Guarantor's Accounting and Disclosure Requirements for Guarantees, including Indirect Guarantees of Indebtedness of Others"* ("FIN 45"). FIN 45 requires the recognition of a liability for certain guarantee obligations issued or modified after December 31, 2002. FIN 45 also clarifies disclosure requirements to be made by a guarantor for certain guarantees. The disclosure provisions of FIN 45 are effective for interim periods and fiscal years ending after December 15, 2002. The adoption of FIN 45 did not have a material effect on the Company's financial position or results of operations.

In December 2002, the FASB issued SFAS No. 148, *"Accounting for Stock-Based Compensation — Transition and Disclosure"* ("SFAS No. 148"). SFAS No. 148 amends SFAS No. 123, *"Accounting for Stock-Based Compensation"*, to provide alternative methods of transition for companies that voluntarily change to a fair value-based method of accounting for share-based employee compensation. SFAS No. 148 also amends the disclosure provisions of SFAS No. 123. The provisions of SFAS No. 148 are effective for fiscal years ending after December 15, 2002. The Company has elected to continue to account for share-based compensation under the provisions of APB No. 25 and has followed the disclosure requirements under SFAS No. 148.

In June 2003, the FASB issued SFAS No. 149 *"Amendment of Statement 133 on Derivative Instruments and Hedging Activities"* ("SFAS No. 149"). SFAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS No. 133 *"Accounting for Derivative Instruments and Hedging Activities"*. It is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. All provisions of SFAS No. 149 should be applied prospectively. The adoption of SFAS No. 149 did not have a material effect on the Company's financial position or results of operations.

In June 2003, the FASB issued SFAS No. 150 *"Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity"* ("SFAS No. 150"). SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or as an asset in some circumstances). It is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. It is to be implemented by reporting the cumulative effect of a change in an accounting principle for financial instruments created before the issuance date of SFAS No. 150 and still existing at the beginning of the interim period of adoption. Restatement is not permitted. The adoption of SFAS No. 150 did not have a material effect on the Company's financial position or results of operations.

y. Certain risks and concentration

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, accounts receivable, due from related parties and prepayments and other current assets. As of September 30, 2002 and 2003, substantially all of the Company's cash was held in major financial institutions located in the PRC and in Hong Kong, which management believes are of high credit quality. Accounts receivable are typically unsecured and denominated in RMB, and are derived from revenues earned from operations arising in the PRC.

No individual customer accounted for more than 10% of net revenues during the nine-month periods ended September 30, 2002 and 2003. No individual customer accounted for more than 10% of accounts receivable as of September 30, 2002 and 2003.

3. PREPAYMENTS AND OTHER CURRENT ASSETS

Components of prepayments and other current assets as of September 30 are as follows:

	2002 (unaudited)	2003
	RMB	RMB
Prepayments for hotel, air-ticketing reservation and packaged tour business	338,377	3,257,118
Prepayments on professional fees for initial public offerings	—	2,397,804
Employee advances	183,056	103,005
Inventory for resale	587,887	139,941
Rental and other deposits	1,343,651	867,906
Other prepayments	500,891	914,135
Others	394,577	431,082
Total	3,348,439	8,110,991

4. INVESTMENTS IN JOINT VENTURE COMPANIES

In 2002, Home Inns Hong Kong, an investment holding company, together with a Chinese joint venture partner, established joint venture companies engaged in hotel investment and management and franchise operations in the PRC. Certain details of the joint venture companies as of September 30, 2002 are as follows:

Name	Place and date of incorporation	Percentage of equity interest attributable to the Group	Principal activities
Home Inns & Hotels Management (Beijing) Limited (“Home Inns Beijing”)	The PRC June 28, 2002	55% (indirectly)	Hotel management, investment and franchise
Home Inns & Hotels Management (Shanghai) Limited	The PRC November 29, 2002	55% (indirectly)	Hotel management, investment and franchise

The operations of the joint venture companies have not been included in the consolidated financial statements as the Group does not exercise effective control of these companies due to certain substantive participating rights held by the minority shareholders.

Combined financial information of the joint venture companies, attributable to the Company as of and for the nine-month periods ended September 30 is as follows:

	2002 (unaudited)	2003* (unaudited)
	RMB	RMB
Balance sheet:		
Current assets	12,496,267	—
Less: current liabilities	(5,270,673)	—
Non-current assets	2,436,579	—
Net assets	9,662,173	—
Statement of operations:		
Revenues	1,211,224	21,138,389*
Net profit (loss)	(341,693)	715,479*

* Comprised result of operations of the joint venture companies up to August 27, 2003.

On August 27, 2003, all equity interest in Home Inns Hong Kong and its interest in the joint venture companies was distributed to the then existing holders of Series A and Series B Convertible Preferred Shares and ordinary shares as share dividends on a pro rata as-converted basis.

In the statements of operations and comprehensive income, other expenses incurred for joint venture companies mainly consist payroll compensation and other expenses incurred by the Company in relation to the development of hotel management, investment and franchise operations prior to the establishment of Home Inns Beijing.

5. PROPERTY, EQUIPMENT AND SOFTWARE

Property, equipment and software and its related accumulated depreciation and amortization as of September 30 are as follows:

	2002 (unaudited)	2003
	RMB	RMB
Building	—	7,189,803
Leasehold improvements	1,894,247	3,786,031
Website-related equipment	3,198,193	4,883,843
Computer equipment	7,672,375	10,880,620
Furniture and fixtures	2,325,638	4,749,983
Software	471,363	471,363
Less: accumulated depreciation and amortization	(4,141,627)	(8,995,801)
Net book value	11,420,189	22,965,842

6. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets are primarily attributable to the purchase of Beijing Modern Express Business Travel Services Co., Ltd. and other acquisitions.

Gross carrying amount, accumulated amortization and net book value of the goodwill and other intangible assets as of September 30 are as follows:

	2002 (unaudited)	2003
	RMB	RMB
Goodwill	10,466,449	10,466,449
Less: accumulated amortization	(950,600)	(950,600)
Net book value	9,515,849	9,515,849
Other intangible assets —		
Customer list	1,766,206	1,766,206
Travel supplier agreement	800,000	800,000
	2,566,206	2,566,206
Less: accumulated amortization —		
Customer list	(691,764)	(1,045,005)
Travel supplier agreement	(800,000)	(800,000)
	(1,491,764)	(1,845,005)
Net book value	1,074,442	721,201

The annual estimated amortization expense for the acquired other intangible assets for the next five years is as follows:

	Amortization
	RMB
2003	353,241
2004	353,241
2005	14,719
2006	—
2007	—
	721,201

7. TAXATION

Cayman Islands

Under the current laws of Cayman Islands, the Company is not subject to tax on income or capital gain. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed.

Hong Kong

The Company’s subsidiaries did not have assessable profits that were earned in or derived from Hong Kong during the nine-month periods ended September 30, 2002 and 2003. Therefore, no Hong Kong profit tax has been provided for.

China

The Company's subsidiaries, its VIEs and joint venture companies registered in the PRC are subject to PRC Enterprise Income Tax ("EIT") on the taxable income as reported in their respective statutory financial statements adjusted in accordance with relevant income tax laws. In accordance with "Income Tax Law of China for Enterprises with Foreign Investment and Foreign Enterprises", the applicable EIT rates are 30% plus a local income tax of 3% except for Ctrip Travel Information where the applicable EIT rate is 15% as it is registered in Pudong New District, Shanghai.

In September 2003, Ctrip Computer Technology has received approval from relevant government authorities to be classified as a "High New Technology Development Enterprise". This classification may entitle Ctrip Computer Technology to enjoy a preferential EIT rate of 15% for which Ctrip Computer Technology has applied. However, as of the date of the issuance of these financial statements, there is no assurance that such preferential tax rate will be granted to Ctrip Computer Technology.

Composition of income tax expense

The current and deferred portion of income tax expense included in the consolidated statements of operations and comprehensive income for the nine-month periods ended September 30 are as follows:

	2002 (unaudited)	2003
	RMB	RMB
Current income tax	—	(11,057,303)
Recognition (utilization) of deferred tax assets	(6,155,572)	91,012
Income tax expense	(6,155,572)	(10,966,291)

Reconciliation of the differences between statutory tax rate and the effective tax rate

A reconciliation between the statutory EIT rate and the Group's effective tax rate for nine-month periods ended September 30 are as follows:

	2002 (unaudited)	2003
Statutory EIT rate	33%	33%
Non-deductible expenses incurred outside the PRC	9%	2%
Tax differential from statutory rate applicable to a subsidiary in the PRC	—	(7%)
Effective EIT rate	42%	28%

Significant components of deferred tax assets

	September 30, 2002 (unaudited)	September 30, 2003
	RMB	RMB
Tax loss carryforwards	3,180,921	—
Temporary differences	501,486	684,155
Less: valuation allowance	—	—
Deferred tax assets	3,682,407	684,155

The Company has not recorded a valuation allowance related to deferred tax assets. During the nine-month period ended September 30, 2002, the Company had operating loss and credit carryforwards for income tax purposes aggregating RMB9,639,155, which will expire in 2004 through 2005. The tax loss carryforwards were fully utilized during the year ended December 31, 2002.

8. SERIES A CONVERTIBLE PREFERRED SHARES

In March 2000, the Company entered into a Series A Preferred Share Subscription Agreement, whereby the Company authorized and issued 432,000 shares of the Company's Series A Convertible Preferred Shares ("Series A Preferred Shares") at an issue price of $10.4167 per share. On June 6, 2000, the Company increased the number of Series A Preferred Shares from 432,000 shares to 4,320,000 shares by decreasing the par value from US$0.10 each to US$0.01 each. The authorized and issued Series A Preferred Shares was increased to 4,320,000 shares accordingly.

The holders of Series A Preferred Shares had various rights and preferences as follows:

Voting

Each holder of Series A Preferred Shares had voting rights equal to the number of ordinary shares then issuable upon its conversion into ordinary shares. Each holder of Series A Preferred Shares generally voted together with holders of the ordinary shares.

Dividends

The holders of the Series A Preferred Shares shall be entitled to receive out of any funds legally available therefore, when and if declared by the Board of Directors of the Company, dividends at the rate or in the amounts as the Board of Directors of the Company considers appropriate on an as-converted basis. No dividends or distribution shall be payable except out of the profits of the Company, realized or unrealized, or out of the additional paid-in capital account or as otherwise permitted.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, after setting aside or paying in full the Series C and Series B Convertible Preferred Shares liquidation preference, the holders of the Series A Preferred Shares shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the ordinary shares or any other class or series of shares by reason of their ownership of such shares plus declared but unpaid dividends. If the remaining proceeds thus distributed among the holders of the Series A Preferred Share be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire remaining proceeds legally available for distribution shall be distributed ratably among the holders of the Series A Preferred Share in proportion to the full preferential amount that each such holder is otherwise entitled to receive.

Conversion

Each Series A Preferred Share shall automatically be converted into ordinary shares at the then effective conversion price, respectively, upon the closing of an underwritten public offering of the ordinary shares of the Company in the United States with the gross proceeds in excess of US$25,000,000, or in a similar public offering of the ordinary shares of the Company in a jurisdiction and on a recognized securities exchange outside of the United States, provided that such public offering is reasonably equivalent to the aforementioned public offering in the United States in terms of price, offering proceeds and regulatory approval. Otherwise, a holder of Series A Preferred Shares may opt to convert all but not part at any time

after issuance date into such number of fully paid and non-assessable ordinary shares at an initial conversion price of US$1.04167 (each Series A Convertible Preferred Share is convertible into one ordinary share). In the event that the Company shall issue additional options, warrants, convertible securities and ordinary shares without consideration or for a consideration per share less than the applicable conversion price in effect, then the conversion price shall be reduced, concurrently with such issue, to a new price in accordance with a formula determined by old price, the total price with such issue and the number of outstanding ordinary shares immediately before and after such issue.

No beneficial conversion feature charge was recognized for the issuance of Series A Preferred Shares as the estimated fair value of the ordinary shares is less than the conversion price on the date of issuance.

9. SERIES B CONVERTIBLE PREFERRED SHARES

In November 2000, the Company entered into a Series B Preferred Shares Subscription Agreement, whereby the Company authorized and issued 7,193,464 shares of the Company's Series B Mandatorily Redeemable Convertible Preferred Shares ("Series B Preferred Shares") at an issue price of US$1.5667 per share.

The holders of Series B Preferred Shares had various rights and preferences as follows:

Voting

Each holder of Series B Preferred Shares had voting rights equal to the number of ordinary shares then issuable upon its conversion into ordinary shares. However, subsequent to the adjustment of the Series B Preferred Shares conversion price as of December 31, 2001, each holder of Series B Preferred Shares shall be entitled to one and a half (1.5) times the number of votes equal to the number of ordinary shares. Each holder of Series B Preferred Shares generally voted together with holders of the ordinary shares.

Dividends

The holders of the Series B Preferred Shares shall be entitled to receive out of any funds legally available therefore, when and if declared by the Board of Directors of the Company, dividends at the rate or in the amounts as the Board of Directors of the Company considers appropriate on an as-converted basis. No dividends or distribution shall be payable except out of the profits of the Company, realized or unrealized, or out of the additional paid-in capital account or as otherwise permitted.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, after setting aside or paying in full the Series C Convertible Preferred Shares liquidation preference, the holders of the Series B Preferred Shares shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the ordinary shares or any other class or series of shares by reason of their ownership of such shares plus declared but unpaid dividends. If the remaining proceeds thus distributed among the holders of the Series B Preferred Share be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire remaining proceeds legally available for distribution shall be distributed ratably among the holders of the Series B Preferred Share in proportion to the full preferential amount that each such holder is otherwise entitled to receive.

Conversion

Each Series B Preferred Share shall automatically be converted into ordinary shares at the then effective conversion price, respectively, upon the closing of an underwritten public offering of the ordinary

shares of the Company in the United States with the gross proceeds in excess of US$25,000,000, or in a similar public offering of the ordinary shares of the Company in a jurisdiction and on a recognized securities exchange outside of the United States, provided that such public offering is reasonably equivalent to the aforementioned public offering in the United States in terms of price, offering proceeds and regulatory approval. Otherwise, a holder of Series B Preferred Shares may opt to convert all but not part at any time after issuance date into such number of fully paid and non-assessable ordinary shares at an initial conversion price of US$1.04445 (each Series B Convertible Preferred Share is convertible into 1.5 ordinary shares). In the event that the Company shall issue additional options, warrants, convertible securities and ordinary shares without consideration or for a consideration per share less than the applicable conversion price in effect, then the conversion price shall be reduced, concurrently with such issue, to a new price in accordance with a formula determined by old price, the total price with such issue and the number of outstanding ordinary shares immediately before and after such issue.

No beneficial conversion feature charge was recognized for the issuance of Series B Preferred Shares as the estimated fair value of the ordinary shares is less than the conversion price on the date of issuance.

Redemption

Prior to the issuance of Series C Convertible Preferred Shares, each Series B Preferred Share shall be redeemable at the option of the holders of a majority of the then outstanding shares of Series B Preferred Shares at any time commencing five calendar years after the Series B Preferred Shares issue date, out of funds legally available, therefore including capital, at a redemption price equal to US$3.13334 per share plus all declared but unpaid dividends.

Upon the issuance of Series C Convertible Preferred Shares, holders of Series B Preferred Shares agreed to forfeit its redemption rights for no consideration.

The following pro forma information presents earnings information as if the redemption feature had been forfeited as of January 1, 2003, resulting in an adjustment to accretion charges for the nine-month period ended September 30, 2003 as follows:

	For the nine-month period ended September 30, 2003 (unaudited)
	RMB
Net loss attributable to ordinary shareholders, as reported	(21,338,448)
Add: Accretion for Series B Preferred Shares	12,365,534
Net loss attributable to ordinary shareholders, pro forma	(8,972,914)
Basic and diluted weighted average ordinary shares outstanding	
— As reported	9,439,526
— Pro forma	9,439,526
Basic and diluted loss per share	
— As reported	(2.26)
— Pro forma	(0.95)

10. SERIES C CONVERTIBLE PREFERRED SHARES

In September 2003, the Company entered into a Series C Preferred Shares Subscription Agreement, whereby the Company authorized and issued 2,180,755 shares of the Company's Series C Convertible Preferred Shares ("Series C Preferred Shares") at an issue price of US$4.5856 per share.

The holders of Series C Preferred Shares had various rights and preferences as follows:

Voting

Each holder of Series C Preferred Shares had voting rights equal to the number of ordinary shares then issuable upon its conversion into ordinary shares. Each holder of Series C Preferred Shares generally voted together with holders of the ordinary shares.

Dividends

The holders of the Series C Preferred Shares shall be entitled to receive out of any funds legally available therefore, when and if declared by the Board of Directors of the Company, dividends at the rate or in the amounts as the Board of Directors of the Company considers appropriate on an as-converted basis; provided, however, that, for the 2003 fiscal year, each share of the Series C Preferred Share shall be entitled to, when and if declared by the Board of Directors of the Company, only a pro rata share of dividends calculated by multiplying (a) the amount of dividends payable on each share of ordinary shares by (b) a fraction the numerator of which shall be the total number of days in such fiscal year such share of Series C Preferred Share has been held by its holder and the denominator of which shall be 365.

No dividends or distribution shall be payable except out of the profits of the Company, realized or unrealized, or out of the additional paid-in capital account or as otherwise permitted.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of the Series C Preferred Shares shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the Series B Preferred Share, the Series A Preferred Share and the ordinary shares or any other class or series of shares by reason of their ownership of such shares, the amount equal to US$4.5856 for each share held and, plus declared but unpaid dividends. If the remaining proceeds thus distributed among the holders of the Series C Preferred Share be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire remaining proceeds legally available for distribution shall be distributed ratably among the holders of the Series B Preferred Share in proportion to the full preferential amount that each such holder is otherwise entitled to receive.

Conversion

Each Series C Preferred Share shall automatically be converted into ordinary shares at the then effective conversion price, respectively, upon the closing of an underwritten public offering of the ordinary shares of the Company in the United States with the gross proceeds in excess of US$25,000,000, or in a similar public offering of the ordinary shares of the Company in a jurisdiction and on a recognized securities exchange outside of the United States, provided that such public offering is reasonably equivalent to the aforementioned public offering in the United States in terms of price, offering proceeds and regulatory approval. Otherwise, a holder of Series C Preferred Shares may opt to convert all but not part at any time after issuance date into such number of fully paid and non-assessable ordinary shares at an initial conversion price of US$4.5856 (each Series C Convertible Preferred Share is convertible into one ordinary share). In the event that the Company shall issue additional options, warrants, convertible securities and ordinary shares

without consideration or for a consideration per share less than the applicable conversion price in effect, then the conversion price shall be reduced, concurrently with such issue, to a new price in accordance with a formula determined by old price, the total price with such issue and the number of outstanding ordinary shares immediately before and after such issue.

No beneficial conversion feature charge was recognized for the issuance of Series C Preferred Shares as the estimated fair value of the ordinary shares is less than the conversion price on the date of issuance.

In September 2003, immediately after the issuance of Series C Convertible Preferred Shares, the net proceeds received from investors were fully utilized to repurchase 842,936, 382,481 and 636,889 shares of Company's ordinary shares, Series A and B Preferred Shares at US$4.5283, US$4.5283 and US$6.7924, respectively, on a pro-rata as-converted basis. The repurchase price per share for each class of shares was determined based on the issuance price of Series C Preferred Shares adjusted for the legal and professional fees and conversion features, where applicable. The purchased shares were retired upon repurchase. The amount not yet paid to the shareholders as related to the repurchase was RMB4,843,800 as of September 30, 2003. Such outstanding balances were fully paid in October 2003.

As the purchase price of the Series A and Series B Preferred Shares were higher than the carrying value on the date of the repurchase, the excess of the purchase price over the carrying value were recognized as deemed dividends to the holders of Preferred Shares upon repurchase. The amount of deemed dividend was RMB11,223,324 and RMB24,112,826 for Series A and Series B Preferred Shares, respectively.

11. SHARE OPTION PLAN

On April 15, 2000, the Company adopted a share option plan that provides for the issuance of up to 144,000 ordinary shares in effect for a term of 10 years unless sooner terminated by shareholders and Board of Directors. Under the share option plan, the directors may, at their discretion, grant any senior executives (including directors) and employees of the Company and/or its subsidiaries to take up share options to subscribe for shares. These share options are vested over a period of 3 years and can be exercised within 5 years from the date of grant. On June 6, 2000, the Company increased the number of ordinary shares from 2,000,000 shares to 20,000,000 shares by decreasing the par value from US$0.10 each to US$0.01 each. The total number of ordinary shares reserved for the share option plan increased from 144,000 to 1,440,000 accordingly. On July 1, 2001, the total number of ordinary shares reserved for the share option plan was increased to 1,728,000 shares. All share options granted under this plan have an exercise price of US$0.7716. Up to the date of the issuance of these financial statements, 1,535,760 options were granted under this share option plan.

The following table summarizes the Company's share option activity as of and for the nine-month periods ended September 30:

	2002 (unaudited)	2003
Outstanding at beginning of period	1,330,100	1,448,720
Granted	253,440	113,200
Exercised	—	—
Forfeited	(119,900)	(26,160)
Outstanding at end of period	1,463,640	1,535,760
Vested and exercisable at end of period	696,599	1,173,411

On April 15, 2003, the Company adopted a new share option plan which provides for the issuance of up to 1,187,510 ordinary shares. Under the share option plan, the directors may, at their discretion, grant any

senior executives (including directors) and employees of the Company and/or its subsidiaries to take up share options to subscribe for shares. These share options are vested over a period of 3 years and can be exercised within 5 years from the date of grant. As of September 30, 2003, 711,660 options were granted with an exercise price of US$2.11 under this new share option plan.

The following table summarizes the Company's share option activity as of and for the nine-month periods ended September 30:

	2003
Outstanding at beginning of period	—
Granted	711,660
Exercised	—
Forfeited	—
Outstanding at end of period	711,660
Vested and exercisable at end of period	—

In connection with the share options granted during the nine-month periods ended September 30, 2002 and 2003, the Company recognized deferred share-based compensation amounted to RMB1,216,953 and RMB3,454,731, respectively, which is being amortized over the vesting period of three years. Share-based compensation expense recognized during the nine-month periods ended September 30, 2002 and 2003, amounted to RMB336,127 and RMB1,030,843, respectively.

The Company calculated the estimated fair value of share options on the date of grant using the Black-Scholes pricing method with the following assumptions:

	For the nine-month period ended September 30, 2002 (unaudited)	For the nine-month period ended September 30, 2003
Risk-free interest rate	2.65%	2.65%
Expected life (years)	5	5
Expected dividend yield	0	0
Volatility	0	0
Fair value of options at grant date	US$0.8628	US$0.6701
	US$1.1311	US$1.3396

If compensation cost for the Company's share-based compensation plan been determined based on the estimated fair value at the grant dates for the share option awards as prescribed by SFAS No. 123, the Company's net loss attributable to ordinary shareholders during the nine-month periods ended September 30, 2002 and 2003 will be RMB3,732,140 and RMB21,674,070, respectively.

12. EMPLOYEE BENEFITS

The full-time employees of Ctrip Computer Technology, Ctrip Travel Information and the VIEs, which were established in the PRC, are entitled to staff welfare benefits including medical care, welfare subsidies, unemployment insurance and pension benefits. Ctrip Computer Technology, Ctrip Travel Information are required to accrue for these benefits based on certain percentages of the employees' salaries in accordance with the relevant regulations and make contributions to the state-sponsored pension and medical plans out of the amounts accrued for medical and pension benefits. The total provision accrued for such

employee benefits amounted to RMB2,133,882 and RMB3,134,498 for the nine-month periods ended September 30, 2002 and 2003, respectively. The Chinese government is responsible for the medical benefits and ultimate pension liability to these employees.

13. RELATED PARTY TRANSACTIONS

Prior to the adoption of FIN 46, certain VIEs were considered related parties as these VIEs were owned by directors and senior executives of the Company. Upon adoption of FIN 46, these entities are included in the consolidated financial statements of the Company.

During the nine-month periods ended September 30, significant related party transactions are as follows:

	2002 (unaudited)	2003
	RMB	RMB
Consulting service fees from Beijing Chenhao	548,673	1,358,612
Consulting service fees from Shanghai Huacheng	175,746	140,000
Consulting service fees from Shanghai Ctrip Commerce	331,925	678,502
Commission income from joint venture companies	57,900	426,384
Rental expense to a related party	—	208,333

As of September 30, balances with related parties are as follows:

	2002 (unaudited)	2003
	RMB	RMB
Due from related parties:		
Due from VIEs		
— Shanghai Huacheng	519,690	—
— Beijing Chenhao	1,958,885	—
	2,478,575	—
Due from joint ventures companies controlled by Home Inns Hong Kong	3,434,187	545,270
	5,912,762	545,270
Long-term loans to related parties:		
— Director and senior executives	2,100,000	4,290,000
Due to related parties:		
Due to VIEs		
— Shanghai Ctrip Commerce	1,511,946	—

The amounts due from and due to related parties as of September 30, 2002 and 2003, mainly arose from the transactions disclosed above and revenue received and expenses paid on behalf on each other. They are unsecured, interest-free and have no fixed repayment terms.

The long-term loans to related parties as of September 30, 2003 represented loans granted to a senior executive to acquire 66% of equity interests of Shanghai Cuiming International Travel Agency Co., Ltd. (“Shanghai Cuiming”), a company incorporated in Shanghai, the PRC, at a consideration of RMB1,980,000 and the subsequent additional investment of RMB2,310,000. Shanghai Cuiming holds a travel agency license for both cross border and domestic package-tour business. After the Company’s additional investment, its

maximum exposure to loss as related to Shanghai Cuiming will be RMB4,290,000. The Company is in the process of entering into various agreements with Shanghai Cuiming. Upon execution of those agreements, Shanghai Cuiming will be a consolidated VIE of the Company. However, these transactions have not yet been completed as of the date of the issuance of these financial statements.

14. OTHER PAYABLES AND ACCRUALS

Components of other payables and accruals as of September 30 are as follows:

	2002 (unaudited)	2003
	RMB	RMB
Payable to holders of Series A and B Preferred Shares and ordinary shares for repurchase	—	4,843,800
Deposits received from suppliers	439,046	493,831
Accrued expenses	934,890	1,058,529
Accrued professional fee	—	745,200
Others	106,456	397,241
Total	1,480,392	7,538,601

Amounts payable to holders of Series A and Series B Preferred Shares and ordinary shares were subsequently paid in October 2003.

15. LOSS PER SHARE

Basic loss per share and diluted loss per share have been calculated in accordance with SFAS No. 128 for the nine-month periods ended September 30 as follows:

	2002 (unaudited)	2003
	RMB	RMB
Numerator:		
Net loss attributable to ordinary shareholders	(3,684,042)	(21,338,448)
Effect of dilutive securities	—	—
Numerator for diluted loss per share	(3,684,042)	(21,338,448)
Denominator:		
Denominator for basic loss per share — weighted-average ordinary shares outstanding	9,520,698	9,439,526
Effect of dilutive securities	—	—
Denominator for diluted loss per share	9,520,698	9,439,526
Basic and diluted loss per share	(0.39)	(2.26)

During the nine-month period ended September 30, 2002, potentially dilutive securities that were not included in the computation of diluted loss per share because of their anti-dilutive effect were the Series A and B Preferred Shares and share options granted to employees.

During the nine-month period ended September 30, 2003, potentially dilutive securities that were not included in the computation of diluted loss per share because of its anti-dilutive effect were the Series A, Series B and Series C Preferred Shares and share options granted to employees

16. PRO FORMA FOR CONVERSION OF PREFERRED SHARES

Each Series A, Series B and Series C Convertible Preferred Share shall automatically be converted into ordinary shares at the then effective conversion price, upon the closing of an underwritten public offering of the ordinary shares of the Company in the United States with the gross proceeds to the Company in excess of US$25,000,000, or in a similar public offering of the ordinary shares of the Company in a jurisdiction and on a recognized securities exchange outside of the United States, provided that such public offering is reasonably equivalent to the aforementioned public offering in the United States in terms of price, offering proceeds and regulatory approval. The conversion price of Series A, Series B and Series C Preferred Shares is US$1.0417, US$1.044467 and US$4.5856, respectively. The pro forma balance sheet as of September 30, 2003 presents an as adjusted financial position as if the conversion of the preferred shares into ordinary shares occurred on September 30, 2003.

17. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group has entered into leasing arrangements relating to office premises, equipment and others that are classified as operating leases. Future minimum lease payments for non-cancelable operating leases at September 30 are as follows:

	Office premises	Equipment and others	Total
	RMB	RMB	RMB
2004	2,432,119	3,984,660	6,416,779
2005	623,704	536,985	1,160,689
2006	—	—	—
2007	—	—	—
2008	—	—	—
	3,055,823	4,521,645	7,577,468

Rental expense amounted to approximately RMB3,635,255 and RMB2,385,667 during the nine-month periods ended September 30, 2002 and 2003, respectively, and are charged to the statements of operations and comprehensive income when incurred.

Contingencies

The Company is incorporated in Cayman Islands and considered as a foreign entity under PRC laws. Due to the restrictions on foreign ownership of the air-ticketing, travel agency, advertising and Internet content provision businesses, the Company conducts these businesses partly through various VIEs. These VIEs hold the licenses and approvals that are essential for the Company's business operations. In the opinion of the Company's PRC legal counsel, the current ownership structures and the contractual arrangements with these VIEs and their shareholders as well as the operations of these VIEs are in compliance with all existing PRC laws, rules and regulations. However, there may be changes and other developments in PRC laws and regulations. Accordingly, the Company cannot be assured that PRC government authorities will not take a view in the future contrary to the opinion of the Company's legal counsel. If the current ownership structures of the Company and its contractual arrangements with VIEs were found to be in violation of any existing or future PRC laws or regulations, the Company may be required to restructure its ownership structure and operations in China to comply with changing and new Chinese laws and regulations.

Through and including (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

American Depositary Shares

Ctrip.com International, Ltd.

Representing Ordinary Shares

PROSPECTUS

Merrill Lynch & Co.

, 2003

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. ***Other Expenses of Issuance and Distribution***

The following table sets forth the various expenses incurred or to be incurred by us in connection with this offering, other than underwriting discounts and commissions.

	Amount Borne by Us
	US$
Securities and Exchange Commission registration fees	
Printing and engraving expenses	
Accounting fees	
Legal fees	
Depositary, custodian and transfer agent fees	
Roadshow and other miscellaneous fees and expenses	

Item 14. ***Indemnification of Directors and Officers***

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences or committing a crime. Our articles of association provide for indemnification of officers and directors for losses, damages, costs and expenses incurred in their capacities as such, except through their own willful negligence or default.

Pursuant to the form of indemnification agreements filed as Exhibit 10.2 to this registration statement, we will agree to indemnify our directors and officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or officer.

The forms of the U.S. underwriting agreement and the international purchase agreement to be filed as Exhibits 1.1 and 1.2 to this registration statement will also provide for indemnification of us and our officers and directors.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 15. ***Recent Sales of Unregistered Securities***

During the past three years, we have issued the following securities. We believe that each of the following issuances was exempt from registration under the Securities Act in reliance on Regulation D, Regulation S or Rule 701 under the Securities Act or pursuant to Section 4(2) of the Securities Act regarding transactions not involving a public offering.

Purchaser	Date of Issuance	Number of Securities Originally Issued	Number of Ordinary Shares as Converted(4)	Consideration
				(US$)
Carlyle Asia Venture Partners I, L.P.	November 13, 2000	4,814,008(1)	7,221,012	7,542,107
CIPA Co-Investment, L.P.	November 13, 2000	292,266(1)	438,399	457,893
IDG Technology Venture Investments, L.P.	November 13, 2000	414,885(1)	622,328	650,000
Orchid Asia II, L.P.	November 13, 2000	183,826(1)	275,739	288,000

Purchaser	Date of Issuance	Number of Securities Originally Issued	Number of Ordinary Shares as Converted(4)	Consideration (US$)
S.I. Technology Venture Capital Limited	November 13, 2000	829,770(1)	1,244,655	1,300,000
Softbank Asia Net-Trans (No. 4) Limited	November 13, 2000	638,285(1)	957,428	1,000,000
Openventure Company Limited	November 13, 2000	12,765(1)	19,148	20,000
Gabriel Li	November 13, 2000	5,745(1)	8,618	9,000
JFI II L.P.	November 13, 2000	670(1)	1,005	1,050
Eric X. Li	November 13, 2000	383(1)	575	600
Jed Dempsey	November 13, 2000	670(1)	1,005	1,050
Jim Watson	November 13, 2000	191(1)	287	300
Fang Xi Yuan	July 1, 2001	17,614(2)	17,614	N/A(5)
Wang Sheng Li	July 1, 2001	616,489(2)	616,489	N/A(5)
Li Jing Dong	July 1, 2001	140,911(2)	140,911	N/A(5)
Tan Xiao	July 1, 2001	61,649(2)	61,649	N/A(5)
Wang Ze Sheng	July 1, 2001	26,421(2)	26,421	N/A(5)
Sun Yu	July 1, 2001	17,614(2)	17,614	N/A(5)
Tiger Technology Private Investment Partners, L.P.	September 4, 2003	2,173,122(3)	2,173,122	9,965,000
Tiger Technology II, L.P.	September 4, 2003	7,633(3)	7,633	35,000
Employees as a group	April 15, 2000 to January 1, 2003	1,535,760(6)	N/A	N/A
Directors and employees as a group	April 15, 2003 to October 30, 2003	985,640(7)	N/A	N/A

(1) Series B preferred shares.

(2) Ordinary shares.

(3) Series C preferred shares.

(4) Calculated based on the conversion ratio effective on November 11, 2003.

(5) Shares were issued as part of our consideration for acquiring Beijing Modern Express in October 2000.

(6) Stock options issued under our 2000 Employees' Stock Option Plan.

(7) Stock options issued under our 2003 Employees' Stock Option Plan.

Item 16. ***Exhibits and Financial Statement Schedules***

(a) Exhibits

Exhibits	Description of Document
1.1*	Form of U.S. Underwriting Agreement.
1.2*	Form of International Purchase Agreement.
3.1†	Memorandum and Articles of Association of the Registrant, as currently in effect.
3.2*	Form of Amended and Restated Memorandum and Articles of Association of the Registrant.
4.1*	Registrant's Specimen American Depositary Receipt.
4.3†	Deposit Agreement, dated as of , 2003, among the Registrant, The Bank of New York and holders of the American Depositary Receipts.

Exhibits	Description of Document
4.4†	Shareholders Agreement, dated as of September 4, 2003, among the Registrant and other parties therein.
5.1*	Opinion of Latham & Watkins LLP regarding the validity of the ADSs being registered.
5.2*	Opinion of Maples and Calder Asia regarding the issue of the ordinary shares being registered.
10.1†	Form of Ctrip.com International, Ltd. Stock Option Plan.
10.2†	Form of Indemnification Agreement with the Registrant's directors and executive officers.
10.3†	Translation of Form of Labor Contract for Employees of the Registrant's subsidiaries in China.
10.4†	Employment Agreement, effective as of September 1, 2003 between the Registrant and James Jianzhang Liang.
10.5†	Employment Agreement, effective as of September 1, 2003 between the Registrant and Neil Nanpeng Shen.
10.6†	Employment Agreement, effective as of September 1, 2003 between the Registrant and Min Fan.
10.7†	Translation of Form of Consulting Services Agreement between Ctrip Computer Technology (Shanghai) Co., Ltd. and an Affiliated Chinese Entity of the Registrant, as currently in effect.
10.8†	Translation of Form of Loan Agreement between Ctrip.com (Hong Kong) Limited and a Shareholder of an Affiliated Chinese Entity of the Registrant, as currently in effect.
10.9†	Translation of Form of Exclusive Option Agreement among Ctrip.com (Hong Kong) Limited, an Affiliated Chinese Entity of the Registrant and the Shareholder of the Entity, as currently in effect.
10.10†	Translation of Form of Share Pledge Agreement among Ctrip Computer Technology (Shanghai) Co., Ltd. and a Shareholder of an Affiliated Chinese Entity of the Registrant, as currently in effect.
10.11†	Translation of Form of Trademark License Agreement between Ctrip Computer Technology (Shanghai) Co., Ltd. and an Affiliated Chinese Entity of the Registrant, as currently in effect.
10.12†	Translation of Form of Software License Agreement between Ctrip Computer Technology (Shanghai) Co., Ltd. and an Affiliated Chinese Entity of the Registrant, as currently in effect.
10.13†	Translation of Form of Operating Agreement between Ctrip Computer Technology (Shanghai) Co., Ltd. and an Affiliated Chinese Entity of the Registrant, as currently in effect.
10.14†	Translation of Lease Agreement dated May 1, 2003 between Ctrip Travel Information Technology (Shanghai) Co., Ltd. and Yu Zhong (Shanghai) Consulting Co., Ltd.
10.15†	Translation of Form of Power of Attorney by a shareholder of an Affiliated Chinese Entity of the Registrant, as currently in effect.
10.16†	Confidentiality and Non-Competition Agreement, effective as of September 10, 2003, between the Registrant and Qi Ji.
10.17†	Consulting Services Agreement, dated November 2000, between Shanghai Ctrip Commerce Co., Ltd. and Ctrip Computer Technology (Shanghai) Co., Ltd. (terminated).
10.18†	Consulting Services Agreement, effective as of July 15, 2002, between Ctrip Computer Technology (Shanghai) Co., Ltd. and Beijing Chenhao Xinye Air-Ticketing Service Co., Ltd. (terminated).
10.19†	Travel Information Services Agreement, effective as of May 1, 2002, between Ctrip Computer Technology (Shanghai) Co., Ltd. and Shanghai Huacheng Southwest Travel Agency Co., Ltd. (terminated).
21.1†	Subsidiaries of the Registrant.
23.1†	Consent of PricewaterhouseCoopers, Independent Auditors.
23.2*	Consent of Maples and Calder Asia (see Exhibit 5.2).
23.3*	Consent of Latham & Watkins LLP (see Exhibit 5.1).

Exhibits	Description of Document
24.1†	Powers of Attorney (included on signature page).
99.1†	Opinion of Commerce & Finance Law Offices regarding the Share Pledge Agreement.
99.2†	Opinion of Commerce & Finance Law Offices regarding the contractual arrangements between the Registrant and Shanghai Ctrip Commerce Co., Ltd.
99.3†	Opinion of Commerce & Finance Law Offices regarding the contractual arrangements between the Registrant and Shanghai Huacheng Southwest Travel Agency Co., Ltd.
99.4†	Opinion of Commerce & Finance Law Offices regarding the contractual arrangements between the Registrant and Beijing Chenhao Xinye Air-Ticketing Service Co., Ltd.
99.5†	Opinion of Commerce & Finance Law Offices regarding the contractual arrangements between the Registrant and Guangzhou Guangcheng Commercial Service Co., Ltd.
99.6†	Opinion of Commerce & Finance Law Offices regarding the contractual arrangements between the Registrant and Shanghai Cuiming International Travel Agency Co., Ltd.
99.7*	Opinion of Boughton Peterson Young Anderson regarding certain Hong Kong law matters.

† Filed herewith.

* To be filed by amendment.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the Consolidated Financial Statements or the Notes thereto.

Item 17. ***Undertakings***

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described in Item 6, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its U.S. counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant under Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Hong Kong S.A.R., China, on November 13, 2003.

CTRIP.COM INTERNATIONAL, LTD.

By: /s/ NEIL NANPENG SHEN

Name: Neil Nanpeng Shen
Title: President and Chief Financial Officer

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Neil Nanpeng Shen as attorney-in-fact with full power of substitution, for him or her in any and all capacities, to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the Registrant to comply with the Securities Act, and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the Act of ordinary shares and ADSs of the Registrant, including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the registration statement on Form F-1 to be filed with the Securities and Exchange Commission with respect to such ordinary shares and ADSs, to any and all amendments or supplements to such registration statement, whether such amendments or supplements are filed before or after the effective date of such registration statement, to any related registration statement filed pursuant to Rule 462 under the Act, and to any and all instruments or documents filed as part of or in connection with such registration statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such registration statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JAMES JIANZHANG LIANG James Jianzhang Liang	Chairman/Chief Executive Officer	November 13, 2003
/s/ NEIL NANPENG SHEN Neil Nanpeng Shen	President/Chief Financial Officer	November 13, 2003
/s/ XIAOFAN WANG Xiaofan Wang	Controller	November 13, 2003
/s/ JP GAN JP Gan	Director	November 13, 2003
/s/ JUNICHI GOTO Junichi Goto	Director	November 13, 2003
/s/ YUFEI HU Yufei Hu	Director	November 13, 2003
/s/ GABRIEL LI Gabriel Li	Director	November 13, 2003
/s/ QI JI Qi Ji	Director	November 13, 2003
/s/ ROBERT STEIN Robert Stein	Director	November 13, 2003
/s/ SUYANG ZHANG Suyang Zhang	Director	November 13, 2003
/s/ DONALD J. PUGLISI Name: Donald J. Puglisi Title: Managing Director, Puglisi & Associates	Authorized Representative in the United States	November 13, 2003

CTRIP.COM INTERNATIONAL, LTD.

EXHIBIT INDEX

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1.2*	Form of International Purchase Agreement.
3.1†	Memorandum and Articles of Association of the Registrant, as currently in effect.
3.2*	Form of Amended and Restated Memorandum and Articles of Association of the Registrant.
4.1*	Registrant's Specimen American Depositary Receipt.
4.3†	Deposit Agreement, dated as of , 2003, among the Registrant, The Bank of New York and holders of the American Depositary Receipts.
4.4†	Shareholders Agreement, dated as of September 4, 2003, among the Registrant and other parties therein.
5.1*	Opinion of Latham & Watkins LLP regarding the validity of the ADSs being registered.
5.2*	Opinion of Maples and Calder Asia regarding the issue of the ordinary shares being registered.
10.1†	Form of Ctrip.com International, Ltd. Stock Option Plan.
10.2†	Form of Indemnification Agreement with the Registrant's directors and executive officers.
10.3†	Translation of Form of Labor Contract for Employees of the Registrant's subsidiaries in China.
10.4†	Employment Agreement, effective as of September 1, 2003 between the Registrant and James Jianzhang Liang.
10.5†	Employment Agreement, effective as of September 1, 2003 between the Registrant and Neil Nanpeng Shen.
10.6†	Employment Agreement, effective as of September 1, 2003 between the Registrant and Min Fan.
10.7†	Translation of Form of Consulting and Services Agreement between Ctrip Computer Technology (Shanghai) Co., Ltd. and an Affiliated Chinese Entity of the Registrant, as currently in effect.
10.8†	Translation of Form of Loan Agreement between Ctrip.com (Hong Kong) Limited and a Shareholder of an Affiliated Chinese Entity of the Registrant, as currently in effect.
10.9†	Translation of Form of Exclusive Option Agreement among Ctrip.com (Hong Kong) Limited, an Affiliated Chinese Entity of the Registrant and the Shareholder of the Entity, as currently in effect.
10.10†	Translation of Form of Share Pledge Agreement among Ctrip Computer Technology (Shanghai) Co., Ltd. and a Shareholder of an Affiliated Chinese Entity of the Registrant, as currently in effect.
10.11†	Translation of Form of Trademark License Agreement between Ctrip Computer Technology (Shanghai) Co., Ltd. and an Affiliated Chinese Entity of the Registrant, as currently in effect.
10.12†	Translation of Form of Software License Agreement between Ctrip Computer Technology (Shanghai) Co., Ltd. and an Affiliated Chinese Entity of the Registrant, as currently in effect.
10.13†	Translation of Form of Operating Agreement between Ctrip Computer Technology (Shanghai) Co., Ltd. and an Affiliated Chinese Entity of the Registrant, as currently in effect.
10.14†	Translation of Lease Agreement dated May 1, 2003 between Ctrip Travel Information Technology (Shanghai) Co., Ltd. and Yu Zhong (Shanghai) Consulting Co., Ltd.
10.15†	Translation of Form of Power of Attorney by a shareholder of an Affiliated Chinese Entity of the Registrant, as currently in effect.
10.16†	Confidentiality and Non-Competition Agreement, effective as of September 10, 2003, between the Registrant and Qi Ji.

Exhibits	Description of Document
10.17†	Consulting Services Agreement, dated November 2000, between Shanghai Ctrip Commerce Co., Ltd. and Ctrip Computer Technology (Shanghai) Co., Ltd. (terminated).
10.18†	Consulting Services Agreement, effective as of July 15, 2002, between Ctrip Computer Technology (Shanghai) Co., Ltd. and Beijing Chenhao Xinye Air-Ticketing Service Co., Ltd. (terminated).
10.19†	Travel Information Services Agreement, effective as of May 1, 2002, between Ctrip Computer Technology (Shanghai) Co., Ltd. and Shanghai Huacheng Southwest Travel Agency Co., Ltd. (terminated).
21.1†	Subsidiaries of the Registrant.
23.1†	Consent of PricewaterhouseCoopers, Independent Auditors.
23.2*	Consent of Maples and Calder Asia (see Exhibit 5.2).
23.3*	Consent of Latham & Watkins LLP (see Exhibit 5.1).
24.1†	Powers of Attorney (included on signature page).
99.1†	Opinion of Commerce & Finance Law Offices regarding the Share Pledge Agreement.
99.2†	Opinion of Commerce & Finance Law Offices regarding the contractual arrangements between the Registrant and Shanghai Ctrip Commerce Co., Ltd.
99.3†	Opinion of Commerce & Finance Law Offices regarding the contractual arrangements between the Registrant and Shanghai Huacheng Southwest Travel Agency Co., Ltd.
99.4†	Opinion of Commerce & Finance Law Offices regarding the contractual arrangements between the Registrant and Beijing Chenhao Xinye Air-Ticketing Service Co., Ltd.
99.5†	Opinion of Commerce & Finance Law Offices regarding the contractual arrangements between the Registrant and Guangzhou Guangcheng Commercial Service Co., Ltd.
99.6†	Opinion of Commerce & Finance Law Offices regarding the contractual arrangements between the Registrant and Shanghai Cuiming International Travel Agency Co., Ltd.
99.7*	Opinion of Boughton Peterson Young Anderson regarding certain Hong Kong law matters.

† Filed herewith.

* To be filed by amendment.

EXHIBIT 3.1

THE COMPANIES LAW (2003 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

CTRIP.COM INTERNATIONAL, LTD.

ADOPTED BY SPECIAL RESOLUTION PASSED ON

September 4, 2003

1. The name of the Company is CTRIP.COM INTERNATIONAL, LTD.

2. The Registered Office of the Company shall be at the offices of M&C Corporate Services Limited, P.O. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, or at such other place as the Directors may from time to time decide.

3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law (2003 Revision) or as the same may be revised from time to time, or any other law of the Cayman Islands.

4. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.

5. The share capital of the Company is 50,000,000 Ordinary Shares of a nominal or par value of US$0.01 each, 4,320,000 Series A Preferred Shares of a nominal or par value of US$0.01 each, 7,193,464 Series B Preferred Shares of a nominal or par value of US$0.01 each and 2,180,755 Series C Preferred Shares of a nominal or par value of US$0.01 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (2003 Revision) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.

6. The Company has the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

7. Capitalised terms that are not defined in this Amended and Restated Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.

EXHIBIT 3.1

THE COMPANIES LAW (2003 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

CTRIP.COM INTERNATIONAL, LTD.

ADOPTED BY SPECIAL RESOLUTION PASSED ON

September 4, 2003

1. In these Articles Table A in the Schedule to the Statute does not apply and, unless there is something in the subject or context inconsistent therewith,

"ARTICLES" means these Articles as originally framed or as from time to time altered by Special Resolution.

"AUDITORS" means the persons for the time being performing the duties of auditors of the Company (if any).

"COMPANY" means CTRIP.COM INTERNATIONAL, LTD.

"DEBENTURE" means debenture stock, mortgages, bonds and any other such securities of the Company whether constituting a charge on the assets of the Company or not.

"DIRECTORS" means the directors for the time being of the Company.

"DIVIDEND" includes interim bonuses.

"ELECTRONIC RECORD" has the same meaning as in the Electronic Transactions Law (2000 Revision).

"MEMBER" shall bear the same meaning as in the Statute.

"MEMORANDUM" means the memorandum of association of the Company as originally framed OR as from time to time altered by Special Resolution.

"MONTH" means calendar month.

"ORDINARY RESOLUTION" means a resolution passed by a simple majority of the Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, and includes a unanimous written resolution. In computing the majority when a poll is demanded regard shall be had to the number of votes to which each Member is entitled by the Articles.

"ORDINARY SHARES" means the Ordinary Shares in the capital of the Company of par value of US$0.01 each.

"PAID-UP" means paid-up and/or credited as paid-up.

"REGISTER OF MEMBERS" means the register maintained in accordance with the Statute and includes (except where otherwise stated) any duplicate Register of Members.

"REGISTERED OFFICE" means the registered office for the time being of the Company.

"SEAL" means the common seal of the Company and includes every duplicate seal.

"SECRETARY" includes an Assistant Secretary and any person appointed to perform the duties of Secretary of the Company.

"SERIES A ORIGINAL ISSUE DATE" means the date of the first sale and issuance of Series A Preferred Shares.

"SERIES A PREFERRED" means Series A Preferred Shares in the capital of the Company with a nominal or par value of US$0.01 having the rights set out in these Articles.

"SERIES B ORIGINAL ISSUE DATE" means the date of the first sale and issuance of Series B Preferred Shares.

"SERIES B PREFERRED" means Series B Preferred Shares in the capital of the Company with a nominal or par value of US$0.01 having the rights set out in these Articles.

"SERIES C PREFERRED" means Series C Preferred Shares in the capital of the Company with a nominal or par value of US$0.01 having the rights set out in these Articles.

"SERIES C ORIGINAL ISSUE DATE" means the date of the first sale and issuance of Series C Preferred Shares.

"SHARE" and "SHARES" means a share or shares in the Company and includes a fraction of a share.

"SHARE PREMIUM ACCOUNT" means the account of the Company which the Company is required by the Statute to maintain, to which all premiums over nominal or par value received by the Company in respect of issues of shares from time to time are credited.

"SPECIAL RESOLUTION" has the same meaning as in the Statute, and includes a unanimous written resolution.

"STATUTE" means the Companies Law (2003 Revision) of the Cayman Islands and every statutory modification or re-enactment thereof for the time being in force.

"WRITTEN" and "IN WRITING" include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record.

Words importing the singular number include the plural number and vice-versa.

Words importing the masculine gender include the feminine gender.

Words importing persons include corporations.

References to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time.

Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

Headings are inserted for reference only and shall be ignored in construing these Articles.

2. The business of the Company may be commenced as soon after incorporation as the Directors shall see fit.

3. The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company including the expenses of registration.

CERTIFICATES FOR SHARES

4. Certificates representing shares of the Company shall be in such form as shall be determined by the Directors. Such certificates may be under Seal. All certificates for shares shall be consecutively numbered or otherwise identified and shall specify the shares to which they relate. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered in the register of Members of the Company. All certificates surrendered to the Company for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled. The Directors may authorise certificates to be issued with the seal and authorised signature(s) affixed by some method or system of mechanical process.

5. Notwithstanding Article 4 of these Articles, if a share certificate be defaced, lost or destroyed, it may be renewed on payment of a fee of one dollar (US$l.00) or such lesser sum and on such terms (if any) as to evidence and indemnity and the payment of the expenses incurred by the Company in investigating evidence, as the Directors may prescribe.

ISSUE OF SHARES

6. Subject to the relevant provisions, if any, in the Memorandum and to any direction that may be given by the Company in general meeting and without prejudice to any special rights previously conferred on the holders of existing shares, the Directors may allot, issue, grant options over or otherwise dispose of shares of the Company (including fractions of a share) with or without preferred, deferred or other special rights or restrictions, whether with regard to dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper. The Company shall not issue shares in bearer form.

7. The Company shall maintain a register of its Members and every person whose name is entered as a Member in the register of Members shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates each for one or more of his shares upon payment of fifty cents (US$0.50) for every certificate after the first or such less sum as the Directors shall from time to time determine provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of the several joint holders shall be sufficient delivery to all such holders.

TRANSFER OF SHARES

8. The instrument of transfer of any share shall be in writing and shall be executed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register in respect thereof.

9. The Directors may in their absolute discretion decline to register any transfer of shares without assigning any reason therefor. If the Directors refuse to register a transfer they shall notify the transferee within two months of such refusal.

10. The registration of transfers may be suspended at such time and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than forty-five days in any year.

REDEEMABLE SHARES

11. (a) Subject to the provisions of the Statute and the Memorandum, shares may be issued on the terms that they are, or at the option of the Company or the holder are, to be redeemed on such terms and in such manner as the Company, before the issue of the shares, may by Special Resolution determine.

(b) Subject to the provisions of the Statute and the Memorandum, the Company may purchase its own shares (including fractions of a share), including any redeemable shares, provided that the manner of purchase has first been authorised by the Company in A general meeting and may make payment therefor in any manner authorised by the Statute, including out of capital.

VARIATION OF RIGHTS OF SHARES

12. If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up and except where these Articles or the Statute impose any stricter quorum, voting or procedural requirements in regard to the

variation of rights attached to a specific class, be varied with the consent in writing of the holders of 75% of the issued shares of that class, or with the sanction of a Special Resolution passed at a general meeting of the holders of the shares of that class.

The provisions of these Articles relating to general meetings shall apply to every such general meeting of the holders of one class of shares except that the necessary quorum shall be one person holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

13. For purposes of this provision any particular issue of shares not carrying the same rights (whether as to rate of dividend, redemption or otherwise) as any other shares of the time being in issue, shall be deemed to constitute a separate class of shares. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

COMMISSION ON SALE OF SHARES

14. The Company may in so far as the Statute from time to time permits pay a commission to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares of the Company. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

CONVERSION OF PREFERRED SHARES

15. (a) Right to Convert Series A Preferred. Unless converted earlier pursuant to paragraph 15(e) below, a holder of Series A Preferred may opt to convert all but not part of his Series A Preferred at any time after the Series A Original Issue Date into such number of fully paid and non-assessable Ordinary Shares as determined by multiplying the number of Series A Preferred Shares to be converted by US$1.0417 and dividing the result by the Series A Conversion Price, determined as hereinafter provided, in effect at the time of the conversion. The price at which Ordinary Shares shall be deliverable upon conversion of the Series A Preferred (the "SERIES A CONVERSION PRICE") shall initially be US$1.0417 per Ordinary Share. Rights of holders of Series A Preferred provided in this paragraph 15(a) and paragraphs 15(d)-(g) are referred hereinafter as "SERIES A CONVERSION RIGHTS".

(b) Right to Convert Series B Preferred. Unless converted earlier pursuant to paragraph 15(e) below, each share of Series B Preferred shall be convertible, at the option of the holder thereof, at any time after the Series B Original Issue Date into such number of fully paid and non-assessable Ordinary Shares as determined by multiplying the number of Series B Preferred to be converted by US$1.5667 and dividing the result by the Series B Conversion Price, determined as hereinafter provided, in effect at the time of the conversion. The price at which Ordinary Shares shall be deliverable upon conversion of the Series B Preferred (the "SERIES B CONVERSION PRICE") shall initially be

US$1.044467 per Ordinary Share. Rights of holders of Series B Preferred provided in this paragraph 15(b) and paragraphs 15(d)-(g) are referred hereinafter as "SERIES B CONVERSION RIGHTS".

(c) Right to Convert Series C Preferred. Unless converted earlier pursuant to paragraph 15(e) below, each share of Series C Preferred shall be convertible, at the option of the holder thereof, at any time after the Series C Original Issue Date into such number of fully paid and non-assessable Ordinary Shares as determined by multiplying the number of Series C Preferred to be converted by US$4.5856 and dividing the result by the Series C Conversion Price, determined as hereinafter provided, in effect at the time of the conversion. The price at which Ordinary Shares shall be deliverable upon conversion of the Series C Preferred (the "SERIES C CONVERSION PRICE") shall initially be US$4.5856 per Ordinary Share. Rights of holders of Series C Preferred provided in this paragraph 15(c) and paragraphs 15(d)-(f) are referred hereinafter as "SERIES C CONVERSION RIGHTS".

(d) Initial Series A Conversion Price, initial Series B Conversion Price and initial Series C Conversion Price shall be subject to adjustment as hereinafter provided. Nothing in paragraph 15(a), (b) or (c) shall limit the automatic conversion rights of Series A Preferred, Series B Preferred or Series C Preferred described in paragraph 15(e) below.

(e) Automatic Conversion. Each share of Series A Preferred, Series B Preferred and Series C Preferred shall automatically be converted into Ordinary Shares at the then effective Series A, Series B and Series C Conversion Price (each a "CONVERSION PRICE"), respectively, upon the closing of an underwritten public offering of the Ordinary Shares of the Company in the United States, that has been registered under the Securities Act of 1933, as amended (the "SECURITIES Act"), with the gross proceeds in excess of US$25,000,000, or in a similar public offering of the Ordinary Shares of the Company in a jurisdiction and on a recognized securities exchange outside of the United States, provided that such public offering is reasonably equivalent to the aforementioned public offering in the United States in terms of price, offering proceeds and regulatory approval (a "QUALIFIED IPO"). In the event of the automatic conversion of the Series A Preferred, the Series B Preferred and the Series C Preferred upon a public offering as described above, the person(s) entitled to receive the Ordinary Shares issuable upon such conversion of Series A Preferred, Series B Preferred or Series C Preferred, respectively, shall not be deemed to have converted such respective shares until immediately prior to the closing of such sale of securities.

In addition, unless earlier converted pursuant to the immediately preceding paragraph, each share of Series C Preferred shall automatically be converted into Ordinary Shares at the then effective Series C Conversion Price on the date specified by written consent or agreement of the holders of a majority of the then outstanding shares of Series C Preferred.

(f) Mechanics of Conversion. No fractional Ordinary Share shall be issued upon conversion of the Series A Preferred, the Series B Preferred or the Series C Preferred. In lieu of any fractional shares to which the holder would otherwise be entitled, the Company shall pay cash equal to such fraction multiplied by the then effective respective Conversion Price. Before any holder of Series A Preferred, Series B Preferred or Series C Preferred shall be entitled to convert their shares into full Ordinary Shares and to receive certificates therefor, the holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any transfer agent for the Series A Preferred, the Series B Preferred or the Series C Preferred to be converted and shall give written notice to the Company at such

office that the holder elects to convert the same. The Company shall, within 7 days thereafter (or, in the case of a conversion pursuant to Article 15(e), on the date of conversion), issue and deliver at such office to such holder of Series A Preferred, Series B Preferred or Series C Preferred a certificate or certificates for the number of Ordinary Shares to which the holder shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional Ordinary Shares. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series A Preferred, Series B Preferred or Series C Preferred to be converted, and the person or persons entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Ordinary Shares on such date. The Directors of the Company may effect such conversion in any manner available under applicable law including redeeming or repurchasing the relevant Series A Preferred, Series B Preferred or Series C Preferred and applying the proceeds thereof towards payment for the new Ordinary Shares. For purposes of the repurchase or redemption, the Directors may, subject to the Statute and the Company being able to pay its debts in the ordinary course of business, make payments out of its capital.

(g) Reservation of Shares Issuable Upon Conversion. The Company shall at all times ensure that there are sufficient authorized but unissued Ordinary Shares solely for the purpose of effecting the conversion of the shares of the Series A Preferred, the Series B Preferred and the Series C Preferred such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred, the Series B Preferred and the Series C Preferred, and if at any time the number of authorized but unissued Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred, the Series B Preferred and the Series C Preferred, in addition to such other remedies as shall be available to the holder of such Series A Preferred, Series B Preferred or Series C Preferred, the Company will take such corporate action as may be necessary to increase its authorized but unissued Ordinary Shares to such number of shares as shall be sufficient for such purposes.

ADJUSTMENTS TO CONVERSION PRICE

16. (a) Special Definitions. For purposes of this Article 16, the following definitions shall apply:

(i) "OPTIONS" mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Ordinary Shares or Convertible Securities.

(ii) "CONVERTIBLE SECURITIES" shall mean any evidences of indebtedness, shares (other than the Series A Preferred, the Series B Preferred, the Series C Preferred and Ordinary Shares) or other securities directly or indirectly convertible into or exchangeable for Ordinary Shares.

(iii) "ADDITIONAL ORDINARY SHARES" shall mean all Ordinary Shares (including reissued shares) issued (or, pursuant to paragraph 16(c), deemed to be issued) by the Company after the Series C Original Issue Date, other than:

(A) Ordinary Shares issued upon conversion of the Series A Preferred, the Series B Preferred and the Series C Preferred authorized herein;

(B) up to 2,725,670 Ordinary Shares (including any of such shares which are repurchased) issued or reserved for issuance to officers, directors, employees and consultants of the Company pursuant to shares option or purchase plans approved by the Board;

(C) as a dividend or distribution on Series A Preferred, Series B Preferred or Series C Preferred, or any event for which adjustment is made pursuant to paragraph 16(f) or 16(g) hereof;

(D) Ordinary Shares issued in connection with a bona fide business acquisition of or by the Company, whether by consolidation, merger, purchase or sale of assets, sale or exchange of shares or otherwise, in a single transaction or series of related transactions;

(E) Ordinary Shares issued or issuable to persons or entities with which the Company has business relations, provided that such issuances are for primarily other than equity financing purposes and approved by the Board;

(F) Ordinary Shares issued or issuable pursuant to equipment lease financings or bank credit lines, provided that such issuances are approved by the Board.

(b) No Adjustment of Conversion Price. No adjustment in the Conversion Price shall be made in respect of the issuance of Additional Ordinary Shares unless the consideration per share for an Additional Ordinary Share issued or deemed to be issued by the Company is less than the Conversion Price of such series in effect on the date of and immediately prior to such issue.

(c) Deemed Issue of Additional Ordinary Shares. In the event the Company at any time or from time to time after the Series C Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number that would result in an adjustment pursuant to clause (ii) below) of Ordinary Shares issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Ordinary Shares issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that Additional Ordinary Shares shall not be deemed to have been issued unless the consideration per share (determined pursuant to paragraph 16(e) hereof) of such Additional Ordinary Shares would be less than the applicable Conversion Price in effect on the date of and immediately prior to such issue, or such record date, as the case may be, and provided further that in any such case in which Additional Ordinary Shares are deemed to be issued:

(i) no further adjustment in the Conversion Price shall be made upon the subsequent issue of Convertible Securities or Ordinary Shares upon the exercise of such Options or conversion or exchange of such Convertible Securities;

(ii) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Company, or increase or decrease in the number of Ordinary Shares issuable, upon the exercise, conversion or exchange thereof, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(iii) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if:

(A) in the case of Convertible Securities or Options for Ordinary Shares, the only Additional Ordinary Shares issued were Ordinary Shares, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Company for the issue of all such Options, whether or not exercised, plus the consideration actually received by the Company upon such exercise, or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Company upon such conversion or exchange, and

(B) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Company for the Additional Ordinary Shares deemed to have been then issued was the consideration actually received by the Company for the issue of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Company upon the issue of the Convertible Securities with respect to which such Options were actually exercised;

(iv) no readjustment pursuant to clause (ii) or (iii) above shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the Conversion Price on the original adjustment date, or (ii) the Conversion Price that would have resulted from any issuance of Additional Ordinary Shares between the original adjustment date and such readjustment date; and

(v) in the case of any Options which expire by their terms not more than 30 days after the date of issue thereof, no adjustment of the Conversion Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the manner provided in clause (iii) above.

(d) Adjustment of Conversion Price Upon Issuance of Additional Ordinary Shares. In the event that after the Series C Original Issue Date the Company shall issue Additional Ordinary Shares without consideration or for a consideration per share less than the applicable Conversion Price in effect on the date of and immediately prior to such issue, then and in such event, the Conversion Price shall be reduced, concurrently with such issue, to a price

(calculated to the nearest cent) determined as set forth below. The mathematical formula for determining the adjusted Conversion Price is as follows and is subject to the more detailed textual description set forth thereafter:

AP = OP * (OS + (NP/OP))/(OS + NS)

WHERE:

AP = adjusted Conversion Price

OP = old Conversion Price as applicable to Series A Preferred, Series B Preferred and Series C Preferred, respectively

OS = the number of outstanding Ordinary Shares immediately before the Additional Ordinary Shares are issued or sold

NP = the total price at which the Additional Ordinary Shares are issued or sold

NS = the number of Additional Ordinary Shares issued or sold

The newly adjusted Conversion Price shall be the amount equal to the price (calculated to the nearest cent) determined by multiplying the old Conversion Price, by a fraction

(i) the numerator of which shall be the number of Ordinary Shares outstanding immediately prior to such issuance plus the number of Ordinary Shares which the aggregate consideration received by the Corporation for the total number of Additional Ordinary Shares would purchase at the old Conversion Price; and

(ii) the denominator of which shall be the number of Ordinary Shares outstanding immediately prior to such issuance plus the number of such Additional Ordinary Shares so issued;

provided that for the purposes of this paragraph 16(d), all Ordinary Shares issuable upon conversion of outstanding Series A Preferred, Series B Preferred, Series C Preferred and outstanding Convertible Securities or exercise of outstanding Options shall be deemed to be outstanding.

(e) Determination of Consideration. For purposes of this Article 16, the consideration received by the Company for the issue of any Additional Ordinary Shares shall be computed as follows:

(i) Cash and Property. Except as provided in clause (ii) below, such consideration shall:

(A) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company excluding amounts paid or payable for accrued interest or accrued dividends;

(B) insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issue, as determined in good faith by the Board; provided, however, that no value shall be attributed to any services performed by any employee, officer or director of the Company; and

(C) in the event Additional Ordinary Shares are issued together with other shares or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received with respect to such Additional Ordinary Shares, computed as provided in clauses (A) and (B) above, as determined in good faith by the Board.

(ii) Options and Convertible Securities. The consideration per share received by the Company for Additional Ordinary Shares deemed to have been issued pursuant to paragraph 16(c), relating to Options and Convertible Securities, shall be determined by dividing

(x) the total amount, if any, received or receivable by the Company (net of any selling concessions, discounts or commissions) as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by

(y) the maximum number of Ordinary Shares (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(f) Adjustments for Shares Dividends, Subdivisions, Combinations or Consolidations of Ordinary Shares. In the event the outstanding Ordinary Shares shall be subdivided (by share dividend, share split, or otherwise), into a greater number of Ordinary Shares, the Conversion Prices then in effect shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding Ordinary Shares shall be combined or consolidated, by reclassification or otherwise, into a lesser number of Ordinary Shares, the Conversion Prices then in effect shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

(g) Adjustments for Other Distributions. In the event the Company at any time or from time to time makes, or files a record date for the determination of holders of Ordinary Shares entitled to receive any distribution payable in securities or assets of the Company other than Ordinary Shares then and in each such event provision shall be made so that the holders of Series A Preferred, Series B Preferred and/or Series C Preferred shall receive upon conversion thereof, in addition to the number of Ordinary Shares receivable thereupon, the amount of securities or assets of the Company which they would have received had their preferred shares been converted into Ordinary Shares on the date of such event and had they thereafter, during the period from the date of such event to and including the date of conversion, retained such securities or assets receivable by them as aforesaid during such period, subject to all other adjustment called for during such period under this Article 16 with respect to the rights of the holders of the Series A Preferred, Series B Preferred and Series C Preferred.

(h) Adjustments for Reclassification, Exchange and Substitution. If the Ordinary Shares issuable upon conversion of the Series A Preferred, the Series B Preferred or the Series C Preferred shall be changed into the same or a different number of shares of any other class or classes of shares, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), then and in each such event the holder of each share of Series A Preferred, Series B Preferred or Series C Preferred shall have the right thereafter to convert such share into the kind and amount of shares and other securities and property receivable upon such reorganization or reclassification or other change by holders of the number of Ordinary Shares that would have been subject to receipt by the holders upon conversion of the Series A Preferred, the Series B Preferred or the Series C Preferred immediately before that change, all subject to further adjustment as provided herein.

(i) No Impairment. The Company will not, without the appropriate vote of the shareholders under the Statute or Article 18, by amendment of its Memorandum and Articles of Association or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company but will at all times in good faith assist in the carrying out of all the provisions of Article 16 and in the taking of all such action as may be necessary or appropriate in order to protect the Series A, the Series B and the Series C Conversion Rights against impairment.

(j) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Article 16, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series A Preferred, Series B Preferred and/or Series C Preferred a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Series A Preferred, Series B Preferred or Series C Preferred, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect, and (iii) the number of Ordinary Shares and the amount, if any, of other property which at the time would be received upon the conversion of Series A Preferred, Series B Preferred or Series C Preferred.

(k) Miscellaneous.

(i) All calculations under this Article 16 shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case may be.

(ii) The holders of at least 50% of the outstanding Series A Preferred, Series B Preferred or Series C Preferred, respectively, shall have the right to challenge any determination by the Board of fair value in relation to the respective series of shares pursuant to this Article 16, in which case such determination of fair value shall be made by an independent appraiser selected jointly by the Board and the challenging parties, the cost of such appraisal to be borne equally by the Company and the challenging parties.

(iii) No adjustment in the Conversion Price need be made if such adjustment would result in a change in such Conversion Price of less than US$0.01. Any adjustment of less than US$0.01 which is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of US$0.01 or more in such Conversion Price.

NOTICES OF RECORD DATE

17. In the event that the Company shall propose at any time:

(a) to declare any dividend or distribution upon its Ordinary Shares, whether in cash, property, shares or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus;

(b) to offer for subscription pro rata to the holders of any class or series of its shares any additional shares of shares of any class or series or other rights;

(c) to effect any reclassification or recapitalization of its Ordinary Shares outstanding involving a change in the Ordinary Shares; or

(d) to merge or consolidate with or into any other corporation, or sell, lease or convey all or substantially all its property or business, or to liquidate, dissolve or wind up, then, in connection with each such event, the Company shall send to the holders of the Series A Preferred, the Series B Preferred and the Series C Preferred:

(i) at least 20 days' prior written notice of the date on which a record shall be taken for such dividend, distribution or subscription rights (and specifying the date on which the holders of Ordinary Shares shall be entitled thereto) or for determining rights to vote in respect of the matters referred to in (c) and (d) above; and

(ii) in the case of the matters referred to in (c) and (d) above, at least 20 days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Ordinary Shares shall be entitled to exchange their Ordinary Shares for securities or other property deliverable upon the occurrence of such event).

Each such written notice shall be delivered personally or given by first class mail, postage prepaid, addressed to the holders of the Series A Preferred, the Series B Preferred and the Series C Preferred at the address for each such holder as shown on the books of the Company.

PROTECTIVE PROVISIONS

18. (a) Notwithstanding any other provision in these Articles, so long as any shares of Series A Preferred, Series B Preferred or Series C Preferred are outstanding, the following matters shall require the approval of the holder(s) of not less than seventy-five per cent. (75%) of the outstanding Series A Preferred (in respect of actions affecting Series A Preferred), not less than seventy-five per cent. (75%) of the outstanding Series B Preferred (in respect

of actions affecting Series B Preferred) and not less than fifty per cent. (50%) of the outstanding Series C Shares (in respect of actions affecting Series C Preferred) voting as a separate class:

(i) any amendment or change of the number of shares of, the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the Series A Preferred, Series B Preferred or Series C Preferred;

(ii) any action that authorizes, creates or issues additional shares of Series A Preferred, Series B Preferred or Series C Preferred or any other class or series of the Company's securities having preferences superior to or on a parity with the Series A Preferred, Series B Preferred or Series C Preferred;

(iii) any new issuance of any securities of the Company, excluding (i) any issuance of Ordinary Shares upon conversion of the Series A Preferred, Series B Preferred or Series C Preferred and (ii) any issuance of Ordinary Shares to employees under the Company's existing employee share option plans approved by the Board;

(iv) any action that reclassifies any outstanding shares into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of the Series A Preferred, Series B Preferred or Series C Preferred;

(v) any amendment of the Memorandum and Articles of Association or other charter documents;

(vi) any redemptions, purchases or other acquisitions (or payment into or set aside for a sinking fund for such purpose) of any shares of the Company;

(vii) the consummation of a Liquidation Event (as defined below) if such Liquidation Event would be consummated at an equity valuation of the Company of less than One Hundred Fifty Million Dollars (US$150,000,000).

A "Liquidation Event" shall include (A) the closing of the sale, transfer, or other disposition of all or substantially all of the Company's assets, (B) the consummation of the merger or consolidation of the Company with or into another entity (except a merger or consolidation in which the holders of share capital of the Company immediately prior to such merger or consolidation continue to hold at least 50% of the voting entitlement of the share capital of the Company or the surviving or acquiring entity in substantially the same proportions as held by such holders immediately prior to such merger or consolidation), (C) the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of the Company's securities), of the Company's securities if, after such closing, such person or group of affiliated persons would hold 50% or more of the outstanding voting shares of the Company (or the surviving or acquiring entity), or (D) a liquidation, dissolution or winding up of the Company; provided, however, that a transaction shall not constitute a Liquidation Event if its sole purpose is to change the jurisdiction of the Company's incorporation or formation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately prior to such transaction.

(b) The following matters shall require the written approval of not less than eight (8) members of the Board of Directors:

(i) consolidation or merger with or into any other business entity in which the shareholders of the Company (including the Company and all of its Subsidiaries for the purpose of paragraph 19(b)) held shares of the Company with less than a majority of the voting power of the outstanding shares of the surviving company immediately after such consolidation or merger;

(ii) the sale of all or substantially all the Company's assets;

(iii) the liquidation, dissolution or winding up of the Company;

(iv) the declaration or payment of a dividend on Ordinary Shares (other than a dividend payable solely in shares of Ordinary Shares);

(v) incurrence of indebtedness by the Company, including guarantees, in excess of US$50,000;

(vi) an increase in compensation of any of the four (4) most highly compensated employees of the Company by more than 15% in a twelve (12) month period;

(vii) the purchase or lease by the Company of any automobile with a purchase value in excess of US$50,000;

(viii) the purchase or lease by the Company of any real property (other than office space) with a purchase value in excess of US$50,000;

(ix) the purchase by the Company of any equity securities of any other company with a purchase value in excess of US$50,000; or

(x) any material changes in the Company's business plan.

NON-RECOGNITION OF TRUSTS

19. The Company shall not be bound by or compelled to recognise in any way (even when notified) any equitable, contingent, future, or partial interest in any Share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any Share other than an absolute right to the entirety thereof in the registered holder.

LIEN ON SHARES

20. The Company shall have a first and paramount lien on all Shares (whether fully paid-up or not) registered in the name of a Member (whether solely or jointly with others) for all debts, liabilities or engagements to or with the Company (whether presently payable or not) by such Member or his estate, either alone or jointly with any other person, whether a Member or not, but the Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The registration of a transfer of any such Share

shall operate as a waiver of the Company's lien thereon. The Company's lien on a Share shall also extend to any amount payable in respect of that Share.

21. The Company may sell, in such manner as the Directors think fit, any Shares on which the Company has a lien, if a sum in respect of which the lien exists is presently payable, and is not paid within fourteen days after notice has been given to the holder of the Shares or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold.

22. To give effect to any such sale, the Directors may authorise any person to execute an instrument of transfer of the Shares sold to, or in accordance with the directions of, the purchaser. The purchaser or his nominee shall be registered as the holder of the Shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the sale or the exercise of the Company's power of sale under these Articles.

23. The net proceeds of such sale after payment of such costs, shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable and any residue, shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

CALL ON SHARES

24. (a) The Directors may from time to time make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed terms, provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen days notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on the shares. A call may be revoked or postponed as the Directors may determine. A call may be made payable by instalments.

(b) A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

(c) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

25. If a sum called in respect of a share is not paid before or on a day appointed for payment thereof, the persons from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest either wholly or in part.

26. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium or otherwise, shall for the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which by the terms

of issue the same becomes payable, and in the case of non-payment all the relevant provisions of these Articles as to payment of interest forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

27. The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls or interest to be paid and the times of payment.

28. (a) The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him, and upon all or any of the monies so advanced may (until the same would but for such advances, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) seven per cent per annum, as may be agreed upon between the Directors and the Member paying such sum in advance.

(b) No such sum paid in advance of calls shall entitle the Member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

FORFEITURE OF SHARES

29. (a) If a Member fails to pay any call or instalment of a call or to make any payment required by the terms of issue on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call, instalment or payment remains unpaid, give notice requiring payment of any part of the call, instalment or payment that is unpaid, together with any interest which may have accrued and all expenses that have been incurred by the Company by reason of such non-payment. Such notice shall name a day (not earlier than the expiration of fourteen days from the date of giving of the notice) on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time appointed the shares in respect of which such notice was given will be liable to be forfeited.

(b) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.

(c) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Directors see fit.

30. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares together with interest thereon, but his liability shall cease if and when the Company shall have received payment in full of all monies whenever payable in respect of the shares.

31. A certificate in writing under the hand of one Director or the Secretary of the Company that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the fact therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

32. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

REGISTRATION OF EMPOWERING INSTRUMENTS

33. The Company shall be entitled to charge a fee not exceeding one dollar (US$l.00) on the registration of every probate, letter of administration, certificate of death or marriage, power of attorney, or other instrument.

TRANSMISSION OF SHARES

34. In case of the death of a Member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of any such deceased holder from any liability in respect of any shares which had been held by him solely or jointly with other persons.

35. (a) Any person becoming entitled to a share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer) may, upon such evidence being produced as may from time to time be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to make such transfer of the share to such other person nominated by him as the deceased or bankrupt person could have made and to have such person registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy as the case may be.

(b) If the person so becoming entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

36. A person becoming entitled to a share by reason of the death or bankruptcy or liquidation or dissolution of the holder (or in any other case than by transfer) shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided, however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

AMENDMENT OF MEMORANDUM OF ASSOCIATION, ALTERATION OF CAPITAL & CHANGE OF LOCATION OF REGISTERED OFFICE

37. (a) The Company may by Ordinary Resolution:

(i) increase the share capital by such sum as the resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine;

(ii) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

(iii) by subdivision of its existing Shares or any of them divide the whole or any part of its share capital into Shares of smaller amount than is fixed by the Memorandum of Association or into Shares without par value;

(iv) cancel any Shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any person.

(b) All new Shares created in accordance with the provisions of the preceding Article shall be subject to the same provisions of the Articles with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the Shares in the original share capital.

(c) Subject to the provisions of the Statue and the provisions of these Articles as regards the matters to be dealt with by Ordinary Resolution and the matters requiring the approval of the holders of Series A Preferred, Series B Preferred, Series C Preferred or any combination thereof, the Company may by Special Resolution:

(i) change its name;

(ii) alter or add to these Articles;

(iii) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; and

(iv) reduce its share capital and any capital redemption reserve fund.

(d) Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its Registered Office.

CLOSING REGISTER OF MEMBERS OR FIXING RECORD DATE

38. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any dividend, or in order to make a determination of Members for any other proper purpose, the Directors of the Company may provide that the register of Members shall be closed for transfers for a stated period but not to exceed in any case forty days. If the register of Members shall be so closed for the purpose of determining Members entitled to notice of or to vote at a meeting of Members, such register shall be so closed for at least ten days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the register of Members.

39. In lieu of or apart from closing the register of Members, the Directors may fix in advance a date as the record date for any such determination of Members entitled to notice of or to vote at a meeting of the Members and for the purpose of determining the Members entitled to receive payment of any dividend the Directors may, at or within 90 days prior to the date of declaration of such dividend fix a subsequent date as the record date for such determination.

40. If the register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members or Members entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof.

GENERAL MEETING

41. All general meetings other than annual general meetings shall be called extraordinary general meetings.

42. (a) The Company shall, if required by the Statute, in each year hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as the Directors shall appoint and if no other time and place is prescribed by them, it shall be held at the Registered Office on the second Wednesday in December of each year at ten o'clock in the morning.

(b) At these meetings the report of the Directors (if any) shall be presented.

(c) The Company may hold an annual general meeting but shall not (unless required by Statute) be obliged to hold an annual general meeting.

43. (a) The Directors may call general meetings, and they shall on a Members requisition forthwith proceed to convene an extraordinary general meeting of the Company.

(b) A Members requisition is a requisition of Members of the Company holding at the date of deposit of the requisition not less than ten per cent. in par value of the capital of the Company as at that date carries the right of voting at general meetings of the Company.

(c) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.

(d) If the Directors do not within twenty-one days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty-one days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three months after the expiration of the second said twenty-one days.

(e) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

44. At least seven days' notice shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this regulation has been given and whether or not the provisions of Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

(a) in the case of an annual general meeting by all the Members (or their proxies) entitled to attend and vote thereat; and

(b) in the case of an extraordinary general meeting by a majority in number of the Members (or their proxies) having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent in par value of the Shares giving that right.

45. The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings of that meeting.

PROCEEDINGS AT GENERAL MEETINGS

46. No business shall be transacted at any general meeting unless a quorum is present. Two Members being individuals present in person or by proxy or if a corporation or other non-natural person by its duly authorised representative shall be a quorum unless the Company has only one Member entitled to vote at such general meeting in which case the quorum shall be that one Member present in person or by proxy or (in the case of a corporation or other non-natural person) by a duly authorised representative.

47. A person may participate at a general meeting by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other. Participation by a person in a general meeting in this manner is treated as presence in person at that meeting.

48. A resolution (including a Special Resolution) in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or, being corporations, signed by their duly authorised representatives) shall be as valid and effective as if the resolution had been passed at a general meeting of the Company duly convened and held.

49. If a quorum is not present within half an hour from the time appointed for the meeting or if during such a meeting a quorum ceases to be present, the meeting, if convened upon the requisition of Members, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day, time or such other place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum.

50. The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company, or if there is no such Chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting, or is unwilling to act, the Directors present shall elect one of their number to be Chairman of the meeting.

51. If no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be Chairman of the meeting.

52. The Chairman may, with the consent of a meeting at which a quorum is present, (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting; otherwise it shall not be necessary to give any such notice.

53. A resolution put to the vote of the meeting shall be decided on a show of hands unless before or on the declaration of the result of, the show of hands, the Chairman demands a poll, or any other Member or Members collectively present in person or by proxy and holding at least ten per cent. in par value of the Shares giving a right to attend and vote at the meeting demand a poll.

54. Unless a poll is duly demanded a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, an entry to that effect in the minutes of the proceedings of the meeting shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

55. The demand for a poll may be withdrawn.

56. Unless a poll is duly demanded, on the election of a Chairman or on a question of adjournment, a poll shall be taken as the Chairman directs and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded.

57. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall be entitled to a second or casting vote.

58. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the general meeting directs, and any business other than that upon which a poll has been demanded or is contingent thereon may proceed pending the taking of the poll.

VOTES OF MEMBERS

59. Except as otherwise required by law or as set forth herein,

(a) the holder of each Ordinary Share issued and outstanding shall have one vote for each Ordinary Share held by such holder;

(b) the holder of each share of Series A Preferred shall be entitled to the number of votes equal to the number of Ordinary Shares into which such share of Series A Preferred could be converted at the record date for determination of the Members entitled to vote on such matters, or, if no such record date is established, at the date such vote is taken or any written consent of Members is solicited; and

(c) the holder of each share of Series B Preferred shall be entitled to the number of votes equal to the number of Ordinary Shares into which such share of Series B Preferred could be converted at the record date for determination of the Members entitled to vote on such matters, or, if no such record date is established, at the date such vote is taken or any written consent of Members is solicited.

(d) the holder of each share of Series C Preferred shall be entitled to the number of votes equal to the number of Ordinary Shares into which such share of Series C Preferred could be converted at the record date for determination of the Members entitled to vote on such matter, or, if no such record date is established, at the date such vote is taken or any written consent of Members is solicited.

Votes of holders of the Series A Preferred, Series B Preferred and the Series C Preferred shall be counted together with all other shares of the Company having general voting power and not counted separately as a class unless

otherwise provided under these Articles. Holders of Ordinary Shares, Series A Preferred, Series B Preferred and Series C Preferred shall be entitled to notice of any Members' meeting in accordance with these Articles.

60. In the case of joint holders of record the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of Members.

61. A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other persons may vote by proxy.

62. No Member shall be entitled to vote at any general meeting unless he is registered as a Member of the Company on the record date for such meeting nor unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

63. No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at such general meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the general meeting whose decision shall be final and conclusive.

64. On a poll or on a show of hands votes may be given either personally or by proxy.

PROXIES

65. The instrument appointing a proxy shall be in writing and shall be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.

66. The instrument appointing a proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:

(a) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

(b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; and

(c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded be delivered at the meeting at which the poll was demanded to the Chairman or to the secretary or to any director;

provided that the Directors may in the notice convening the meeting, or in an instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited (no later than the time for holding the meeting or adjourned meeting) at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The Chairman may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

67. The instrument appointing a proxy may be in any usual or common form and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked. An instrument appointing a proxy shall be deemed to include the power to demand or join or concur in demanding a poll.

68. Votes given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given unless notice in writing of such death, insanity, revocation or transfer was received by the Company at the Registered Office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.

69. Any corporation or other non-natural person which is a Member may in accordance with its constitutional documents, or in the absence of such provision by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Member.

70. Shares in the Company that are beneficially owned by the Company shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding Shares at any given time.

DIRECTORS

71. There shall be a Board of Directors consisting of eight (8) persons (exclusive of independent directors). On and after the Series C Original Issue Date, two (2) such members of the Board of Directors shall be appointed by Carlyle Asia Venture Partners I, L.P. and CIPA Co-Investment, L.P. or their assigns (collectively, "CARLYLE"). Each of the three (3) largest holders of Series A Preferred, Series B Preferred or Ordinary Shares (excluding Carlyle and Nan Peng Shen, Jian Zhang Liang, Qi Ji and Min Fan and their respective assigns (collectively, the "FOUNDERS" and each, a "FOUNDER") and calculated on an as-converted basis) shall be entitled to elect one (1) such member and the Founders shall be entitled to elect three (3) such members. Two (2) independent members of the Board shall be nominated and approved by the vote of holders of a majority of the Ordinary Shares and the Preferred Shares (calculated on an as-converted basis). For as long as a shareholder not otherwise represented on the Board holds at least 20% of the Shares it originally purchased from the Company and such holding constitutes at least 3% of the then outstanding Ordinary Shares of the Company (on a fully diluted and as-converted basis), such

shareholder shall be entitled to appoint one (1) observer to attend all meetings of the Board (whether in person, telephonic or otherwise) in a non-voting, observer capacity; provided, however, such observer may be excluded from all or any portion of a meeting where their presence could reasonably result in (i) the disclosure of trade secrets to a competitor or (ii) the loss of attorney-client privilege. All observers shall enter into a confidentiality agreement with the Company prior exercising observation rights.

72. Any Directors not elected in the manner provided in this Article shall be elected by the Members at a general meeting. Any vacancy on the Board occurring because of the death, resignation or removal of a director elected by certain holders of shares or the holders of any class or series of shares shall be filled by the vote or written consent of such holders or the holders of a majority of the shares of such class or series of shares, as the case may be.

73. The remuneration to be paid to the Directors shall be such remuneration as the Directors shall determine. Such remuneration shall be deemed to accrue from day to day. The Directors shall also be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.

74. The Directors may by resolution award special remuneration to any Director of the Company undertaking any special work or services for, or undertaking any special mission on behalf of, the Company other than his ordinary routine work as a Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise serves it in a professional capacity shall be in addition to his remuneration as a Director.

75. A Director or alternate Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

76. A Director or alternate Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director or alternate Director.

77. A shareholding qualification for Directors may not be fixed by the Company in general meeting.

78. A Director or alternate Director of the Company may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as Member or otherwise and no such Director or alternate Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company.

79. No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director shall be in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realised by any

such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established. A Director (or his alternate Director in his absence) shall be at liberty to vote in respect of any contract or transaction in which he is so interested as aforesaid, provided, however, that the nature of the interest of any Director or alternate Director in any such contract or transaction shall be disclosed by him or the alternate Director appointed by him at or prior to its consideration and any vote thereon.

80. A general notice or disclosure to the Directors or otherwise contained in the minutes of a Meeting or a written resolution of the Directors or any committee thereof that a Director or alternate Director is a Member of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure under Article 79 and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

ALTERNATE DIRECTORS

81. A Director who expects to be unable to attend Directors' Meetings because of absence, illness or otherwise may appoint any person to be an alternate Director to act in his stead and such appointee whilst he holds office as an alternate Director shall, in the event of absence therefrom of his appointor, be entitled to attend meetings of the Directors and to vote thereat and to do, in the place and stead of his appointor, any other act or thing which his appointor is permitted or required to do by virtue of his being a Director as if the alternate Director were the appointor, other than appointment of an alternate to himself, and he shall ipso facto vacate office if and when his appointor ceases to be a Director or removes the appointee from office. Any appointment or removal under this Article shall be effected by notice in writing under the hand of the Director making the same.

POWERS AND DUTIES OF DIRECTORS

82. The business of the Company shall be managed by the Directors (or a sole Director if only one is appointed) who may pay all expenses incurred in promoting, registering and setting up the Company, and may exercise all such powers of the Company as are not, from time to time by the Statute, or by these Articles, or such regulations, being not inconsistent with the aforesaid, as may be prescribed by the Company in general meeting required to be exercised by the Company in general meeting, provided, however, that no regulations made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

83. The Directors may from time to time and at any time by powers of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorneys as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

84. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall from time to time by resolution determine.

85. The Directors shall cause minutes to be made in books provided for the purpose:

(a) of all appointments of officers made by the Directors;

(b) of the names of the Directors (including those represented thereat by an alternate or by proxy) present at each meeting of the Directors and of any committee of the Directors;

(c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of Directors.

86. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

87. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

MANAGEMENT

88. (a) The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

(b) The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any persons to be members of such committees or local boards or any managers or agents and may fix their remuneration.

(c) The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

(d) Any such delegates as aforesaid may be authorised by the Directors to subdelegate all or any of the powers, authorities, and discretions for the time being vested in them.

MANAGING DIRECTORS

89. The Directors may, from time to time, appoint one or more of their body (but not an alternate Director) to the office of Managing Director for such term and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way and partly in another) as they may think fit but his appointment shall be subject to determination ipso facto if he ceases for any cause to be a Director and no alternate Director appointed by him can act in his stead as a Director or Managing Director.

90. The Directors may entrust to and confer upon a Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

PROCEEDINGS OF DIRECTORS

91. Except as otherwise provided by these Articles, the Directors shall meet together for the despatch of business, convening, adjourning and otherwise regulating their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes of the Directors and alternate Directors present at a meeting at which there is a quorum, the vote of an alternate Director not being counted if his appointor be present at such meeting. In case of an equality of votes, the Chairman shall have a second or casting vote.

92. A Director or alternate Director may, and the Secretary on the requisition of a Director or alternate Director shall, at any time summon a meeting of the Directors by at least two days' notice in writing to every Director and alternate Director which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors (or their alternates) either at, before or after the meeting is held and, provided, however, if notice is given in person, by cable, telex or telecopy the same shall be deemed to have been given on the day it is delivered to the Directors or transmitting organisation as the case may be. The provisions of Article 44 shall apply mutatis mutandis with respect to notices of meetings of Directors.

93. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be two, a Director and his appointed alternate Director being considered only one person for this purpose, provided always that if there shall at any time be only a sole Director the quorum shall be one. For the purposes of this Article an alternate Director or proxy appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.

94. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or

pursuant to these Articles as the necessary quorum of Directors or of summoning a general meeting of the Company, but for no other purpose.

95. The Directors may elect a Chairman of their Board and determine the period for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.

96. The Directors may delegate any of their powers to committees consisting of such member or members of the Board of Directors (including Alternate Directors in the absence of their appointors) as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

97. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the Chairman shall have a second or casting vote.

98. All acts done by any meeting of the Directors or of a committee of Directors (including any person acting as an alternate Director) shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or alternate Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified to be a Director or alternate Director as the case may be.

99. Members of the Board of Directors or of any committee thereof may participate in a meeting of the Board or of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. A resolution in writing (in one or more counterparts), signed by all the Directors for the time being or all the members of a committee of Directors (an alternate Director being entitled to sign such resolution on behalf of his appointor) shall be as valid and effectual as if it had been passed at a meeting of the Directors or committee as the case may be duly convened and held.

100. (a) A Director may be represented at any meetings of the Board of Directors by a proxy appointed by him in which event the presence or vote of the proxy shall for all purposes be deemed to be that of the Director.

(b) The provisions of Articles 65-68 shall mutatis mutandis apply to the appointment of proxies by Directors.

VACATION OF OFFICE OF DIRECTOR

101. The office of a Director shall be vacated:

(a) if he gives notice in writing to the Company that he resigns the office of Director; or

(b) if he absents himself (without being represented by proxy or an alternate Director appointed by him) from three consecutive meetings of the Board of Directors without special leave of absence from the Directors, and they pass a resolution that he has by reason of such absence vacated office; or

(c) if he dies, becomes bankrupt or makes any arrangement or composition with his creditors generally; or

(d) if he is found to be or becomes of unsound mind.

APPOINTMENT AND REMOVAL OF DIRECTORS

102. The Directors of the Company may only be appointed as provided in Article 71.

103. A Director of the Company shall only be removed by the Members who nominated and elected him.

PRESUMPTION OF ASSENT

104. A Director of the Company who is present at a meeting of the Board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the Minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the Chairman or Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

SEAL

105. (a) The Company may, if the Directors so determine, have a Seal. The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors. Every instrument to which the Seal has been affixed shall be signed by at least one person who shall be either a Director or some officer or other person appointed by the Directors for the purpose.

(b) The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals each of which shall be a facsimile of the Common Seal of the Company and, if the Directors so determine, with the addition on its face of the name of every place where it is to be used.

(c) A Director or officer, representative or attorney may without further authority of the Directors affix the Seal over his signature alone to any document of the Company required to be authenticated by him under Seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

OFFICERS

106. The Company may have a President, a Secretary or Secretary-Treasurer appointed by the Directors. The Directors may also from time to time appoint such other officers as they consider necessary, all for such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors from time to time prescribe.

DIVIDENDS, DISTRIBUTIONS AND RESERVE

107. (a) Subject to the Statute, the Directors may from time to time declare dividends (including interim dividends) and distributions on shares of the Company outstanding and authorise payment of the same out of the funds of the Company lawfully available therefor.

(b) The holders of the Series A Preferred, Series B Preferred, Series C Preferred and Ordinary Shares shall be entitled to receive out of any funds legally available therefor, when and if declared by the Board, dividends at the rate or in the amount as the Board considers appropriate on an as-converted basis; provided, however, that, for the 2003 fiscal year, each share of the Series C Preferred shall be entitled to, when and if declared by the Board, only a pro rata share of dividends calculated by multiplying (a) the amount of dividends payable on each share of Ordinary Shares by (b) a fraction the numerator of which shall be the total number of days in such fiscal year such share of Series C Shares has been held by its holder and the denominator of which shall be 365.

108. The Directors may, before declaring any dividends or distributions, set aside such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors, be applicable for any purpose of the Company and pending such application may, at the like discretion, be employed in the business of the Company.

109. No dividend or distribution shall be payable except out of the profits of the Company, realised or unrealised, or out of the Share Premium Account or as otherwise permitted by the Statute.

110. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends or distributions, if dividends or distributions are to be declared on a class of shares they shall be declared and paid according to the amounts paid or credited as paid on the shares of such class outstanding on the record date for such dividend or distribution as determined in accordance with these Articles but no amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this Article as paid on the share.

111. The Directors may deduct from any dividend or distribution payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

112. The Directors may declare that any dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures, or debenture stock of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution

of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.

113. Any dividend, distribution, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the holder who is first named on the register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other monies payable in respect of the share held by them as joint holders.

114. No dividend or distribution shall bear interest against the Company.

CAPITALISATION

115. The Company may capitalise any sum standing to the credit of any of the Company's reserve accounts (including Share Premium Account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of Shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

BOOKS OF ACCOUNT

116. The Directors shall cause proper books of account to be kept with respect to:

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place;

(b) all sales and purchases of goods by the Company; and

(c) the assets and liabilities of the Company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

117. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorised by the Directors or by the Company in general meeting.

118. The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

AUDIT

119. The Directors may appoint an Auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.

120. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

121. Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an ordinary company, and at the next extraordinary general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an exempted company, and at any time during their term of office, upon request of the Directors or any general meeting of the Members.

NOTICES

122. Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by post, cable, telex, fax or e-mail to him or to his address as shown in the register of Members (or where the notice is given by e-mail by sending it to the e-mail address provided by such Member). Any notice, if posted from one country to another, is to be sent airmail.

123. (a) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, and shall be deemed to have been received on the fifth day (not including Saturdays or Sundays or public holidays) following the day on which the notice was posted.

(b) Where a notice is sent by cable, telex, or fax, service of the notice shall be deemed to be effected by properly addressing, and sending such notice and shall be deemed to have been received on the same day that it was transmitted.

(c) Where a notice is given by e-mail service shall be deemed to be effected by transmitting the e-mail to the e-mail address provided by the intended recipient and shall be deemed to have been received on the same day that it was sent, and it shall not be necessary for the receipt of the e-mail to be acknowledged by the recipient.

124. A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Member in the same manner as other notices which are required to be given under these Articles and shall be addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

125. Notice of every general meeting shall be given in any manner hereinbefore authorised to:

(a) every person shown as a Member in the register of Members on the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the register of Members; and

(b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other person shall be entitled to receive notices of general meetings.

WINDING UP

126. Subject to Article 127, if the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute, divide amongst the Members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

LIQUIDATION PREFERENCE

127. Notwithstanding any provisions herein to the contrary, in the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, distributions to the Members of the Company shall be made in the following manner:

(a) The holders of the Series C Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the Series A Preferred, the Series B Preferred and the Ordinary Shares or any other class or series of shares by reason of their ownership of such shares, the amount equal to US$4.5856 (the "SERIES C PREFERRED LIQUIDATION PREFERENCE") for each share of Series C Preferred then held by them and, in addition, an amount equal to all declared but unpaid dividends on the Series C Preferred. If, upon the occurrence of such event, the proceeds thus distributed among the holders of the Series C Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire proceeds legally available for distribution shall be distributed ratably among the holders of the Series C Preferred in proportion to the full preferential amount that each such holder is otherwise entitled to receive under this subsection (a).

(b) After setting aside or paying in full the Series C Preferred Liquidation Preference, the holders of the Series B Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the Series A Preferred and the Ordinary Shares or any other class or series of shares by reason of their ownership of such shares, the amount equal to (A) US$1.5667 (the "SERIES B PREFERRED LIQUIDATION PREFERENCE") for each share of Series B Preferred then held by them minus the Series B Redemption Payment Per Share (as defined below) and, in addition, (B) an amount equal to all declared but unpaid dividends on the Series B Preferred. If, upon the occurrence of such event, the remaining proceeds thus distributed among the holders of the Series B Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire remaining proceeds legally available for distribution shall be distributed ratably among the holders of the Series B Preferred in proportion to the full preferential amount that each such holder is otherwise entitled to receive under this subsection (b).

For the purpose of this Article 127(b), the Series B Redemption Payment Per Share shall mean the amount equal to the result of (i) the difference of (A) the aggregate amount paid for the redemption of the shares of Series B Preferred as of the Series C Original Issue Date with the proceeds from the sale of Series C Preferred minus (B) the aggregate amount of the Series B Preferred Liquidation Preference for the shares of Series B Preferred redeemed as of the Series C Original Issue Date divided by (ii) the aggregate number of Series B Preferred held by holders of Series B Preferred immediately after the redemption of the shares of Series A Preferred as of the Series C Original Issue Date.

(c) After setting aside or paying in full the Series C Preferred Liquidation Preference and the Series B Preferred Liquidation Preference, the holders of the Series A Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the Ordinary Shares or any other class or series of shares by reason of their ownership of such shares, the amount equal to (A)US$1.0417 (the "SERIES A PREFERRED LIQUIDATION PREFERENCE") for each share of Series A Preferred then held by them minus the Series A Redemption Payment Per

Share (as defined below) and, in addition, (B) an amount equal to all declared but unpaid dividends on the Series A Preferred. If, upon the occurrence of such event, the remaining proceeds thus distributed among the holders of the Series A Preferred shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire remaining proceeds legally available for distribution shall be distributed ratably among the holders of the Series A Preferred in proportion to the full preferential amount that each such holder is otherwise entitled to receive under this subsection (c).

For the purpose of this Article 127(c), the Series A Redemption Payment Per Share shall mean The Series A Redemption Payment Per Share shall be the amount equal to the result of (i) the difference of (A) the aggregate amount paid for the redemption of the shares of Series A Preferred as of the Series C Original Issue Date with the proceeds from the sale of Series C Preferred minus (B) the aggregate amount of the Series A Preferred Liquidation Preference for the shares of Series A Preferred redeemed as of the Series C Original Issue Date divided by (ii) the aggregate number of Series A Preferred held by holders of Series A Preferred immediately after the redemption of the shares of Series A Preferred as of the Series C Original Issue Date.

(d) After setting aside or paying in full the preferential amounts due pursuant to paragraph 127(a), (b) and (c) above, the remaining assets of the Company available for distribution to Members, if any, shall be distributed to the holders of the Series A Preferred, Series B Preferred, Series C Preferred and Ordinary Shares on a pro rata basis, based on the number of Ordinary Shares then held by each holder on an as-converted basis.

(e) A Liquidation Event shall be deemed to be a liquidation, dissolution or winding up within the meaning of this Article 127.

(f) Notwithstanding any other provision of this Article 127, and subject to any other applicable provisions of these Articles, the Company may at any time, out of funds legally available therefor, repurchase Ordinary Shares of the Company issued to or held by employees, officers or consultants of the Company or its subsidiaries upon termination of their employment or services, pursuant to any agreement providing for such right of repurchase, whether or not dividends on the Series C Preferred, the Series B Preferred or the Series A Preferred shall have been declared and funds set aside therefor and such repurchases shall not be subject to the Series C Preferred Liquidation Preference, the Series B Preferred Liquidation Preference or the Series A Preferred Liquidation Preference.

(g) In the event the Company proposes to distribute assets other than cash in connection with any liquidation, dissolution or winding up of the Company, the value of the assets to be distributed to the holder of shares of Series C Preferred, Series B Preferred, Series A Preferred and Ordinary Shares shall be determined in good faith by not less than 75% of the Board. Any securities not subject to investment letter or similar restrictions on free marketability shall be valued as follows:

(i) If traded on a securities exchange, the value shall be deemed to be the average of the security's closing prices on such exchange over the thirty (30) day period ending one (1) day prior to the distribution;

(ii) If traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the thirty (30) day period ending three (3) days prior to the distribution; and

(iii) If there is no active public market, the value shall be the fair market value thereof as determined in good faith by the Board.

The method of valuation of securities subject to investment letter or other restrictions on free marketability shall be adjusted to make an appropriate discount from the market value determined as above in clauses (i), (ii) or (iii) to reflect the fair market value thereof as determined in good faith by the Board. The holders of at least a majority of the outstanding Series A Preferred, Series B Preferred or Series C Preferred shall have the right to challenge any determination by the Board of fair market value pursuant to this paragraph 127, in which case the determination of fair market value shall be made by an independent appraiser selected jointly by the Board and the challenging parties, the cost of such appraisal to be borne equally by the Company and the challenging parties.

INDEMNITY

128. Every Director, agent or officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him as a result of any act or failure to act in carrying out his functions other than such liability (if any) that he may incur by his own wilful neglect or default. No such Director, agent or officer shall be liable to the Company for any loss or damage in carrying out his functions unless that liability arises through the wilful neglect or default of such Director, agent or officer.

FINANCIAL YEAR

129. Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31st December in each year and shall begin on January 1st in each year.

AMENDMENTS OF ARTICLES

130. Subject to the Statute and to any quorum, voting or procedural requirements expressly imposed by these Articles in regard to the variation of rights attached to a specific class of Shares of the Company, the Company may at any time and from time to time by Special Resolution change the name of the Company or alter or amend these Articles or the Company's Memorandum of Association, in whole or in part.

TRANSFER BY WAY OF CONTINUATION

131. If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and with the approval of a Special Resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

RIGHT OF PARTICIPATION

132. Each holder of Series A Preferred, Series B Preferred or Series C Preferred at the time these Articles are adopted (respectively a "SERIES A HOLDER", "SERIES B HOLDER" and a "SERIES C HOLDER") or such other holders to which rights under Articles 132-137 have been duly assigned in accordance with Articles 138-145 (such holder being hereinafter referred to as a "PARTICIPATION RIGHTS HOLDER") shall have the right of first refusal to purchase such Participation Rights Holder's Pro Rata Share (as defined below), of all (or any part) of any New Securities (as defined in Article 134) that the Company may from time to time issue after the date of this Agreement (the "RIGHT OF PARTICIPATION"). A Participation Rights Holder shall be entitled to apportion the Right of Participation hereby granted it among itself and its partners, members and affiliates (including, in the case of a venture fund, a predecessor or successor fund of, or entity under common investment management with such fund) in such proportions as it deems appropriate.

133. A Participation Rights Holder's "PRO RATA SHARE" for purposes of the Right of Participation is up to that proportion of New Securities that equals the proportion that (a) the number of Registrable Securities held by such Participation Rights Holder bears to (b) the total number of Ordinary Shares of the Company (and other voting securities of the Company, if any) then outstanding immediately prior to the issuance of New Securities giving rise to the Right of Participation (assuming full conversion and exercise of all convertible and exercisable securities then outstanding).

For the purpose of Articles 132-144, the term "REGISTRABLE SECURITIES" means: (1) any Ordinary Shares of the Company issued or to be issued pursuant to conversion of any shares of Series A Preferred, Series B Preferred and Series C Preferred issued (A) under Series A Preferred Share Purchase Agreement dated 26, 2003, Series B Preferred Share Purchase Agreement dated 26, 2003, and Series C Preferred Share Purchase Agreement dated 26, 2003 (collectively, the "PURCHASE AGREEMENTS"), and (B) pursuant to the Right of Participation, (2) any Ordinary Shares of the Company 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, or in exchange for or in replacement of, any Series A Preferred, Series B Preferred and Series C Preferred described in clause (1) of this Article, and (3) any other Ordinary Shares of the Company owned or hereafter acquired by any Series A Holder, Series B Holder or Series C Holder. Notwithstanding the foregoing, "REGISTRABLE SECURITIES" shall exclude any Registrable Securities sold by a person in a transaction in which the Registration Rights under the Section 2 of Shareholders Agreement dated as of August 27, (the "SHAREHOLDERS AGREEMENT") are not assigned in accordance with the Shareholders Agreement or any Registrable Securities sold in a public offering, whether sold pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended (the "SECURITIES ACT"), or in a registered offering, or otherwise.

134. "NEW SECURITIES" shall mean any Preferred Shares, Ordinary Shares and other voting shares of the Company, whether now authorized or not, and rights, options or warrants to purchase such Preferred Shares, Ordinary Shares and securities of any type whatsoever that are, or may become, convertible or exchangeable into such Preferred Shares, Ordinary Shares or other voting shares, provided, however, that the term "New Securities" shall not include:

(a) up to 2,725,670 shares of the Company's Ordinary Shares or reserved for issuance (and/or options or warrants therefor) issued to employees, officers,

directors, contractors, advisors or consultants of the Company for the primary purpose of soliciting or retaining their services pursuant to incentive agreements or incentive plans approved by the Board (such number of Ordinary Shares (and/or options or warrants therefor) subject to increase upon the approval of the Board);

(b) any Preferred Shares issued under the Purchase Agreements;

(c) any Ordinary Shares of the Company issued upon the conversion of any Preferred Shares;

(d) any securities issued in connection with any share split, share dividend or other similar event in which all Participation Rights Holders are entitled to participate on a pro rata basis;

(e) any securities issued upon the exercise, conversion or exchange of any outstanding security if such outstanding security constituted a New Security;

(f) any securities issued in connection with a bona fide business acquisition of or by the Company, whether by consolidation, merger, purchase or sale of assets, sale or exchange of shares or otherwise, in a single transaction or series of related transactions;

(g) any securities or rights issued to persons or entities with which the Company has business relationships provided such issuances are for primarily other than equity financing purposes and approved by the Board;

(h) any securities issued or issuable pursuant to equipment lease financings or bank credit lines approved by the Board; or

(i) any securities issued in connection with a public offering approved by the Board.

In addition to the foregoing, the Right of Participation shall not be applicable with respect to any Participation Rights Holder in any offering of New Securities if (i) at the time of such offering, the Participation Rights Holder is not an "accredited investor" as that terms is then defined in Rule 501(a) of the Securities Act, and (ii) such offering of New Securities is otherwise being offered only to accredited investors.

135. (a) In the event that the Company proposes to undertake an issuance of New Securities (in a single transaction or a series of related transactions), it shall give to each Participation Rights Holder written notice of its bona fide intention to issue New Securities (the "FIRST PARTICIPATION NOTICE"), describing the amount and the type of New Securities and the price and the general terms upon which the Company proposes to issue such New Securities. Each Participation Rights Holder shall have ten (10) business days from the date of receipt of any such First Participation Notice to agree in writing to purchase such Participation Rights Holder's Pro Rata Share of such New Securities for the price and upon the terms and conditions specified in the First Participation Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Participation Rights Holder's Pro Rata Share). If any Participation Rights Holder fails to so agree in writing within such ten (10) business day period to purchase such Participation Rights Holder's full Pro Rata Share of an offering of New

Securities, then such Participation Rights Holder shall forfeit the right hereunder to purchase that part of its Pro Rata Share of such New Securities that it did not so agree to purchase.

(b) If any Participating Rights Holder fails to exercise its Right of Participation in accordance with subsection (a) above, the Company shall promptly give notice (the "SECOND PARTICIPATION NOTICE") to the other Participating Rights Holders holding Registrable Securities and who have exercised their Right of Participation (the "RIGHT PARTICIPANTS") in accordance with subsection (a) above. Each Right Participant shall have five (5) business days from the date of the Second Participation Notice (the "SECOND PARTICIPATION PERIOD") to notify the Company of its desire to purchase more than its Pro Rata Share of the New Securities, stating the number of the additional New Securities it proposes to buy. Such notice may be made by telephone if confirmed in writing within in two (2) business days. If, as a result thereof, such over-subscription exceeds the total number of the remaining New Securities available for purchase, the oversubscribing Rights Participants will be cut back by the Company with respect to their over-subscriptions to that number of remaining New Securities equal to the product obtained by multiplying (i) the number of the remaining New Securities available for subscription by (ii) a fraction the numerator of which is the number of Registrable Securities held by each oversubscribing Right Participant notified and the denominator of which is the total number of Registrable Securities held by all the oversubscribing Rights Participants. Each oversubscribing Rights Participant shall be obligated to buy such number of additional New Securities as determined by the Company pursuant to this subsection (b) and the Company shall so notify the Right Participants within fifteen (15) business days of the date of the Second Participation Notice.

136. Upon the expiration of the Second Participation Period, or in the event no Participation Rights Holder exercises the Right of Participation, after ten (10) business days following the receipt of the First Participation Notice, the Company shall have 120 days thereafter to sell the New Securities described in the First Participation Notice (with respect to which the Right of Participation pursuant to Articles 135-136 hereunder was not exercised) at the same or higher price and upon non-price terms not materially more favorable to the purchasers thereof than specified in the First Participation Notice. In the event that the Company has not issued and sold such New Securities within such 120 day period, then the Company shall not thereafter issue or sell any New Securities without again first offering such New Securities to the Participation Rights Holders pursuant to Articles 132-137.

137. The Right of Participation for each Participation Rights Holder shall not terminate so long as any Participation Rights Holder and its Affiliates (as defined in Rule 144 under the Securities Act) collectively hold any Series A Preferred or Series B Preferred of the Company.

TRANSFER RESTRICTIONS

138. For purposes of Articles 138-144, "EQUITY SECURITIES" means the Ordinary Shares, the Preferred Shares, and all other shares, options, warrants or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for Ordinary Shares; a "MAJOR SHAREHOLDER" shall mean any holder of Series A Shares or Series B Shares holding 3% or more of the Company's Ordinary Shares into which such Series A Shares or Series B Shares are convertible or

have been converted and any holder of Series C Shares or Ordinary Shares into which such Series C Shares are convertible or have been converted; and the term "TRANSFER" shall include any sale, assignment, encumbrance, hypothecation, pledge, conveyance in trust, gift, transfer by bequest, devise or descent, or other transfer or disposition of any kind, including, but not limited to, transfers pursuant to divorce or legal separation, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary, involuntarily or by operation of law, directly or indirectly, of any of the Equity Securities.

139. Subject to Article 142 hereof, if a Founder or a Major Shareholder (the "SELLING SHAREHOLDER") proposes to Transfer any Equity Securities, then the Selling Shareholder shall promptly give written notice (the "TRANSFER NOTICE") to the Company and the Major Shareholders who are not Selling Shareholders (the "NON-SELLING HOLDERS") prior to such Transfer. The Transfer Notice shall describe in reasonable detail the proposed Transfer including, without limitation, the number and type of Equity Securities to be sold or transferred (the "OFFERED SHARES"), the nature of such Transfer, the consideration to be paid, and the name and address of each prospective purchaser or transferee. In the event that the Transfer is being made pursuant to the provisions of Article 142, the Transfer Notice shall state under which specific subsection the Transfer is being made.

140. The Company shall have an option for a period of ten (10) days from delivery of the Transfer Notice to elect to purchase the Offered Shares at the same price and subject to the same material terms and conditions as described in the Transfer Notice. The Company may exercise such purchase option and purchase all or any portion of the Offered Shares by notifying the Selling Shareholder in writing before expiration of such ten (10) day period as to the number of such shares that it wishes to purchase. If the Company gives the Selling Shareholder notice that it desires to purchase such shares, then payment for the Offered Shares shall be by check or wire transfer, against delivery of the Offered Shares to be purchased at a place agreed upon between the parties and at the time of the scheduled closing therefor, which shall be no later than forty-five (45) days after delivery to the Company of the Transfer Notice, unless the Transfer Notice contemplated a later closing with the prospective third-party transferee(s) or unless the value of the purchase price has not yet been established pursuant to Article 140(c). In the event that the Company elects not to purchase all or any portion of the Offered Shares, it shall promptly give written notice to each Non-Selling Holder which notice shall set forth the Offered Shares not purchased by the Company, and shall offer the Non-Selling Holders the right to acquire the unsubscribed Offered Shares (the "ADDITIONAL TRANSFER NOTICE"). Each Non-Selling Holder will have the right of first refusal to purchase up to all of the Holder Allotment (as defined below) of the Offered Shares from the Selling Shareholder not purchased by the Company.

(a) The Non-Selling Holder must, within twenty (20) days of the receipt of the Additional Transfer Notice from the Company (the "PURCHASE RIGHT PERIOD"), give written notice to the Selling Shareholder and to the Company of the Non-Selling Holder's election to purchase that number of the Offered Shares (the "HOLDER ALLOTMENT") equivalent to the product obtained by multiplying (i) the aggregate number of the Offered Shares by (ii) a fraction, (B) the numerator of which is the number of Ordinary Shares on an as-converted basis held by the Non-Selling Holder at the time of the transaction and (B) the denominator of which is the total number of Ordinary Shares owned by all the Non-Selling Holders on an as-converted basis at the time of the transaction. The Non-Selling Holder will not have a right to purchase any of the Offered Shares unless the Non-Selling Holder exercises its right of first refusal within the Purchase

Right Period to purchase up to all of its Holder Allotment of the Offered Shares. In the event any Non-Selling Holder elects not to purchase its Holder Allotment, then the Selling Shareholder shall promptly give written notice (the "OVERALLOTMENT NOTICE") to each Non-Selling Holder that is purchasing its full Holder Allotment (each, a "PARTICIPATING HOLDER") which notice shall set forth the Offered Shares not purchased by the other Non-Selling Holders, and shall offer the Participating Holders the right to acquire the unsubscribed shares. Each Participating Holder shall have five (5) days after delivery of the Overallotment Notice (and the Purchase Right Period shall be extended by such period after delivery of the Overallotment Notice) to deliver a written notice to the Selling Shareholder (the "PARTICIPATING HOLDERS OVERALLOTMENT NOTICE") of its election to purchase its Holder Allotment of the unsubscribed shares on the same terms and conditions as set forth in the Overallotment Notice. For purposes of calculating the Holder Allotment with respect to an Overallotment Notice, the denominator in such calculation shall be the total number of Ordinary Shares owned by all the Participating Holders on an as-converted basis on the date of the Transfer Notice. Each Non-Selling Holder shall be entitled to apportion the Offered Shares to be purchased among its partners, members and affiliates (including in the case of a venture capital fund, predecessor and successor funds and funds under common investment management), provided that such Non-Selling Holder notifies the Selling Shareholder of such allocation.

(b) Within ten (10) days after expiration of the Purchase Right Period the Company will give written notice (the "EXPIRATION NOTICE") to the Selling Shareholder and Non-Selling Holder specifying either (i) that all of the Offered Shares was subscribed by the Non-Selling Holders exercising their rights of first refusal or (ii) that the Non-Selling Holders have not subscribed for all of the Offered Shares in which case the Expiration Notice will specify the Non-Selling Holders' Pro Rata Portion (as defined below) of the remaining Offered Shares for the purpose of their co-sale right described in Article 141 below.

(c) The purchase price for the Offered Shares to be purchased by the Non-Selling Holders exercising their right of first refusal will be the price set forth in the Transfer Notice, but will be payable as set forth in this Article 140(c). If the purchase price in the Transfer Notice includes consideration other than cash, the cash equivalent value of the non-cash consideration will be determined by the Board of Directors of the Company in good faith, which determination will be binding upon the Company, the Non-Selling Holders and the Selling Shareholder, absent fraud or error.

(d) Payment of the purchase price for the Offered Shares purchased by any Non-Selling Holder shall be made within ten (10) days following the date of the Expiration Notice, unless the Transfer Notice contemplated a later closing with the prospective third party transferee(s) or unless the value of the purchase price has not yet been established pursuant to this subsection (d). Payment of the purchase price will be made by wire transfer or check as directed by the Selling Shareholder, against delivery of the Offered Shares to be purchased at a place agreed upon between the parties and at the time of the scheduled closing therefor. Should the purchase price specified in the Transfer Notice be payable in property other than cash, the Non-Selling Holders shall have the right to pay the purchase price in the form of cash equal in amount to the value of such property (as determined pursuant to Article 140 (c) above.

(e) If any Non-Selling Holder exercises its right of first refusal to purchase the Offered Shares, then, upon the date the notice of such exercise is given by such Non-Selling Holder, the Selling Shareholder will have no further rights as a holder of such Offered Shares except the right to receive payment for such Offered Shares from such Non-Selling Holder in accordance with the terms of this Agreement, and the Selling Shareholder will forthwith cause all certificate(s) evidencing such Offered Shares to be surrendered to the Company for transfer to such Non-Selling Holder.

(f) If the Non-Selling Holders have not elected to purchase all of the Offered Shares, then the sale of the remaining Offered Shares will become subject to the Non-Selling Holders' co-sale right set forth in Article 141 below.

141. To the extent that the Non-Selling Holders have not exercised their right of first refusal with respect to all the Offered Shares, each Non-Selling Holder shall have the right, exercisable upon written notice to the Selling Shareholder within fifteen (15) days after receipt of the Expiration Notice, to participate in such sale of the Equity Securities on the same terms and conditions. To the extent one or more of the Non-Selling Holders exercise such right of participation in accordance with the terms and conditions set forth below, the number of Equity Securities that the Selling Shareholder may sell in the transaction shall be correspondingly reduced. The co-sale right of each Non-Selling Holder shall be subject to the following terms and conditions:

(a) Each Non-Selling Holder may sell all or any part of that number of shares of the Company held by it that is equal to the product obtained by multiplying (i) the aggregate number of Equity Securities covered by the Transfer Notice that have not been subscribed for pursuant to Article 140 above by (ii) a fraction, (A) the numerator of which is the number of Ordinary Shares owned by the Non-Selling Holder on an as-converted basis at the time of the Transfer and (B) the denominator of which is the combined number of Ordinary Shares of the Company at the time owned by all Non-Selling Holders and all Selling Shareholders on an as-converted basis ("HOLDER'S PRO RATA PORTION").

(b) Each Non-Selling Holder shall effect its participation in the sale by promptly causing the Company to deliver to the Selling Shareholder for Transfer to the prospective purchaser one or more certificates, properly endorsed for transfer, which represent: (i) the type and number of Ordinary Shares which such Non-Selling Holder elects to sell; or (ii) that number of Preferred Shares which is at such time convertible into the number of Ordinary Shares that such Non-Selling Holder elects to sell; provided, however, that if the prospective purchaser objects to the delivery of Preferred Shares in lieu of Ordinary Shares, such Non-Selling Holder shall convert such Preferred Shares into Ordinary Shares and deliver Ordinary Shares as provided in Article 141(b)(i) above.

(c) The share certificate or certificates that the Non-Selling Holder delivers to the Selling Shareholder pursuant to Article 141(b) shall be Transferred to the prospective purchaser in consummation of the sale of the Equity Securities pursuant to the terms and conditions specified in the Transfer Notice, and the Selling Shareholder shall concurrently therewith remit to such Non-Selling Holder that portion of the sale proceeds to which such Non-Selling Holder is entitled by reason of its participation in such sale. To the extent that any prospective purchaser or purchasers prohibits such assignment or otherwise refuses to purchase shares or other securities from a Non-Selling Holder exercising its co-sale right hereunder, the Selling Shareholder shall not sell to such prospective purchaser or purchasers any Equity Securities unless and until, simultaneously with such sale, the Selling Shareholder shall purchase such shares or other securities from such Non-Selling Holder.

(d) To the extent the Non-Selling Holders do not elect to purchase or to participate in the sale of the Equity Securities subject to the Transfer Notice, the Selling Shareholder may, not later than ninety (90) days following delivery to the Company and each of the Non-Selling Holders of the Transfer Notice, conclude a Transfer of the Equity Securities covered by the Transfer Notice and not elected to be purchased by the Non-Selling Holders on terms and conditions not materially different from those described in the Transfer Notice. Any proposed Transfer on terms and conditions materially different from those described in the Transfer Notice, as well as any subsequent proposed Transfer of any Equity Securities by the Selling Shareholder, shall again be subject to the right of first refusal and the co-sale rights of the Non-Selling Holders and shall require compliance by the Selling Shareholder with the procedures described in Articles 140 and 141 above. Furthermore, the exercise or non-exercise of the rights of the Non-Selling Holders under this Article 141 to purchase Equity Securities from the Selling Shareholder or participate in sales of Equity Securities by the Selling Shareholder shall not adversely affect their rights to make subsequent purchases from the Selling Shareholder of Equity Securities or subsequently participate in sales of Equity Securities by the Selling Shareholder.

142. Notwithstanding the foregoing, and subject to Article 144(a) hereof, the right of first refusal and co-sale rights of the Non-Selling Holders shall not apply to (a) any pledge of the Founder Shares made pursuant to a bona fide loan transaction that creates a mere security interest; (b) any Transfer to the ancestors, descendants or spouse or to trusts for the benefit of such persons or the Founders or the Major Shareholders; (c) any Transfer of shares to the Company pursuant to any repurchase rights of the Company under any incentive agreements or incentive plans approved by the Board; and (d) any Transfer to an affiliate of the Major Shareholder, including a current or former partner of a Major Shareholder who is a partnership, current or former member of a Major Shareholder who is a limited liability company and current or former shareholder of a Major Shareholder who is a corporation; provided that (i) the Transferring Founder or Major Shareholder shall inform the Non-Selling Holders, of such Transfer prior to effecting it and (ii) the Transferee shall furnish the Company with a written agreement to be bound by and comply with all provisions of Articles 140 and 141 of these Articles. Such Transferred Equity Securities shall remain "Equity Securities" hereunder, and such Transferee shall be treated as a "Founder" or a "Major Shareholder", as the case may be, for purposes of these Articles.

143. (a) Each certificate representing the Equity Securities now or hereafter owned by a Founder or an Investor or issued to any person in connection with a Transfer pursuant to Articles 140 or 141 hereof shall be endorsed with the following legend:

> "THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A SHAREHOLDERS' AGREEMENT BY AND BETWEEN THE SHAREHOLDER, THE CORPORATION, CERTAIN AFFILIATES OF THE CORPORATION AND CERTAIN SHAREHOLDERS OF THE CORPORATION. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE CORPORATION."

(b) Each Holder of Series A Preferred, Series B Preferred, Series C Preferred, other Series of Preferred Shares and Ordinary Shares agrees that the

Company may instruct its transfer agent to impose transfer restrictions on the shares represented by certificates bearing the legend referred to in Article 143(a) above to enforce the provisions of this Agreement and the Company agrees to promptly do so. The legend shall be removed upon termination of the Shareholders Agreement dated as of August 27, 2003 among the Company, the Founders and the Shareholders of the Company, as amended from time to time.

144. (a) The rights of any Series A Holder, any Series B Holder, any Series C Holder or any Ordinary Shares Holder under Articles 138-144 are only assignable by (i) any Series A Holder, any Series B Holder, any Series C Holder or any Ordinary Shares Holder, (ii) to a current or former partner, member, shareholder or other affiliate (including in the case of an Investor that is a venture capital fund, predecessor or successor funds of, or entities under common investment management with such fund) of such Holder or (iii) to an assignee or transferee who acquires all of the Equity Securities purchased by a Series A Holder, Series B Holder, Series C Holder or Ordinary Shares Holder; provided, that any such assignee shall receive such assigned rights subject to all the terms and conditions of this Agreement.

(b) Any provision in Articles 138-144 may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only by the written consent of (i) as to the Company, only by the Company, (ii) as to the Founders, by Founders holding a majority in interest of all Ordinary Shares (on an as-converted basis) then held by all Founders or their respective assignees pursuant to Article 144(a) hereof, (iii) as to the Series A Holders, by persons or entities holding a majority in interest of the Series A Preferred held by the Series A Holders and their assignees pursuant to Article 144(a) hereof; provided, however, that any Series A Holder may waive any of its rights hereunder without obtaining the consent of any other Series A Holder, (iv) as to a Series B Holder, by persons or entities holding a majority in interest of the Series A Preferred held by such Series B Holders and their assignees pursuant to Article 144(a) hereof; provided, however, that any Series B Holder may waive any of its rights hereunder without obtaining the consent of any other Series B Holders, and (v) as to the Series C Holder, by the Series C Holder and its assignees pursuant to Article 144(a) hereof; provided, however, that any Series C Holder may waive any of its rights hereunder without obtaining the consent of any other Series C Holder. Any amendment or waiver effected in accordance with clauses (i), (ii), (iii) and (iv) of this paragraph shall be binding upon each Series A Holder, each Series B Holder and each Series C Holder, their respective successors and assigns, the Company, the Founders and the Series A Holders.

145. The provisions under Articles 138-144 shall terminate upon the earlier of (i) a Qualified IPO, (ii) the closing of the Company's sale of all or substantially all of its assets or the acquisition of the Company by another entity by means of merger or consolidation resulting in the exchange of the outstanding shares of the Company's capital shares for securities issued or other consideration paid, or caused to be issued or paid, by the acquiring entity or its subsidiary, and (iii) the execution by the Company of a general assignment for the benefit of creditors or the appointment of a receiver or trustee to take possession of the property and assets of the Company.

EXHIBIT 4.3

DEPOSIT AGREEMENT

DEPOSIT AGREEMENT dated as of _____, 2003 among CTRIP.COM INTERNATIONAL, LTD., incorporated under the laws of the Cayman Islands (herein called the Issuer), THE BANK OF NEW YORK, a New York banking corporation (herein called the Depositary), and all Owners and Beneficial Owners from time to time of American Depositary Receipts issued hereunder.

W I T N E S S E T H :

WHEREAS, the Issuer desires to provide, as hereinafter set forth in this Deposit Agreement, for the deposit of Shares (as hereinafter defined) of the Issuer from time to time with the Depositary or with the Custodian (as hereinafter defined) as agent of the Depositary for the purposes set forth in this Deposit Agreement, for the creation of American Depositary Shares representing the Shares so deposited and for the execution and delivery of American Depositary Receipts evidencing the American Depositary Shares; and

WHEREAS, the American Depositary Receipts are to be substantially in the form of Exhibit A annexed hereto, with appropriate insertions, modifications and omissions, as hereinafter provided in this Deposit Agreement;

NOW, THEREFORE, in consideration of the premises, it is agreed by and between the parties hereto as follows:

ARTICLE 1. DEFINITIONS.

The following definitions shall for all purposes, unless otherwise clearly indicated, apply to the respective terms used in this Deposit Agreement:

SECTION 1.1 American Depositary Shares.

The term "American Depositary Shares" shall mean the securities representing the interests in the Deposited Securities and evidenced by the Receipts issued hereunder. Each American Depositary Share shall represent the number of Shares specified in Exhibit A annexed hereto, until there shall occur a distribution upon Deposited Securities covered by Section 4.3 or a change in Deposited Securities covered by Section 4.8 with respect to which additional Receipts are not executed and delivered, and thereafter American Depositary Shares shall evidence the amount of Shares or Deposited Securities specified in such Sections.

SECTION 1.2 Article; Section.

Wherever references are made in this Deposit Agreement to an "Article" or "Articles" or to a "Section" or "Sections", such references shall mean an article or articles or a section or sections of this Deposit Agreement, unless otherwise required by the context.

SECTION 1.3 Beneficial Owner.

The term "Beneficial Owner" shall mean each person owning from time to time any beneficial interest in the American Depositary Shares evidenced by any Receipt.

SECTION 1.4 Commission.

The term "Commission" shall mean the Securities and Exchange Commission of the United States or any successor governmental agency in the United States.

SECTION 1.5 Consultation.

The term "Consultation" shall mean the good faith attempt by the Depositary to discuss, if practicable, the relevant issue in a timely manner with a person reasonably believed by the Depositary to be empowered by the Issuer to engage in such discussion on behalf of the Issuer.

SECTION 1.6 Custodian.

The term "Custodian" shall mean the Hong Kong office of The Hongkong and Shanghai Banking Corporation Limited, as agent of the Depositary for the purposes of this Deposit Agreement, and any other firm or corporation which may hereafter be appointed by the Depositary pursuant to the terms of Section 5.5, as substitute or additional custodian or custodians hereunder, as the context shall require and shall also mean all of them collectively.

SECTION 1.7 Delivery; Deposit; Surrender; Transfer; Withdraw.

The terms "deliver", "deposit", "surrender", "transfer" or "withdraw", when used (i) with respect to Shares: (a) in the case of book-entry Shares, shall refer to an entry or entries in an account or accounts maintained by institutions authorized under applicable law to effect transfers of securities, or (b) in the case of physical Share certificates, to the physical delivery, deposit, withdrawal or transfer of certificates representing the Shares and (ii) with respect to American Depositary Shares evidenced by Receipts, (a) in the case of American Depositary Shares available in book-entry form, shall refer to appropriate adjustments in the records maintained by (1) the Depositary, (2) The Depository Trust Company or its nominee, or (3) institutions that have accounts with The Depository Trust Company, as applicable, or (b) otherwise, shall refer to the physical delivery, deposit, surrender, transfer or withdrawal of such American Depositary Shares evidenced by Receipts.

SECTION 1.8 Deposit Agreement.

The term "Deposit Agreement" shall mean this Agreement, as the same may be amended from time to time in accordance with the provisions hereof.

SECTION 1.9 Depositary; Corporate Trust Office.

The term "Depositary" shall mean The Bank of New York, a New York banking corporation and any successor as depositary hereunder. The term "Corporate Trust Office", when used with respect to the Depositary, shall mean the office of the Depositary which at the date of this Agreement is 101 Barclay Street, New York, New York, 10286.

SECTION 1.10 Deposited Securities.

The term "Deposited Securities" as of any time shall mean Shares at such time deposited or deemed to be deposited under this Deposit Agreement and any and all other securities, property and cash received by the Depositary or the Custodian in respect thereof and at such time held hereunder, subject as to cash to the provisions of Section 4.5.

SECTION 1.11 Dollars.

The term "Dollars" shall mean United States dollars.

SECTION 1.12 Foreign Registrar.

The term "Foreign Registrar" shall mean the entity that presently carries out the duties of registrar for the Shares or any successor as registrar for the Shares and any other appointed agent of the Issuer for the transfer and registration of Shares.

SECTION 1.13 Issuer.

The term "Issuer" shall mean Ctrip.com International, Ltd., incorporated under the laws of the Cayman Islands, and its successors.

SECTION 1.14 Owner.

The term "Owner" shall mean the person in whose name a Receipt is registered on the books of the Depositary maintained for such purpose.

SECTION 1.15 Receipts.

The term "Receipts" shall mean the American Depositary Receipts issued hereunder evidencing American Depositary Shares.

SECTION 1.16 Registrar.

The term "Registrar" shall mean any bank or trust company having an office in the Borough of Manhattan, The City of New York, which shall be appointed by the Depositary to register Receipts and transfers of Receipts as herein provided.

SECTION 1.17 Restricted Securities.

The term "Restricted Securities" shall mean Shares, or Receipts representing such Shares, which are acquired directly or indirectly from the Issuer or its affiliates (as defined in Rule 144 under the Securities Act) in a transaction or chain of transactions not involving any public offering or which are subject to resale limitations under Regulation D under that Act or both, or which are held by an officer, director (or persons performing similar functions) or other affiliate of the Issuer, or which would require registration under the Securities Act in connection with the offer and sale thereof in the United States, or which are subject to other restrictions on sale or deposit under the laws of the United States, the Cayman Islands or Hong Kong, or under a shareholder agreement or the Memorandum and Articles of Association of the Issuer.

SECTION 1.18 Securities Act.

The term "Securities Act" shall mean the United States Securities Act of 1933, as from time to time amended.

SECTION 1.19 Shares.

The term "Shares" shall mean ordinary shares in registered form of the Issuer, heretofore validly issued and outstanding and fully paid, nonassessable and free of any pre-emptive rights of the holders of outstanding Shares or hereafter validly issued and outstanding and fully paid, nonassessable and free of any pre-emptive rights of the holders of outstanding Shares or interim certificates representing such Shares.

ARTICLE 2. FORM OF RECEIPTS, DEPOSIT OF SHARES, EXECUTION AND DELIVERY, TRANSFER AND SURRENDER OF RECEIPTS.

SECTION 2.1 Form and Transferability of Receipts.

Definitive Receipts shall be substantially in the form set forth in Exhibit A annexed to this Deposit Agreement, with appropriate insertions, modifications and omissions, as hereinafter provided. No Receipt shall be entitled to any benefits under this Deposit Agreement or be valid or obligatory for any purpose, unless such Receipt shall have been executed by the Depositary by the manual signature of a duly authorized signatory of the Depositary; provided, however, that such signature may be a facsimile if a Registrar for the Receipts shall have been appointed and such Receipts are countersigned by the manual or facsimile signature of a duly authorized officer of the Registrar. The Depositary shall maintain books on which each Receipt so executed and delivered as hereinafter provided and the transfer of each such Receipt shall be registered. Receipts bearing the manual or facsimile signature of a duly authorized signatory of the Depositary who was at any time a proper signatory of the Depositary shall bind the Depositary, notwithstanding that such signatory has ceased to hold such office prior to the execution and delivery of such Receipts by the Registrar or did not hold such office on the date of issuance of such Receipts.

The Receipts may be endorsed with or have incorporated in the text thereof such legends or recitals or modifications not inconsistent with the provisions of this Deposit Agreement as may be required by the Depositary or required to comply with any applicable law or regulations thereunder or with the rules and regulations of any securities exchange upon which American Depositary Shares may be listed or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Receipts are subject by reason of the date of issuance of the underlying Deposited Securities or otherwise.

Title to a Receipt (and to the American Depositary Shares evidenced thereby), when properly endorsed or accompanied by proper instruments of transfer, shall

be transferable by delivery with the same effect as in the case of a negotiable instrument under the laws of New York; provided, however, that the Depositary, notwithstanding any notice to the contrary, may treat the Owner thereof as the absolute owner thereof for the purpose of determining the person entitled to distribution of dividends or other distributions or to any notice provided for in this Deposit Agreement and for all other purposes.

SECTION 2.2 Deposit of Shares.

Subject to the terms and conditions of this Deposit Agreement, Shares or evidence of rights to receive Shares may be deposited by delivery thereof to any Custodian hereunder, accompanied by any appropriate instrument or instruments of transfer, or endorsement, in form satisfactory to the Custodian, together with all such certifications as may be required by the Depositary or the Custodian in accordance with the provisions of this Deposit Agreement, and, if the Depositary requires, together with a written order directing the Depositary to execute and deliver to, or upon the written order of, the person or persons stated in such order, a Receipt or Receipts for the number of American Depositary Shares representing such deposit. No Share shall be accepted for deposit unless accompanied by evidence satisfactory to the Depositary that any necessary approval has been granted by any governmental body in the Cayman Islands or Hong Kong which is then performing the function of the regulation of currency exchange. If required by the Depositary, Shares presented for deposit at any time, whether or not the transfer books of the Issuer or the Foreign Registrar, if applicable, are closed, shall also be accompanied by an agreement or assignment, or other instrument satisfactory to the Depositary, which will provide for the prompt transfer to the Custodian of any dividend, or right to subscribe for additional Shares or to receive other property which any person in whose name the Shares are or have been recorded may thereafter receive upon or in respect of such deposited Shares, or in lieu thereof, such agreement of indemnity or other agreement as shall be satisfactory to the Depositary.

At the request and risk and expense of any person proposing to deposit Shares, and for the account of such person, the Depositary may receive certificates for Shares to be deposited, together with the other instruments herein specified, for the purpose of forwarding such Share certificates to the Custodian for deposit hereunder.

Upon each delivery to a Custodian of a certificate or certificates for Shares to be deposited hereunder, together with the other documents above specified, such Custodian shall, as soon as transfer and recordation can be accomplished, present such certificate or certificates to the Issuer or the Foreign Registrar, if applicable, for transfer and recordation of the Shares being deposited in the name of the Depositary or its nominee or such Custodian or its nominee.

Deposited Securities shall be held by the Depositary or by a Custodian for the account and to the order of the Depositary or at such other place or places as the Depositary shall determine.

SECTION 2.3 Execution and Delivery of Receipts.

Upon receipt by any Custodian of any deposit pursuant to Section 2.2 hereunder (and in addition, if the transfer books of the Issuer or the Foreign Registrar, if applicable, are open, the Depositary may in its sole discretion require a proper acknowledgment or other evidence from the Issuer that any Deposited Securities have been recorded upon the books of the Issuer or the Foreign Registrar, if applicable, in the name of the Depositary or its nominee or such Custodian or its nominee), together with the other documents required as above specified, such Custodian shall notify the Depositary of such deposit and the person or persons to whom or upon whose written order a Receipt or Receipts are deliverable in respect thereof and the number of American Depositary Shares to be evidenced thereby. Such notification shall be made by letter or, at the request, risk and expense of the person making the deposit, by cable, telex or facsimile transmission. Upon receiving such notice from such Custodian, or upon the receipt of Shares by the Depositary, the Depositary, subject to the terms and conditions of this Deposit Agreement, shall execute and deliver at its Corporate Trust Office, to or

upon the order of the person or persons entitled thereto, a Receipt or Receipts, registered in the name or names and evidencing any authorized number of American Depositary Shares requested by such person or persons, but only upon payment to the Depositary of the fees and expenses of the Depositary for the execution and delivery of such Receipt or Receipts as provided in Section 5.9, and of all taxes and governmental charges and fees payable in connection with such deposit and the transfer of the Deposited Securities.

SECTION 2.4 Transfer of Receipts; Combination and Split-up of Receipts.

The Depositary, subject to the terms and conditions of this Deposit Agreement, shall register transfers of Receipts on its transfer books from time to time, upon any surrender of a Receipt, by the Owner in person or by a duly authorized attorney, properly endorsed or accompanied by proper instruments of transfer, and duly stamped as may be required by the laws of the State of New York and of the United States of America. Thereupon the Depositary shall execute a new Receipt or Receipts and deliver the same to or upon the order of the person entitled thereto.

The Depositary, subject to the terms and conditions of this Deposit Agreement, shall upon surrender of a Receipt or Receipts for the purpose of effecting a split-up or combination of such Receipt or Receipts, execute and deliver a new Receipt or Receipts for any authorized number of American Depositary Shares requested, evidencing the same aggregate number of American Depositary Shares as the Receipt or Receipts surrendered.

The Depositary may appoint one or more co-transfer agents for the purpose of effecting transfers, combinations and split-ups of Receipts at designated transfer offices on behalf of the Depositary. In carrying out its functions, a co-transfer agent may require evidence of authority and compliance with applicable laws and other requirements by Owners or persons entitled to Receipts and will be entitled to protection and indemnity to the same extent as the Depositary. Each co-transfer agent appointed under this Section 2.4 shall give notice in writing to the Depositary and the Issuer

accepting such appointment and agreeing to abide by the applicable terms of this Deposit Agreement.

SECTION 2.5 Surrender of Receipts and Withdrawal of Shares.

Upon surrender at the Corporate Trust Office of the Depositary of a Receipt for the purpose of withdrawal of the Deposited Securities represented by the American Depositary Shares evidenced by such Receipt, and upon payment of the fee of the Depositary for the surrender of Receipts as provided in Section 5.9 and payment of all taxes and governmental charges payable in connection with such surrender and withdrawal of the Deposited Securities, and subject to the terms and conditions of this Deposit Agreement, the Owner of such Receipt shall be entitled to delivery, to him or upon his order, of the amount of Deposited Securities at the time represented by the American Depositary Shares evidenced by such Receipt. Delivery of such Deposited Securities may be made by the delivery of (a) Shares in the name of such Owner or as ordered by him or by certificates properly endorsed or accompanied by proper instruments of transfer to such Owner or as ordered by him and (b) any other securities, property and cash to which such Owner is then entitled in respect of such Receipts to such Owner or as ordered by him. Such delivery shall be made, as hereinafter provided, without unreasonable delay.

A Receipt surrendered for such purposes may be required by the Depositary to be properly endorsed in blank or accompanied by proper instruments of transfer in blank, and if the Depositary so requires, the Owner thereof shall execute and deliver to the Depositary a written order directing the Depositary to cause the Deposited Securities being withdrawn to be delivered to or upon the written order of a person or persons designated in such order. Thereupon the Depositary shall direct the Custodian to deliver at the office of such Custodian, subject to Sections 2.6, 3.1 and 3.2 and to the other terms and conditions of this Deposit Agreement, to or upon the written order of the person or persons designated in the order delivered to the Depositary as above provided, the amount of Deposited Securities represented by the American Depositary Shares

evidenced by such Receipt, except that the Depositary may make delivery to such person or persons at the Corporate Trust Office of the Depositary of any dividends or distributions with respect to the Deposited Securities represented by the American Depositary Shares evidenced by such Receipt, or of any proceeds of sale of any dividends, distributions or rights, which may at the time be held by the Depositary.

At the request, risk and expense of any Owner so surrendering a Receipt, and for the account of such Owner, the Depositary shall direct the Custodian to forward any cash or other property (other than rights) comprising, and forward a certificate or certificates, if applicable, and other proper documents of title for, the Deposited Securities represented by the American Depositary Shares evidenced by such Receipt to the Depositary for delivery at the Corporate Trust Office of the Depositary. Such direction shall be given by letter or, at the request, risk and expense of such Owner, by cable, telex or facsimile transmission.

SECTION 2.6 Limitations on Execution and Delivery, Transfer and Surrender of Receipts.

As a condition precedent to the execution and delivery, registration of transfer, split-up, combination or surrender of any Receipt or withdrawal of any Deposited Securities, the Depositary, Custodian or Registrar may require payment from the depositor of Shares or the presenter of the Receipt of a sum sufficient to reimburse it for any tax, stamp duty or other governmental charge and any stock transfer or registration fee with respect thereto (including any such tax or charge and fee with respect to Shares being deposited or withdrawn) and payment of any applicable fees as herein provided, may require the production of proof satisfactory to it as to the identity and genuineness of any signature and may also require compliance with any regulations the Depositary may establish consistent with the provisions of this Deposit Agreement, including, without limitation, this Section 2.6.

The delivery of Receipts against deposits of Shares generally or against deposits of particular Shares may be suspended, or the transfer of Receipts in particular

instances may be refused, or the registration of transfer of outstanding Receipts generally may be suspended, during any period when the transfer books of the Depositary are closed, or if any such action is deemed necessary or advisable by the Depositary or the Issuer at any time or from time to time because of any requirement of law or of any government or governmental body or commission, or under any provision of this Deposit Agreement, or for any other reason, subject to the provisions of Section 7.7 hereof. Notwithstanding any other provision of this Deposit Agreement or the Receipts, the surrender of outstanding Receipts and withdrawal of Deposited Securities may not be suspended subject only to (i) temporary delays caused by closing the transfer books of the Depositary or the Issuer or the deposit of Shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes and similar charges, and (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the Receipts or to the withdrawal of the Deposited Securities. Without limitation of the foregoing, the Depositary shall not knowingly accept for deposit under this Deposit Agreement any Shares required to be registered under the provisions of the Securities Act, unless a registration statement is in effect as to such Shares.

SECTION 2.7 Lost Receipts, etc.

In case any Receipt shall be mutilated, destroyed, lost or stolen, the Depositary shall execute and deliver a new Receipt of like tenor in exchange and substitution for such mutilated Receipt upon cancellation thereof, or in lieu of and in substitution for such destroyed, lost or stolen Receipt. Before the Depositary shall execute and deliver a new Receipt in substitution for a destroyed, lost or stolen Receipt, the Owner thereof shall have (a) filed with the Depositary (i) a request for such execution and delivery before the Depositary has notice that the Receipt has been acquired by a bona fide purchaser and (ii) a sufficient indemnity bond and (b) satisfied any other reasonable requirements imposed by the Depositary.

SECTION 2.8 Cancellation and Destruction of Surrendered Receipts.

All Receipts surrendered to the Depositary shall be cancelled by the Depositary. The Depositary is authorized to destroy Receipts so cancelled.

SECTION 2.9 Pre-Release of Receipts.

The Depositary may issue Receipts against the delivery by the Issuer (or any agent of the Issuer recording Share ownership) of rights to receive Shares from the Issuer (or any such agent). No such issue of Receipts will be deemed a "Pre-Release" that is subject to the restrictions of the following paragraph.

Unless requested in writing by the Issuer to cease doing so, the Depositary may, notwithstanding Section 2.3 hereof, execute and deliver Receipts prior to the receipt of Shares pursuant to Section 2.2 ("Pre-Release"). The Depositary may, pursuant to Section 2.5, deliver Shares upon the receipt and cancellation of Receipts which have been Pre-Released, whether or not such cancellation is prior to the termination of such Pre-Release or the Depositary knows that such Receipt has been Pre-Released. The Depositary may receive Receipts in lieu of Shares in satisfaction of a Pre-Release. Each Pre-Release will be (a) preceded or accompanied by a written representation and agreement from the person to whom Receipts are to be delivered (the "Pre-Releasee") that the Pre-Releasee, or its customer, (i) owns the Shares or Receipts to be remitted, as the case may be, (ii) assigns all beneficial rights, title and interest in such Shares or Receipts, as the case may be, to the Depositary in its capacity as such and for the benefit of the Owners, and (iii) will not take any action with respect to such Shares or Receipts, as the case may be, that is inconsistent with the transfer of beneficial ownership (including, without the consent of the Depositary, disposing of such Shares or Receipts, as the case may be), other than in satisfaction of such Pre-Release, (b) at all times fully collateralized with cash, U.S. government securities or such other collateral as the Depositary determines, in good faith, will provide substantially similar liquidity and security, (c) terminable by the Depositary on not more than five (5) business days notice, and (d) subject to such further indemnities and credit regulations as the Depositary deems

appropriate. The number of Shares not deposited but represented by American Depositary Shares outstanding at any time as a result of Pre-Releases will not normally exceed thirty percent (30%) of the Shares deposited hereunder; provided, however, that the Depositary reserves the right to disregard such limit from time to time as it deems reasonably appropriate, and may, with the prior written consent of the Issuer, change such limit for purposes of general application. The Depositary will also set Dollar limits with respect to Pre-Release transactions to be entered into hereunder with any particular Pre-Releasee on a case-by-case basis as the Depositary deems appropriate. For purposes of enabling the Depositary to fulfill its obligations to the Owners under the Deposit Agreement, the collateral referred to in clause (b) above shall be held by the Depositary as security for the performance of the Pre-Releasee's obligations to the Depositary in connection with a Pre-Release transaction, including the Pre-Releasee's obligation to deliver Shares or Receipts upon termination of a Pre-Release transaction (and shall not, for the avoidance of doubt, constitute Deposited Securities hereunder).

The Depositary may retain for its own account any compensation received by it in connection with the foregoing.

ARTICLE 3. CERTAIN OBLIGATIONS OF OWNERS AND BENEFICIAL OWNERS OF RECEIPTS.

SECTION 3.1 Filing Proofs, Certificates and Other Information.

Any person presenting Shares for deposit or any Owner or Beneficial Owner of a Receipt may be required from time to time to file with the Depositary or the Custodian such proof of citizenship or residence, exchange control approval, or such information relating to the registration on the books of the Issuer or the Foreign Registrar, if applicable, to execute such certificates and to make such representations and warranties, as the Depositary may deem necessary or proper. The Depositary may withhold the delivery or registration of transfer of any Receipt or the distribution of any dividend or sale or distribution of rights or of the proceeds thereof or the delivery of any Deposited Securities until such proof or other information is filed or such certificates are

executed or such representations and warranties made. If requested in writing, the Depositary shall, as promptly as practicable, provide the Issuer, at the expense of the Issuer, with copies of any such proofs, certificates or other information it receives pursuant to this section, unless prohibited by applicable law.

SECTION 3.2 Liability of Owner for Taxes.

If any tax or other governmental charge shall become payable by the Custodian or the Depositary with respect to any Receipt or any Deposited Securities represented by any Receipt, such tax or other governmental charge shall be payable by the Owner of such Receipt to the Depositary. The Depositary may refuse to effect any transfer of such Receipt or any withdrawal of Deposited Securities represented by American Depositary Shares evidenced by such Receipt until such payment is made, and may withhold any dividends or other distributions, or may sell for the account of the Owner thereof any part or all of the Deposited Securities represented by the American Depositary Shares evidenced by such Receipt, and may apply such dividends or other distributions or the proceeds of any such sale in payment of such tax or other governmental charge and the Owner of such Receipt shall remain liable for any deficiency.

SECTION 3.3 Warranties on Deposit of Shares.

Every person depositing Shares under this Deposit Agreement shall be deemed thereby to represent and warrant that such Shares and each certificate therefor, if applicable, are validly issued, fully paid, nonassessable and free of any pre-emptive rights of the holders of outstanding Shares and that the person making such deposit is duly authorized so to do. Every such person shall also be deemed to represent that the deposit of such Shares and the sale of Receipts evidencing American Depositary Shares representing such Shares by that person would not be Restricted Securities. Such representations and warranties shall survive the deposit of Shares and issuance of Receipts.

SECTION 3.4 Disclosure of Interests.

Notwithstanding any other provision of this Deposit Agreement, each Owner and Beneficial Owner agrees to comply with requests from the Issuer pursuant to applicable law or the Memorandum and Articles of Association to provide information, inter alia, as to the capacity in which such Owner or Beneficial Owner owns American Depositary Shares (and Shares as the case may be) and regarding the identity of any other person(s) interested in such American Depositary Shares (and Shares, as the case may be) and the nature of such interest and various other matters, whether or not they are Owners or Beneficial Owners at the time of such request. The Depositary agrees to use its reasonable efforts to forward, upon the reasonable written request of the Issuer and at the expense of the Issuer, any such written request from the Issuer to the Owners and to forward, as promptly as practicable, to the Issuer any such responses to such requests received by the Depositary. If the Issuer requests information from the Depositary, the Custodian or the nominee of either, as the registered owner of the Shares, the obligations of the Depositary, Custodian or such nominee, as the case may be, shall be limited to disclosing to the Issuer the information contained in the register.

ARTICLE 4. THE DEPOSITED SECURITIES.

SECTION 4.1 Cash Distributions.

Whenever the Depositary shall receive any cash dividend or other cash distribution on any Deposited Securities, the Depositary shall, subject to the provisions of Section 4.5, convert such dividend or distribution into Dollars and shall distribute the amount thus received (net of the fees and expenses of the Depositary as provided in Section 5.9 hereof, if applicable) to the Owners entitled thereto, in proportion to the number of American Depositary Shares representing such Deposited Securities held by them respectively; provided, however, that in the event that the Issuer or the Depositary shall be required to withhold and does withhold from such cash dividend or such other cash distribution an amount on account of taxes, the amount distributed to the Owner of the Receipts evidencing American Depositary Shares representing such Deposited Securities shall be reduced accordingly. The Depositary shall distribute only such

amount, however, as can be distributed without attributing to any Owner a fraction of one cent. Any such fractional amounts shall be rounded to the nearest whole cent and so distributed to Owners entitled thereto. The Issuer or its agent will remit to the appropriate governmental agency in the Cayman Islands all amounts withheld and owing to such agency. The Depositary will forward to the Issuer or its agent such information from its records as the Issuer may reasonably request to enable the Issuer or its agent to file necessary reports with governmental agencies, and the Depositary or the Issuer or its agent may file any such reports necessary to obtain benefits under the applicable tax treaties for the Owners of Receipts.

SECTION 4.2 Distributions Other Than Cash, Shares or Rights.

Subject to the provisions of Section 4.11 and Section 5.9, whenever the Depositary shall receive any distribution other than a distribution described in Sections 4.1, 4.3 or 4.4, the Depositary shall cause the securities or property received by it to be distributed to the Owners entitled thereto, after deduction or upon payment of any fees and expenses of the Depositary or any taxes or other governmental charges, in proportion to the number of American Depositary Shares representing such Deposited Securities held by them respectively, in any manner that the Depositary may deem equitable and practicable for accomplishing such distribution; provided, however, that if in the opinion of the Depositary such distribution cannot be made proportionately among the Owners entitled thereto, or if for any other reason (including, but not limited to, any requirement that the Issuer or the Depositary withhold an amount on account of taxes or other governmental charges or that such securities must be registered under the Securities Act in order to be distributed to Owners or Beneficial Owners) the Depositary deems such distribution not to be feasible, the Depositary may adopt such method as it may deem equitable and practicable for the purpose of effecting such distribution, including, but not limited to, the public or private sale of the securities or property thus received, or any part thereof, and the net proceeds of any such sale (net of the fees and expenses of the Depositary as provided in Section 5.9) shall be distributed by the Depositary to the Owners entitled thereto as in the case of a distribution received in cash.

SECTION 4.3 Distributions in Shares.

If any distribution upon any Deposited Securities consists of a dividend in, or free distribution of, Shares, the Depositary may, and shall if the Issuer shall so request, distribute to the Owners of outstanding Receipts entitled thereto, in proportion to the number of American Depositary Shares representing such Deposited Securities held by them respectively, additional Receipts evidencing an aggregate number of American Depositary Shares representing the amount of Shares received as such dividend or free distribution, subject to the terms and conditions of the Deposit Agreement with respect to the deposit of Shares and the issuance of American Depositary Shares evidenced by Receipts, including the withholding of any tax or other governmental charge as provided in Section 4.11 and the payment of fees and expenses of the Depositary as provided in Section 5.9. In lieu of delivering Receipts for fractional American Depositary Shares in any such case, the Depositary shall sell the amount of Shares represented by the aggregate of such fractions and distribute the net proceeds, all in the manner and subject to the conditions described in Section 4.1. If additional Receipts are not so distributed, each American Depositary Share shall thenceforth also represent the additional Shares distributed upon the Deposited Securities represented thereby.

SECTION 4.4 Rights.

In the event that the Issuer shall offer or cause to be offered to the holders of any Deposited Securities any rights to subscribe for additional Shares or any rights of any other nature, the Depositary, after Consultation with the Issuer, shall have discretion as to the procedure to be followed in making such rights available to any Owners or in disposing of such rights on behalf of any Owners and making the net proceeds available to such Owners or, if by the terms of such rights offering or for any other reason, the Depositary may not either make such rights available to any Owners or dispose of such rights and make the net proceeds available to such Owners, then the Depositary shall allow the rights to lapse. If at the time of the offering of any rights the Depositary determines in its discretion that it is lawful and feasible to make such rights available to all Owners or to certain Owners but not to other Owners, the Depositary may distribute to

any Owner to whom it determines the distribution to be lawful and feasible, in proportion to the number of American Depositary Shares held by such Owner, warrants or other instruments therefor in such form as it deems appropriate.

In circumstances in which rights would otherwise not be distributed, if an Owner of Receipts requests the distribution of warrants or other instruments in order to exercise the rights allocable to the American Depositary Shares of such Owner hereunder, the Depositary will make such rights available to such Owner upon written notice from the Issuer to the Depositary that (a) the Issuer has elected in its sole discretion to permit such rights to be exercised and (b) such Owner has executed such documents as the Issuer has determined in its sole discretion are reasonably required under applicable law.

If the Depositary has distributed warrants or other instruments for rights to all or certain Owners, then upon instruction from such an Owner pursuant to such warrants or other instruments to the Depositary from such Owner to exercise such rights, upon payment by such Owner to the Depositary for the account of such Owner of an amount equal to the purchase price of the Shares to be received upon the exercise of the rights, and upon payment of the fees and expenses of the Depositary and any other charges as set forth in such warrants or other instruments, the Depositary shall, on behalf of such Owner, exercise the rights and purchase the Shares, and the Issuer shall cause the Shares so purchased to be delivered to the Depositary on behalf of such Owner. As agent for such Owner, the Depositary will cause the Shares so purchased to be deposited pursuant to Section 2.2 of this Deposit Agreement, and shall, pursuant to Section 2.3 of this Deposit Agreement, execute and deliver Receipts to such Owner. In the case of a distribution pursuant to the second paragraph of this section, such Receipts shall be legended in accordance with applicable U.S. laws, and shall be subject to the appropriate restrictions on sale, deposit, cancellation, and transfer under such laws.

If the Depositary determines in its discretion that it is not lawful and feasible to make such rights available to all or certain Owners, it may sell the rights,

warrants or other instruments in proportion to the number of American Depositary Shares held by the Owners to whom it has determined it may not lawfully or feasibly make such rights available, and allocate the net proceeds of such sales (net of the fees and expenses of the Depositary as provided in Section 5.9 and all taxes and governmental charges payable in connection with such rights and subject to the terms and conditions of this Deposit Agreement) for the account of such Owners otherwise entitled to such rights, warrants or other instruments, upon an averaged or other practical basis without regard to any distinctions among such Owners because of exchange restrictions or the date of delivery of any Receipt or otherwise.

The Depositary will not offer rights to Owners unless both the rights and the securities to which such rights relate are either exempt from registration under the Securities Act with respect to a distribution to Owners or are registered under the provisions of such Act; provided, that nothing in this Deposit Agreement shall create any obligation on the part of the Issuer to file a registration statement with respect to such rights or underlying securities or to endeavor to have such a registration statement declared effective. If an Owner of Receipts requests distribution of warrants or other instruments, notwithstanding that there has been no such registration under the Securities Act, the Depositary shall not effect such distribution unless it has received an opinion from recognized counsel in the United States for the Issuer upon which the Depositary may rely that such distribution to such Owner is exempt from such registration; provided, however, the Issuer shall have no obligation to cause its counsel to issue such opinion at the request of such Owner.

The Depositary shall not be responsible for any failure to determine that it may be lawful or feasible to make such rights available to Owners in general or any Owner in particular.

SECTION 4.5 Conversion of Foreign Currency.

Whenever the Depositary or the Custodian shall receive foreign currency, by way of dividends or other distributions or the net proceeds from the sale of securities,

property or rights, and if at the time of the receipt thereof the foreign currency so received can in the judgment of the Depositary be converted on a reasonable basis into Dollars and the resulting Dollars transferred to the United States, the Depositary shall convert or cause to be converted, by sale or in any other manner that it may determine, such foreign currency into Dollars, and such Dollars shall be distributed to the Owners entitled thereto or, if the Depositary shall have distributed any warrants or other instruments which entitle the holders thereof to such Dollars, then to the holders of such warrants and/or instruments upon surrender thereof for cancellation. Such distribution may be made upon an averaged or other practicable basis without regard to any distinctions among Owners on account of exchange restrictions, the date of delivery of any Receipt or otherwise and shall be net of any expenses of conversion into Dollars incurred by the Depositary as provided in Section 5.9.

If such conversion or distribution can be effected only with the approval or license of any government or agency thereof, the Depositary shall file such application for approval or license, if any, as it may deem desirable.

If at any time the Depositary shall determine that in its judgment any foreign currency received by the Depositary or the Custodian is not convertible on a reasonable basis into Dollars transferable to the United States, or if any approval or license of any government or agency thereof which is required for such conversion is denied or in the opinion of the Depositary is not obtainable without excessively burdensome or otherwise unreasonable efforts, or if any such approval or license is not obtained within a reasonable period as determined by the Depositary, or if there are foreign exchange controls in place that prohibit such conversion, the Depositary may distribute the foreign currency (or an appropriate document evidencing the right to receive such foreign currency) received by the Depositary to, or in its discretion may hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the Owners entitled to receive the same.

If any such conversion of foreign currency, in whole or in part, cannot be effected for distribution to some of the Owners entitled thereto, the Depositary may in its discretion make such conversion and distribution in Dollars to the extent permissible to the Owners entitled thereto and may distribute the balance of the foreign currency received by the Depositary to, or hold such balance uninvested and without liability for interest thereon for the respective accounts of, the Owners entitled thereto.

SECTION 4.6 Fixing of Record Date.

Whenever any cash dividend or other cash distribution shall become payable or any distribution other than cash shall be made, or whenever rights shall be issued with respect to the Deposited Securities, or whenever for any reason the Depositary causes a change in the number of Shares that are represented by each American Depositary Share, or whenever the Depositary shall receive notice of any meeting of holders of Shares or other Deposited Securities or whenever the Depositary shall find it necessary or convenient, the Depositary shall fix a record date, which date shall be the same date, to the extent practicable, as the record date for the Deposited Securities or if different, as close thereto as practicable (a) for the determination of the Owners who shall be (i) entitled to receive such dividend, distribution or rights or the net proceeds of the sale thereof or (ii) entitled to give instructions for the exercise of voting rights at any such meeting, or (b) on or after which each American Depositary Share will represent the changed number of Shares, or (c) for any other matter. Subject to the provisions of Sections 4.1 through 4.5 and to the other terms and conditions of this Deposit Agreement, the Owners on such record date shall be entitled, as the case may be, to receive the amount distributable by the Depositary with respect to such dividend or other distribution or such rights or the net proceeds of sale thereof in proportion to the number of American Depositary Shares held by them respectively and to give voting instructions and to act in respect of any other such matter.

SECTION 4.7 Voting of Deposited Securities.

Upon receipt of notice of any meeting of holders of Shares or other Deposited Securities, if requested in writing by the Issuer the Depositary shall, as soon as practicable thereafter, mail to the Owners a notice, the form of which notice shall contain (a) such information as is contained in such notice of meeting, and (b) a statement that the Owners as of the close of business on a specified record date will be entitled, subject to any applicable provision of Hong Kong and Cayman Islands law and of the Memorandum and Articles of Association of the Issuer, to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the amount of Shares or other Deposited Securities represented by their respective American Depositary Shares and (c) a statement as to the manner in which such instructions may be given. Upon the written request of an Owner on such record date, received on or before the date established by the Depositary for such purpose, (the "Instruction Date") the Depositary shall endeavor, in so far as practicable, to vote or cause to be voted the amount of Shares or other Deposited Securities represented by the American Depositary Shares evidenced by such Receipt in accordance with the instructions set forth in such request. The Depositary shall not vote or attempt to exercise the right to vote that attaches to the Shares or other Deposited Securities, other than in accordance with such instructions.

There can be no assurance that Owners generally or any Owner in particular will receive the notice described in the preceding paragraph sufficiently prior to the Instruction Date to ensure that the Depositary will vote the Shares or Deposited Securities in accordance with the provisions set forth in the preceding paragraph.

SECTION 4.8 Changes Affecting Deposited Securities.

In circumstances where the provisions of Section 4.3 do not apply, upon any change in nominal value, change in par value, split-up, consolidation or any other reclassification of Deposited Securities, or upon any recapitalization, reorganization, merger or consolidation or sale of assets affecting the Issuer or to which it is a party, any securities which shall be received by the Depositary or a Custodian in exchange for or in conversion of or in respect of Deposited Securities, shall be treated as new Deposited Securities under this Deposit Agreement, and American Depositary Shares shall thenceforth represent, in addition to the existing Deposited Securities, if any, the new Deposited Securities so received in exchange or conversion, unless additional Receipts are delivered pursuant to the following sentence. In any such case the Depositary may, and shall at the Issuer's request, execute and deliver additional Receipts as in the case of a dividend in Shares, or call for the surrender of outstanding Receipts to be exchanged for new Receipts specifically describing such new Deposited Securities.

SECTION 4.9 Reports.

The Depositary shall make available for inspection by Owners at its Corporate Trust Office any reports and communications, including any proxy soliciting material, received from the Issuer which are both (a) received by the Depositary as the holder of the Deposited Securities and (b) made generally available to the holders of such Deposited Securities by the Issuer. The Depositary shall also, upon written request, send

to the Owners copies of such reports furnished by the Issuer pursuant to Section 5.6. Any such reports and communications, including any such proxy soliciting material, furnished to the Depositary by the Issuer shall be furnished in English.

SECTION 4.10 Lists of Owners.

Promptly upon request by the Issuer, the Depositary shall, at the expense of the Issuer, furnish to it a list, as of a recent date, of the names, addresses and holdings of American Depositary Shares by all persons in whose names Receipts are registered on the books of the Depositary.

SECTION 4.11 Withholding.

The Issuer or its agent will remit to the appropriate governmental agency in the Cayman Islands all amounts withheld and owing to such agency. The Depositary will forward to the Issuer or its agent such information from its records as the Issuer may reasonably request to enable the Issuer or its agent to file necessary reports with governmental agencies, and the Depositary or the Issuer or its agent may file any such reports necessary to obtain benefits under the applicable tax treaties for the Owners of Receipts.

In the event that the Depositary determines that any distribution in property (including Shares and rights to subscribe therefor) is subject to any tax or other governmental charge which the Depositary is obligated to withhold, the Depositary may by public or private sale dispose of all or a portion of such property (including Shares and rights to subscribe therefor) in such amounts and in such manner as the Depositary deems necessary and practicable to pay any such taxes or charges and the Depositary shall distribute the net proceeds of any such sale after deduction of such taxes or charges to the Owners entitled thereto in proportion to the number of American Depositary Shares held by them respectively.

ARTICLE 5. THE DEPOSITARY, THE CUSTODIANS AND THE ISSUER.

SECTION 5.1 Maintenance of Office and Transfer Books by the Depositary.

Until termination of this Deposit Agreement in accordance with its terms, the Depositary shall maintain in the Borough of Manhattan, The City of New York, facilities for the execution and delivery, registration, registration of transfers and surrender of Receipts in accordance with the provisions of this Deposit Agreement.

The Depositary shall keep books at its Corporate Trust Office for the registration of Receipts and transfers of Receipts which at all reasonable times shall be open for inspection by the Owners and the Issuer, provided that such inspection shall not be for the purpose of communicating with Owners in the interest of a business or object other than the business of the Issuer or a matter related to this Deposit Agreement or the Receipts.

The Depositary may close the transfer books, at any time or from time to time, when deemed expedient by it in connection with the performance of its duties hereunder or at the reasonable written request of the Issuer.

If any Receipts or the American Depositary Shares evidenced thereby are listed on one or more stock exchanges in the United States, the Depositary shall act as Registrar or appoint, with prompt written notice provided to the Issuer, a Registrar or one or more co-registrars for registry of such Receipts in accordance with any requirements of such exchange or exchanges. Each co-registrar or other agent appointed under this Section 5.1 shall give notice in writing to the Issuer and the Depositary accepting such appointment and agreeing to abide by the applicable terms of this Deposit Agreement.

SECTION 5.2 Prevention or Delay in Performance by the Depositary or the Issuer.

Neither the Depositary nor the Issuer nor any of their respective directors, officers, employees, agents or affiliates shall incur any liability to any Owner or Beneficial Owner of any Receipt, if by reason of any provision of any present or future

law or regulation of the United States, the People's Republic of China or any other country, or of any governmental or regulatory authority or stock exchange, or by reason of any provision, present or future, of the Memorandum and Articles of Association of the Issuer, or by reason of any provision of any securities issued or distributed by the Issuer, or any offering or distribution thereof, or by reason of any act of God or war or terrorism or other circumstances beyond its control, the Depositary or the Issuer shall be prevented, delayed or forbidden from, or be subject to any civil or criminal penalty on account of, doing or performing any act or thing which by the terms of this Deposit Agreement or the Deposited Securities it is provided shall be done or performed; nor shall the Depositary or the Issuer or any of their respective directors, officers, employees, agents or affiliates incur any liability to any Owner or Beneficial Owner of any Receipt by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or thing which by the terms of this Deposit Agreement it is provided shall or may be done or performed, or by reason of any exercise of, or failure to exercise, any discretion provided for in this Deposit Agreement. Where, by the terms of a distribution pursuant to Sections 4.1, 4.2, or 4.3 of the Deposit Agreement, or an offering or distribution pursuant to Section 4.4 of the Deposit Agreement, or for any other reason, such distribution or offering may not be made available to Owners, and the Depositary may not dispose of such distribution or offering on behalf of such Owners and make the net proceeds available to such Owners, then the Depositary shall not make such distribution or offering, and shall allow any rights, if applicable, to lapse, in each such case without liability to the Issuer or the Depositary.

SECTION 5.3 Obligations of the Depositary, the Custodian and the Issuer.

Neither the Issuer, nor its directors, officers, employees and agents assume any obligation nor shall it or any of them be subject to any liability under this Deposit Agreement to Owners or Beneficial Owners, except that the Issuer agrees to perform its obligations specifically set forth in this Deposit Agreement without negligence or bad faith.

Neither the Depositary nor its directors, officers, employees and agents assume any obligation nor shall it or any of them be subject to any liability under this Deposit Agreement to any Owner or Beneficial Owner of any Receipt (including, without limitation, liability with respect to the validity or worth of the Deposited Securities), except that the Depositary agrees to perform its obligations specifically set forth in this Deposit Agreement without negligence or bad faith.

Neither the Depositary nor the Issuer shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities or in respect of the Receipts, which in its opinion may involve it in expense or liability, unless indemnity satisfactory to it against all expense and liability shall be furnished as often as may be required, and the Custodian shall not be under any obligation whatsoever with respect to such proceedings, the responsibility of the Custodian being solely to the Depositary.

Neither the Depositary nor the Issuer shall be liable for any action or nonaction by it in reliance upon the advice of or information from legal counsel, accountants, any person presenting Shares for deposit, any Owner or any other person believed by it in good faith to be competent to give such advice or information.

The Depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the Depositary or in connection with any matter arising wholly after the removal or resignation of the Depositary, provided that in connection with the issue out of which such potential liability arises the Depositary performed its obligations without negligence or bad faith while it acted as Depositary.

The Depositary shall not be responsible for any failure to carry out any instructions to vote any of the Deposited Securities, or for the manner in which any such vote is cast or the effect of any such vote, provided that any such action or nonaction is in good faith.

No disclaimer of liability under the Securities Act of 1933 is intended by any provision of this Deposit Agreement.

SECTION 5.4 Resignation and Removal of the Depositary.

The Depositary may at any time resign as Depositary hereunder by written notice of its election so to do delivered to the Issuer, such resignation to take effect upon the appointment of a successor depositary and its acceptance of such appointment as hereinafter provided.

The Depositary may at any time be removed by the Issuer by 90 days prior written notice of such removal, which shall become effective upon the later to occur of (i) the 90th day after delivery of the notice to the Depositary or (ii) the appointment of a successor depositary and its acceptance of such appointment as hereinafter provided.

In case at any time the Depositary acting hereunder shall resign or be removed, the Issuer shall use reasonable efforts to appoint a successor depositary, which shall be a bank or trust company having an office in the Borough of Manhattan, The City of New York. Every successor depositary shall execute and deliver to its predecessor and to the Issuer an instrument in writing accepting its appointment hereunder, and thereupon such successor depositary, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor; but such predecessor, nevertheless, upon payment of all sums due it and on the written request of the Issuer shall execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder, shall duly assign, transfer and deliver all right, title and interest in the Deposited Securities to such successor, and shall deliver to such successor a list of the Owners of all outstanding Receipts. Any such successor depositary shall promptly mail notice of its appointment to the Owners.

Any corporation into or with which the Depositary may be merged or consolidated shall be the successor of the Depositary without the execution or filing of any document or any further act.

SECTION 5.5 The Custodians.

The Custodian shall be subject at all times and in all respects to the directions of the Depositary and shall be responsible solely to it. Any Custodian may resign and be discharged from its duties hereunder by notice of such resignation delivered to the Depositary at least 30 days prior to the date on which such resignation is to become effective. If upon such resignation there shall be no Custodian acting hereunder, the Depositary shall, promptly after receiving such notice, appoint a substitute custodian or custodians, each of which shall thereafter be a Custodian hereunder. Whenever the Depositary in its discretion determines that it is in the best interest of the Owners to do so, it may appoint a substitute or additional custodian or custodians, each of which shall thereafter be one of the Custodians hereunder. Upon demand of the Depositary any Custodian shall deliver such of the Deposited Securities held by it as are requested of it to any other Custodian or such substitute or additional custodian or custodians. Each such substitute or additional custodian shall deliver to the Depositary, forthwith upon its appointment, an acceptance of such appointment satisfactory in form and substance to the Depositary.

Upon the appointment of any successor depositary hereunder, each Custodian then acting hereunder shall forthwith become, without any further act or writing, the agent hereunder of such successor depositary and the appointment of such successor depositary shall in no way impair the authority of each Custodian hereunder; but the successor depositary so appointed shall, nevertheless, on the written request of any Custodian, execute and deliver to such Custodian all such instruments as may be proper to give to such Custodian full and complete power and authority as agent hereunder of such successor depositary.

SECTION 5.6 Notices and Reports.

On or before the first date on which the Issuer gives notice, by publication or otherwise, of any meeting of holders of Shares or other Deposited Securities, or of any adjourned meeting of such holders, or of the taking of any action in respect of any cash or

other distributions or the offering of any rights, the Issuer agrees to transmit to the Depositary and the Custodian a copy of the notice thereof in the form given or to be given to holders of Shares or other Deposited Securities.

The Issuer will arrange for the translation into English, if not already in English, to the extent required pursuant to any regulation of the Commission, and the prompt transmittal by the Issuer to the Depositary and the Custodian of such notices and any other reports and communications which are made generally available by the Issuer to holders of its Shares. If requested in writing by the Issuer, the Depositary will arrange for the mailing, at the Issuer's expense, of copies of such notices, reports and communications to all Owners. The Issuer will timely provide the Depositary with the quantity of such notices, reports, and communications, as requested by the Depositary from time to time, in order for the Depositary to effect such mailings.

SECTION 5.7 Distribution of Additional Shares, Rights, etc.

The Issuer agrees that in the event of any issuance or distribution of (1) additional Shares, (2) rights to subscribe for Shares, (3) securities convertible into Shares, or (4) rights to subscribe for such securities, (each a "Distribution") the Issuer will promptly furnish to the Depositary a written opinion from U.S. counsel for the Issuer, which counsel shall be reasonably satisfactory to the Depositary, stating whether or not the Distribution requires a Registration Statement under the Securities Act to be in effect prior to making such Distribution available to Owners entitled thereto. If in the opinion of such counsel a Registration Statement is required, such counsel shall furnish to the Depositary a written opinion as to whether or not there is a Registration Statement in effect which will cover such Distribution.

The Issuer agrees with the Depositary that neither the Issuer nor any company controlled by, controlling or under common control with the Issuer will at any time deposit any Shares, either originally issued or previously issued and reacquired by the Issuer or any such affiliate, unless a Registration Statement is in effect as to such Shares under the Securities Act.

SECTION 5.8 Indemnification.

The Issuer agrees to indemnify the Depositary, its directors, employees, agents and affiliates and any Custodian against, and hold each of them harmless from, any liability or expense (including, but not limited to, the fees and expenses of counsel) which may arise out of any registration with the Commission of Receipts, American Depositary Shares or Deposited Securities or the offer or sale thereof in the United States or out of acts performed or omitted, in accordance with the provisions of this Deposit Agreement and of the Receipts, as the same may be amended, modified or supplemented from time to time, (i) by either the Depositary or a Custodian or their respective directors, employees, agents and affiliates, except for any liability or expense arising out of the negligence or bad faith of either of them, or (ii) by the Issuer or any of its directors, employees, agents and affiliates.

The Depositary agrees to indemnify the Issuer, its directors, employees, agents and affiliates and hold them harmless from any liability or expense which may arise out of acts performed or omitted by the Depositary or its Custodian or their respective directors, employees, agents and affiliates due to their negligence or bad faith.

If an action, proceeding (including, but not limited to, any governmental investigation), claim or dispute (collectively, a "Proceeding") in respect of which indemnity may be sought by either party is brought or asserted against the other party, the party seeking indemnification (the "Indemnitee") shall promptly (and in no event more than ten (10) days after receipt of notice of such Proceeding) notify the party obligated to provide such indemnification (the "Indemnitor") of such Proceeding. The failure of the Indemnitee to so notify the Indemnitor shall not impair the Indemnitee's ability to seek indemnification from the Indemnitor (but only for costs, expenses and liabilities incurred after such notice) unless such failure adversely affects the Indemnitor's ability to adequately oppose or defend such Proceeding. Upon receipt of such notice from the Indemnitee, the Indemnitor shall be entitled to participate in such Proceeding and, to the extent that it shall so desire and provided no conflict of interest exists as specified in

subparagraph (b) below or there are no other defenses available to Indemnitee as specified in subparagraph (d) below, to assume the defense thereof with counsel reasonably satisfactory to the Indemnitee (in which case all attorney's fees and expenses shall be borne by the Indemnitor and the Indemnitor shall in good faith defend the Indemnitee). The Indemnitee shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be borne by the Indemnitee unless (a) the Indemnitor agrees in writing to pay such fees and expenses, (b) the Indemnitee shall have reasonably and in good faith concluded that there is a conflict of interest between the Indemnitor and the Indemnitee in the conduct of the defense of such action, (c) the Indemnitor fails, within ten (10) days prior to the date the first response or appearance is required to be made in such Proceeding, to assume the defense of such Proceeding with counsel reasonably satisfactory to the Indemnitee or (d) there are legal defenses available to Indemnitee that are different from or are in addition to those available to the Indemnitor. No compromise or settlement of such Proceeding may be effected by either party without the other party's consent unless (i) there is no finding or admission of any violation of law and no effect on any other claims that may be made against such other party and (ii) the sole relief provided is monetary damages that are paid in full by the party seeking the settlement. Neither party shall have any liability with respect to any compromise or settlement effected without its consent, which shall not be unreasonably withheld. The Indemnitor shall have no obligation to indemnify and hold harmless the Indemnitee from any loss, expense or liability incurred by the Indemnitee as a result of a default judgment entered against the Indemnitee unless such judgment was entered after the Indemnitor agreed, in writing, to assume the defense of such Proceeding.

SECTION 5.9 Charges of Depositary.

The Issuer agrees to pay the fees, reasonable expenses and out-of-pocket charges of the Depositary and those of any Registrar only in accordance with agreements in writing entered into between the Depositary and the Issuer from time to time. The Depositary shall present its statement for such charges and expenses to the Issuer once

every three months. The charges and expenses of the Custodian are for the sole account of the Depositary.

The following charges shall be incurred by any party depositing or withdrawing Shares or by any party surrendering Receipts or to whom Receipts are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by the Issuer or an exchange of stock regarding the Receipts or Deposited Securities or a distribution of Receipts pursuant to Section 4.3), or by Owners, as applicable: (1) taxes, stamp duty and other governmental charges, (2) such registration fees as may from time to time be in effect for the registration of transfers of Shares generally on the Share register of the Issuer or Foreign Registrar and applicable to transfers of Shares to or from the name of the Depositary or its nominee or the Custodian or its nominee on the making of deposits or withdrawals hereunder, (3) such cable, telex and facsimile transmission expenses as are expressly provided in this Deposit Agreement, (4) such expenses as are incurred by the Depositary in the conversion of foreign currency pursuant to Section 4.5, (5) a fee of $5.00 or less per 100 American Depositary Shares (or portion thereof) for the execution and delivery of Receipts pursuant to Section 2.3, 4.3 or 4.4 and the surrender of Receipts pursuant to Section 2.5 or 6.2, (6) a fee of $.02 or less per American Depositary Share (or portion thereof) for any cash distribution made pursuant to the Deposit Agreement, including, but not limited to Sections 4.1 through 4.4 hereof, (7) a fee for the distribution of securities pursuant to Section 4.2, such fee being in an amount equal to the fee for the execution and delivery of American Depositary Shares referred to above which would have been charged as a result of the deposit of such securities (for purposes of this clause 7 treating all such securities as if they were Shares) but which securities are instead distributed by the Depositary to Owners, (8) a fee of $.02 or less per American Depositary Share (or portion thereof) for depositary services, which will accrue on the last day of each calendar year and which will be payable as provided in clause (9) below; provided, however, that no fee will be assessed under this clause (8) to the extent a fee of $.02 was charged pursuant to clause (6) above during that calendar year and (9) any other charge payable by the Depositary, any of the Depositary's agents,

including the Custodian, or the agents of the Depositary's agents in connection with the servicing of Shares or other Deposited Securities (which charge shall be assessed against Owners as of the date or dates set by the Depositary in accordance with Section 4.6 and shall be payable at the sole discretion of the Depositary by billing such Owners for such charge or by deducting such charge from one or more cash dividends or other cash distributions).

The Depositary, subject to Section 2.9 hereof, may own and deal in any class of securities of the Issuer and its affiliates and in Receipts.

SECTION 5.10 Retention of Depositary Documents.

The Depositary is authorized to destroy those documents, records, bills and other data compiled during the term of this Deposit Agreement at the times permitted by the laws or regulations governing the Depositary unless the Issuer requests that such papers be retained for a longer period or turned over to the Issuer or to a successor depositary.

SECTION 5.11 Exclusivity.

The Issuer agrees not to appoint any other depositary for issuance of American Depositary Receipts so long as The Bank of New York is acting as Depositary hereunder.

SECTION 5.12 List of Restricted Securities Owners.

From time to time, the Issuer shall provide to the Depositary a list setting forth, to the actual knowledge of the Issuer, those persons or entities who beneficially own Restricted Securities. The Issuer agrees to advise in writing each of the persons or entities so listed that such Restricted Securities are ineligible for deposit hereunder. The Depositary may rely on such a list or update but shall not be liable for any action or omission made in reliance thereon.

ARTICLE 6. AMENDMENT AND TERMINATION.

SECTION 6.1 Amendment.

The form of the Receipts and any provisions of this Deposit Agreement may at any time and from time to time be amended by agreement between the Issuer and the Depositary without the consent of Owners and Beneficial Owners in any respect which they may deem necessary or desirable. Any amendment which shall impose or increase any fees or charges (other than taxes and other governmental charges, registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or which shall otherwise prejudice any substantial existing right of Owners, shall, however, not become effective as to outstanding Receipts until the expiration of thirty days after notice of such amendment shall have been given to the Owners of outstanding Receipts. Every Owner at the time any amendment so becomes effective shall be deemed, by continuing to hold such Receipt, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event shall any amendment impair the right of the Owner of any Receipt to surrender such Receipt and receive therefor the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law.

SECTION 6.2 Termination.

The Depositary shall at any time at the direction of the Issuer terminate this Deposit Agreement by mailing notice of such termination to the Owners of all Receipts then outstanding at least 90 days prior to the date fixed in such notice for such termination. The Depositary may likewise terminate this Deposit Agreement by mailing notice of such termination to the Issuer and the Owners of all Receipts then outstanding if at any time 90 days shall have expired after the Depositary shall have delivered to the Issuer a written notice of its election to resign and a successor depositary shall not have been appointed and accepted its appointment as provided in Section 5.4. On and after the date of termination, the Owner of a Receipt will, upon (a) surrender of such Receipt at the Corporate Trust Office of the Depositary, (b) payment of the fee of the Depositary for the surrender of Receipts referred to in Section 2.5, and (c) payment of any applicable taxes

or governmental charges, be entitled to delivery, to him or upon his order, of the amount of Deposited Securities represented by the American Depositary Shares evidenced by such Receipt. If any Receipts shall remain outstanding after the date of termination, the Depositary thereafter shall discontinue the registration of transfers of Receipts, shall suspend the distribution of dividends to the Owners thereof, and shall not give any further notices or perform any further acts under this Deposit Agreement, except that the Depositary shall continue to collect dividends and other distributions pertaining to Deposited Securities, shall sell rights and other property as provided in this Deposit Agreement, and shall continue to deliver Deposited Securities, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any rights or other property, in exchange for Receipts surrendered to the Depositary (after deducting, in each case, the fee of the Depositary for the surrender of a Receipt, any expenses for the account of the Owner of such Receipt in accordance with the terms and conditions of this Deposit Agreement, and any applicable taxes or governmental charges). At any time after the expiration of one year from the date of termination, the Depositary may sell the Deposited Securities then held hereunder and may thereafter hold uninvested the net proceeds of any such sale, together with any other cash then held by it hereunder, unsegregated and without liability for interest, for the pro rata benefit of the Owners of Receipts which have not theretofore been surrendered, such Owners thereupon becoming general creditors of the Depositary with respect to such net proceeds. After making such sale, the Depositary shall be discharged from all obligations under this Deposit Agreement, except for its obligations to the Issuer under Section 5.8 and to account for such net proceeds and other cash (after deducting, in each case, the fee of the Depositary for the surrender of a Receipt, any expenses for the account of the Owner of such Receipt in accordance with the terms and conditions of this Deposit Agreement, and any applicable taxes or governmental charges). Upon the termination of this Deposit Agreement, the Issuer shall be discharged from all obligations under this Deposit Agreement except for its obligations to the Depositary under Sections 5.8 and 5.9 hereof.

ARTICLE 7. MISCELLANEOUS.

SECTION 7.1 Counterparts.

This Deposit Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of such counterparts shall constitute one and the same instrument. Copies of this Deposit Agreement shall be filed with the Depositary and the Custodians and shall be open to inspection by any Owner or Beneficial Owner of a Receipt during business hours.

SECTION 7.2 No Third Party Beneficiaries.

This Deposit Agreement is for the exclusive benefit of the parties hereto (which shall include the Owners and Beneficial Owners) and shall not be deemed to give any legal or equitable right, remedy or claim whatsoever to any other person.

SECTION 7.3 Severability.

In case any one or more of the provisions contained in this Deposit Agreement or in the Receipts should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall in no way be affected, prejudiced or disturbed thereby.

SECTION 7.4 Owners and Beneficial Owners as Parties; Binding Effect.

The Owners and Beneficial Owners of Receipts from time to time shall be parties to this Deposit Agreement and shall be bound by all of the terms and conditions hereof and of the Receipts by acceptance thereof.

SECTION 7.5 Notices.

Any and all notices to be given to the Issuer shall be deemed to have been duly given if personally delivered or sent by mail or cable, telex or facsimile transmission confirmed by letter, addressed to Ctrip.com International, Ltd., 3F, Building 63-64, No. 421 Hong Cao Road, Shanghai 200233, People's Republic of China, Attention: _____, or any other place to which the Issuer may have transferred its principal office.

Any and all notices to be given to the Depositary shall be deemed to have been duly given if in English and personally delivered or sent by mail or cable, telex or facsimile transmission confirmed by letter, addressed to The Bank of New York, 101 Barclay Street, New York, New York 10286, Attention: American Depositary Receipt Administration, or any other place to which the Depositary may have transferred its Corporate Trust Office.

Any and all notices to be given to any Owner shall be deemed to have been duly given if personally delivered or sent by mail or cable, telex or facsimile transmission confirmed by letter, addressed to such Owner at the address of such Owner as it appears on the transfer books for Receipts of the Depositary, or, if such Owner shall have filed with the Depositary a written request that notices intended for such Owner be mailed to some other address, at the address designated in such request.

Delivery of a notice sent by mail or cable, telex or facsimile transmission shall be deemed to be effected at the time when a duly addressed letter containing the same (or a confirmation thereof in the case of a cable, telex or facsimile transmission) is deposited, postage prepaid, in a post-office letter box. The Depositary or the Issuer may, however, act upon any cable, telex or facsimile transmission received by it, notwithstanding that such cable, telex or facsimile transmission shall not subsequently be confirmed by letter as aforesaid.

SECTION 7.6 Governing Law.

This Deposit Agreement and the Receipts shall be interpreted and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by the laws of the State of New York.

SECTION 7.7 Compliance with U.S. Securities Laws.

Notwithstanding anything in this Deposit Agreement to the contrary, the Issuer and the Depositary each agrees that it will not exercise any rights it has under this Deposit Agreement to permit the withdrawal or delivery of Deposited Securities in a

manner which would violate the U.S. securities laws, including, but not limited to, Section I.A.(1) of the General Instructions to the Form F-6 Registration Statement, as amended from time to time, under the Securities Act.

SECTION 7.8 Submission to Jurisdiction; Appointment of Agent for Service of Process.

The Issuer hereby (i) irrevocably designates and appoints CT Corporation System, 111 Eighth Avenue, 13th Floor, New York, New York 10011, in the State of New York, as the Issuer's authorized agent upon which process may be served in any suit or proceeding arising out of or relating to the Shares or Deposited Securities, the American Depositary Shares, the Receipts or this Agreement, (ii) consents and submits to the jurisdiction of any state or federal court in the State of New York in which any such suit or proceeding may be instituted, and (iii) agrees that service of process upon said authorized agent shall be deemed in every respect effective service of process upon the Issuer in any such suit or proceeding. The Issuer agrees to deliver, upon the execution and delivery of this Deposit Agreement, a written acceptance by such agent of its appointment as such agent. The Issuer further agrees to take any and all action, including the filing of any and all such documents and instruments, as may be necessary to continue such designation and appointment in full force and effect for so long as any American Depositary Shares or Receipts remain outstanding or this Agreement remains in force. In the event the Issuer fails to continue such designation and appointment in full force and effect, the Issuer hereby waives personal service of process upon it and consents that any such service of process may be made by certified or registered mail, return receipt requested, directed to the Issuer at its address last specified for notices hereunder, and service so made shall be deemed completed five (5) days after the same shall have been so mailed.

SECTION 7.9 Arbitration.

In the event the Depositary is advised that a judgment of a United States court may not be recognized, the following provisions shall apply:

(i) Any controversy, claim or cause of action brought by any party or parties hereto against any other party or parties hereto arising out of or relating to the Deposit Agreement shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

(ii) The place of the arbitration shall be the City of New York, State of New York, United States of America, and the language of the arbitration shall be English.

(iii) The number of arbitrators shall be three, each of whom shall be disinterested in the dispute or controversy, shall have no connection with any party thereto, and shall be an attorney experienced in international securities transactions. Each party shall appoint one arbitrator and the two arbitrators shall select a third arbitrator who shall serve as chairperson of the tribunal. If a dispute, controversy or cause of action shall involve more than two parties, the parties shall attempt to align themselves in two sides (i.e., claimant and respondent), each of which shall appoint one arbitrator as if there were only two parties to such dispute, controversy or cause of action. If either or both parties fail to select an arbitrator, or if such alignment (in the event there is more than two parties) shall not have occurred, within sixty (60) calendar days after the initiating party serves the arbitration demand or the two arbitrators fail to select a third arbitrator within sixty (60) calendar days of the selection of the second arbitrator, the American Arbitration Association shall appoint the arbitrator or arbitrators in accordance with its rules. The parties and the American Arbitration Association may appoint the arbitrators from among the nationals of any country, whether or not a party is a national of that country.

(iv) The arbitrators shall have no authority to award damages not measured by the prevailing party's actual damages and shall have no authority to award any consequential, special or punitive damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of the Deposit Agreement.

(v) In the event any third-party action or proceeding is instituted against the Depositary relating to or arising from any act or failure to act by the Issuer, the Issuer hereby submits to the personal jurisdiction of the court or administrative agency in which such action or proceeding is brought.

IN WITNESS WHEREOF, CTRIP.COM INTERNATIONAL, LTD. and THE BANK OF NEW YORK have duly executed this agreement as of the day and year first set forth above and all Owners and Beneficial Owners shall become parties hereto upon acceptance by them of Receipts issued in accordance with the terms hereof.

CTRIP.COM INTERNATIONAL, LTD.

By:

Name:
Title:

THE BANK OF NEW YORK, as Depositary

By:

Name:
Title:

Exhibit A to Deposit Agreement

NO.

AMERICAN DEPOSITARY SHARES
(EACH AMERICAN DEPOSITARY SHARE
REPRESENTS ( ) DEPOSITED SHARE[S])

THE BANK OF NEW YORK
AMERICAN DEPOSITARY RECEIPT
FOR ORDINARY SHARES OF THE
PAR VALUE OF U.S.$0.01 PER SHARE OF
CTRIP.COM INTERNATIONAL, LTD.
(INCORPORATED UNDER THE LAWS OF THE CAYMAN ISLANDS)

The Bank of New York as depositary (hereinafter called the "Depositary"), hereby certifies that _____, or registered assigns IS THE OWNER OF

AMERICAN DEPOSITARY SHARES

representing deposited ordinary shares (herein called "Shares") of Ctrip.com International, Ltd., incorporated under the laws of Ctrip.com International, Ltd. (herein called the "Company"). At the date hereof, each American Depositary Share represents _____ ( ) Share[s] which [IS/ARE] either deposited or subject to deposit under the deposit agreement at the Hong Kong office of The Hongkong and Shanghai Banking Corporation Limited (herein called the "Custodian"). The Depositary's Corporate Trust Office is located at a different address than its principal executive office. Its Corporate Trust Office is located at 101 Barclay Street, New York, N.Y. 10286, and its principal executive office is located at One Wall Street, New York, N.Y. 10286.

THE DEPOSITARY'S CORPORATE TRUST OFFICE ADDRESS IS
101 BARCLAY STREET, NEW YORK, N.Y. 10286

1. THE DEPOSIT AGREEMENT.

This American Depositary Receipt is one of an issue (herein called "Receipts"), all issued and to be issued upon the terms and conditions set forth in the deposit agreement, dated as of _____, 2003 (herein called the "Deposit Agreement"), by and among the Company, the Depositary, and all Owners and Beneficial Owners from time to time of Receipts issued thereunder, each of whom by accepting a Receipt agrees to become a party thereto and become bound by all the terms and conditions thereof. The Deposit Agreement sets forth the rights of Owners and Beneficial Owners of the Receipts and the rights and duties of the Depositary in respect of the Shares deposited thereunder and any and all other securities, property and cash from time to time received in respect of such Shares and held thereunder (such Shares, securities, property, and cash are herein called "Deposited Securities"). Copies of the Deposit Agreement are on file at the Depositary's Corporate Trust Office in New York City and at the office of the Custodian.

The statements made on the face and reverse of this Receipt are summaries of certain provisions of the Deposit Agreement and are qualified by and subject to the detailed provisions of the Deposit Agreement, to which reference is hereby made. Capitalized terms not defined herein shall have the meanings set forth in the Deposit Agreement.

2. SURRENDER OF RECEIPTS AND WITHDRAWAL OF SHARES.

Upon surrender at the Corporate Trust Office of the Depositary of this Receipt, and upon payment of the fee of the Depositary provided in this Receipt, and subject to the terms and conditions of the Deposit Agreement, the Owner hereof is entitled to delivery, to him or upon his order, of the amount of Deposited Securities at the time represented by the American Depositary Shares for which this Receipt is issued. Delivery of such Deposited Securities may be made by the delivery of (a) Shares in the name of the Owner hereof or as ordered by him or by certificates properly endorsed or accompanied by proper instruments of transfer to such Owner or as ordered by him and (b) any other securities, property and cash to which such Owner is then entitled in respect of this Receipt to such Owner or as ordered by him. Such delivery will be made at the option of the Owner hereof, either at the office of the Custodian or at the Corporate Trust Office of the Depositary, provided that the forwarding of certificates for Shares or other Deposited Securities for such delivery at the Corporate Trust Office of the Depositary shall be at the risk and expense of the Owner hereof. Notwithstanding any other provision of the Deposit Agreement or this Receipt, the surrender of outstanding Receipts and withdrawal of Deposited Securities may be suspended only for (i) temporary delays caused by closing the transfer books of the Depositary or the Company or the deposit of Shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes and similar charges, and (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the Receipts or to the withdrawal of the Deposited Securities.

3. TRANSFERS, SPLIT-UPS, AND COMBINATIONS OF RECEIPTS.

The transfer of this Receipt is registrable on the books of the Depositary at its Corporate Trust Office by the Owner hereof in person or by a duly authorized attorney, upon surrender of this Receipt properly endorsed for transfer or accompanied by proper instruments of transfer and funds sufficient to pay any applicable transfer taxes and the expenses of the Depositary and upon compliance with such regulations, if any, as the Depositary may establish for such purpose. This Receipt may be split into other such Receipts, or may be combined with other such Receipts into one Receipt, evidencing the same aggregate number of American Depositary Shares as the Receipt or Receipts surrendered. As a condition precedent to the execution and delivery, registration of transfer, split-up, combination, or surrender of any Receipt or withdrawal of any Deposited Securities, the Depositary, the Custodian, or Registrar may require payment from the depositor of Shares or the presenter of the Receipt of a sum sufficient to reimburse it for any tax, stamp duty or other governmental charge and any stock transfer or registration fee with respect thereto (including any such tax or charge and fee with respect to Shares being deposited or withdrawn) and payment of any applicable fees as provided in this Receipt, may require the production of proof satisfactory to it as to the identity and genuineness of any signature and may also require compliance with any regulations the Depositary may establish consistent with the provisions of the Deposit Agreement or this Receipt.

The delivery of Receipts against deposits of Shares generally or against deposits of particular Shares may be suspended, or the transfer of Receipts in particular instances may be refused, or the registration of transfer of outstanding Receipts generally may be suspended, during any period when the transfer books of the Depositary are closed, or if any such action is deemed necessary or advisable by the Depositary or the Company at any time or from time to time because of any requirement of law or of any government or governmental body or commission, or under any provision of the Deposit Agreement or this Receipt, or for any other reason, subject to Article (23) hereof. Without limitation of the foregoing, the Depositary shall not knowingly accept for deposit under the Deposit Agreement any Shares required to be registered under the provisions of the Securities Act, unless a registration statement is in effect as to such Shares.

4. LIABILITY OF OWNER FOR TAXES.

If any tax or other governmental charge shall become payable with respect to any Receipt or any Deposited Securities represented hereby, such tax or other governmental charge shall be payable by the Owner hereof to the Depositary. The Depositary may refuse to effect any transfer of this Receipt or any withdrawal of Deposited Securities represented by American Depositary Shares evidenced by such Receipt until such payment is made, and may withhold any dividends or other distributions, or may sell for the account of the Owner hereof any part or all of the Deposited Securities represented by the American Depositary Shares evidenced by this Receipt, and may apply such dividends or other distributions or the proceeds of any such sale in payment of such tax or other governmental charge and the Owner hereof shall remain liable for any deficiency.

5. WARRANTIES OF DEPOSITORS.

Every person depositing Shares under the Deposit Agreement shall be deemed thereby to represent and warrant that such Shares and each certificate therefor, if applicable, are validly issued, fully paid, nonassessable and free of any pre-emptive rights of the holders of outstanding Shares and that the person making such deposit is duly authorized so to do. Every such person shall also be deemed to represent that the deposit of such Shares and the sale of Receipts evidencing American Depositary Shares representing such Shares by that person would not be Restricted Securities. Such representations and warranties shall survive the deposit of Shares and issuance of Receipts.

6. FILING PROOFS, CERTIFICATES, AND OTHER INFORMATION.

Any person presenting Shares for deposit or any Owner or Beneficial Owner of a Receipt may be required from time to time to file with the Depositary or the Custodian such proof of citizenship or residence, exchange control approval, or such information relating to the registration on the books of the Company or the Foreign Registrar, if applicable, to execute such certificates and to make such representations and warranties, as the Depositary may deem necessary or proper. The Depositary may withhold the delivery or registration of transfer of any Receipt or the distribution of any dividend or sale or distribution of rights or of the proceeds thereof or the delivery of any Deposited Securities until such proof or other information is filed or such certificates are executed or such representations and warranties made. If requested in writing, the Depositary shall, as promptly as practicable, provide the Company, at the expense of the Company, with copies of any such proofs, certificates or other information it receives pursuant to this Article, unless prohibited by applicable law. No Share shall be accepted for deposit unless accompanied by evidence satisfactory to the Depositary that any necessary approval has been granted by any governmental body the Cayman Islands or in Hong Kong which is then performing the function of the regulation of currency exchange.

7. CHARGES OF DEPOSITARY.

The Company agrees to pay the fees, reasonable expenses and out-of-pocket charges of the Depositary and those of any Registrar only in accordance with agreements in writing entered into between the Depositary and the Company from time to time. The Depositary shall present its statement for such charges and expenses to the Company once every three months. The charges and expenses of the Custodian are for the sole account of the Depositary.

The following charges shall be incurred by any party depositing or withdrawing Shares or by any party surrendering Receipts or to whom Receipts are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding the Receipts or Deposited Securities or a distribution of Receipts pursuant to Section 4.3 of the Deposit Agreement), or by Owners, as applicable: (1) taxes, stamp duty and other governmental charges, (2) such registration fees as may from time to time be in effect for the registration of transfers of Shares

generally on the Share register of the Company or Foreign Registrar and applicable to transfers of Shares to or from the name of the Depositary or its nominee or the Custodian or its nominee on the making of deposits or withdrawals under the Deposit Agreement, (3) such cable, telex and facsimile transmission expenses as are expressly provided in the Deposit Agreement, (4) such expenses as are incurred by the Depositary in the conversion of foreign currency pursuant to Section 4.5 of the Deposit Agreement, (5) a fee of $5.00 or less per 100 American Depositary Shares (or portion thereof) for the execution and delivery of Receipts pursuant to Section 2.3, 4.3 or 4.4 of the Deposit Agreement and the surrender of Receipts pursuant to Section 2.5 or 6.2 of the Deposit Agreement, (6) a fee of $.02 or less per American Depositary Share (or portion thereof) for any cash distribution made pursuant to the Deposit Agreement, including, but not limited to Sections 4.1 through 4.4 of the Deposit Agreement, (7) a fee for the distribution of securities pursuant to Section 4.2 of the Deposit Agreement, such fee being in an amount equal to the fee for the execution and delivery of American Depositary Shares referred to above which would have been charged as a result of the deposit of such securities (for purposes of this clause 7 treating all such securities as if they were Shares) but which securities are instead distributed by the Depositary to Owners, (8) a fee of $.02 or less per American Depositary Share (or portion thereof) for depositary services, which will accrue on the last day of each calendar year and which will be payable as provided in clause (9) below; provided, however, that no fee will be assessed under this clause (8) to the extent a fee of $.02 was charged pursuant to clause (6) above during that calendar year and (9) any other charge payable by the Depositary, any of the Depositary's agents, including the Custodian, or the agents of the Depositary's agents in connection with the servicing of Shares or other Deposited Securities (which charge shall be assessed against Owners as of the date or dates set by the Depositary in accordance with Section 4.6 of the Deposit Agreement and shall be payable at the sole discretion of the Depositary by billing such Owners for such charge or by deducting such charge from one or more cash dividends or other cash distributions).

The Depositary, subject to Section 2.9 of the Deposit Agreement and Article 8 hereof, may own and deal in any class of securities of the Company and its affiliates and in Receipts.

8. PRE-RELEASE OF RECEIPTS.

The Depositary may issue Receipts against the delivery by the Company (or any agent of the Company recording Share ownership) of rights to receive Shares from the Company (or any such agent). No such issue of Receipts will be deemed a "Pre-Release" that is subject to the restrictions of the following paragraph.

Unless requested in writing by the Company to cease doing so, the Depositary may, notwithstanding Section 2.3 of the Deposit Agreement, execute and deliver Receipts prior to the receipt of Shares pursuant to Section 2.2 of the Deposit Agreement ("Pre-Release"). The Depositary may, pursuant to Section 2.5 of the Deposit Agreement, deliver Shares upon the receipt and cancellation of Receipts which have been

Pre-Released, whether or not such cancellation is prior to the termination of such Pre-Release or the Depositary knows that such Receipt has been Pre-Released. The Depositary may receive Receipts in lieu of Shares in satisfaction of a Pre-Release. Each Pre-Release will be (a) preceded or accompanied by a written representation and agreement from the person to whom Receipts are to be delivered (the "Pre-Releasee") that the Pre-Releasee, or its customer, (i) owns the Shares or Receipts to be remitted, as the case may be, (ii) assigns all beneficial rights, title and interest in such Shares or Receipts, as the case may be, to the Depositary in its capacity as such and for the benefit of the Owners, and (iii) will not take any action with respect to such Shares or Receipts, as the case may be, that is inconsistent with the transfer of beneficial ownership (including, without the consent of the Depositary, disposing of such Shares or Receipts, as the case may be), other than in satisfaction of such Pre-Release, (b) at all times fully collateralized with cash, U.S. government securities or such other collateral as the Depositary determines, in good faith, will provide substantially similar liquidity and security, (c) terminable by the Depositary on not more than five (5) business days notice, and (d) subject to such further indemnities and credit regulations as the Depositary deems appropriate. The number of Shares not deposited but represented by American Depositary Shares outstanding at any time as a result of Pre-Releases will not normally exceed thirty percent (30%) of the Shares deposited hereunder; provided, however, that the Depositary reserves the right to disregard such limit from time to time as it deems reasonably appropriate, and may, with the prior written consent of the Company, change such limit for purposes of general application. The Depositary will also set Dollar limits with respect to Pre-Release transactions to be entered into hereunder with any particular Pre-Releasee on a case-by-case basis as the Depositary deems appropriate. For purposes of enabling the Depositary to fulfill its obligations to the Owners under the Deposit Agreement, the collateral referred to in clause (b) above shall be held by the Depositary as security for the performance of the Pre-Releasee's obligations to the Depositary in connection with a Pre-Release transaction, including the Pre-Releasee's obligation to deliver Shares or Receipts upon termination of a Pre-Release transaction (and shall not, for the avoidance of doubt, constitute Deposited Securities hereunder).

The Depositary may retain for its own account any compensation received by it in connection with the foregoing.

9. TITLE TO RECEIPTS.

It is a condition of this Receipt and every successive Owner and Beneficial Owner of this Receipt by accepting or holding the same consents and agrees, that title to this Receipt when properly endorsed or accompanied by proper instruments of transfer, is transferable by delivery with the same effect as in the case of a negotiable instrument; under the laws of New York; provided, however, that the Depositary, notwithstanding any notice to the contrary, may treat the person in whose name this Receipt is registered on the books of the Depositary as the absolute owner hereof for the purpose of determining the person entitled to distribution of dividends or other distributions or to any notice provided for in the Deposit Agreement and for all other purposes.

10. VALIDITY OF RECEIPT.

This Receipt shall not be entitled to any benefits under the Deposit Agreement or be valid or obligatory for any purpose, unless this Receipt shall have been executed by the Depositary by the manual signature of a duly authorized signatory of the Depositary; provided, however, that such signature may be a facsimile if a Registrar for the Receipts shall have been appointed, and such Receipts are countersigned by the manual or facsimile signature of a duly authorized officer of the Registrar.

11. REPORTS; INSPECTION OF TRANSFER BOOKS.

The Company is subject to the periodic reporting requirements of the Securities Exchange Act of 1934 and, accordingly, files certain reports with the Securities and Exchange Commission (hereinafter called the "Commission").

Such reports and communications will be available for inspection and copying at the public reference facilities maintained by the Commission located at 450 Fifth Street, N.W., Washington, D.C. 20549.

The Depositary will make available for inspection by Owners of Receipts at its Corporate Trust Office any reports and communications, including any proxy soliciting material, received from the Company which are both (a) received by the Depositary as the holder of the Deposited Securities and (b) made generally available to the holders of such Deposited Securities by the Company. The Depositary shall also, upon written request, send to the Owners of Receipts copies of such reports when furnished by the Company pursuant to the Deposit Agreement. Any such reports and communications, including any such proxy soliciting material, furnished to the Depositary by the Company shall be furnished in English to the extent such materials are required to be translated into English pursuant to any regulation of the Commission.

The Depositary shall keep books at its Corporate Trust Office for the registration of Receipts and transfers of Receipts which at all reasonable times shall be open for inspection by the Owners and the Company, provided that such inspection shall not be for the purpose of communicating with Owners of Receipts in the interest of a business or object other than the business of the Company or a matter related to the Deposit Agreement or the Receipts.

12. DIVIDENDS AND DISTRIBUTIONS.

Whenever the Depositary shall receive any cash dividend or other cash distribution on any Deposited Securities, the Depositary shall, if at the time of receipt thereof any amounts received in a foreign currency can in the judgment of the Depositary be converted on a reasonable basis into United States dollars transferable to the United States, and subject to the Deposit Agreement, convert such dividend or distribution into Dollars and shall distribute the amount thus received (net of the fees and expenses of the Depositary as provided in the Deposit Agreement, if applicable) to the Owners of

Receipts entitled thereto, provided, however, that in the event that the Company or the Depositary shall be required to withhold and does withhold from such cash dividend or such other cash distribution in respect of any Deposited Securities an amount on account of taxes, the amount distributed to the Owners of the Receipts evidencing American Depositary Shares representing such Deposited Securities shall be reduced accordingly.

Subject to the provisions of Sections 4.11 and 5.9 of the Deposit Agreement, whenever the Depositary shall receive any distribution other than a distribution described in Sections 4.1, 4.3 or 4.4 of the Deposit Agreement, the Depositary shall cause the securities or property received by it to be distributed to the Owners of Receipts entitled thereto, after deduction or upon payment of any fees and expenses of the Depositary or any taxes or other governmental charges, in any manner that the Depositary may deem equitable and practicable for accomplishing such distribution; provided, however, that if in the opinion of the Depositary such distribution cannot be made proportionately among the Owners of Receipts entitled thereto, or if for any other reason the Depositary deems such distribution not to be feasible, the Depositary may adopt such method as it may deem equitable and practicable for the purpose of effecting such distribution, including, but not limited to, the public or private sale of the securities or property thus received, or any part thereof, and the net proceeds of any such sale (net of the fees of the Depositary as provided in Section 5.9 of the Deposit Agreement) shall be distributed by the Depositary to the Owners of Receipts entitled thereto as in the case of a distribution received in cash.

If any distribution upon any Deposited Securities consists of a dividend in, or free distribution of, Shares, the Depositary may, and shall if the Company shall so request, distribute to the Owners of outstanding Receipts entitled thereto, additional Receipts evidencing an aggregate number of American Depositary Shares representing the amount of Shares received as such dividend or free distribution, subject to the terms and conditions of the Deposit Agreement with respect to the deposit of Shares and the issuance of American Depositary Shares evidenced by Receipts, including the withholding of any tax or other governmental charge as provided in Section 4.11 of the Deposit Agreement and the payment of the fees and expenses of the Depositary as provided in Section 5.9 of the Deposit Agreement. In lieu of delivering Receipts for fractional American Depositary Shares in any such case, the Depositary shall sell the amount of Shares represented by the aggregate of such fractions and distribute the net proceeds, all in the manner and subject to the conditions set forth in the Deposit Agreement. If additional Receipts are not so distributed, each American Depositary Share shall thenceforth also represent the additional Shares distributed upon the Deposited Securities represented thereby.

The Company or its agent will remit to the appropriate governmental agency in the Cayman Islands all amounts withheld and owing to such agency. The Depositary will forward to the Company or its agent such information from its records as the Company may reasonably request to enable the Company or its agent to file necessary reports with

governmental agencies, and the Depositary or the Company or its agent may file any such reports necessary to obtain benefits under the applicable tax treaties for the Owners of Receipts. In the event that the Depositary determines that any distribution in property (including Shares and rights to subscribe therefor) is subject to any tax or other governmental charge which the Depositary is obligated to withhold, the Depositary may by public or private sale dispose of all or a portion of such property (including Shares and rights to subscribe therefor) in such amounts and in such manner as the Depositary deems necessary and practicable to pay any such taxes or charges and the Depositary shall distribute the net proceeds of any such sale after deduction of such taxes or charges to the Owners of Receipts entitled thereto.

13. CONVERSION OF FOREIGN CURRENCY.

Whenever the Depositary or the Custodian shall receive foreign currency, by way of dividends or other distributions or the net proceeds from the sale of securities, property or rights, and if at the time of the receipt thereof the foreign currency so received can in the judgment of the Depositary be converted on a reasonable basis into Dollars and the resulting Dollars transferred to the United States, the Depositary shall convert or cause to be converted, by sale or in any other manner that it may determine, such foreign currency into Dollars, and such Dollars shall be distributed to the Owners entitled thereto or, if the Depositary shall have distributed any warrants or other instruments which entitle the holders thereof to such Dollars, then to the holders of such warrants and/or instruments upon surrender thereof for cancellation. Such distribution may be made upon an averaged or other practicable basis without regard to any distinctions among Owners on account of exchange restrictions, the date of delivery of any Receipt or otherwise and shall be net of any expenses of conversion into Dollars incurred by the Depositary as provided in Section 5.9 of the Deposit Agreement.

If such conversion or distribution can be effected only with the approval or license of any government or agency thereof, the Depositary shall file such application for approval or license, if any, as it may deem desirable.

If at any time the Depositary shall determine that in its judgment any foreign currency received by the Depositary or the Custodian is not convertible on a reasonable basis into Dollars transferable to the United States, or if any approval or license of any government or agency thereof which is required for such conversion is denied or in the opinion of the Depositary is not obtainable without excessively burdensome or otherwise unreasonable efforts, or if any such approval or license is not obtained within a reasonable period as determined by the Depositary, or if there are foreign exchange controls in place that prohibit such conversion, the Depositary may distribute the foreign currency (or an appropriate document evidencing the right to receive such foreign currency) received by the Depositary to, or in its discretion may hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the Owners entitled to receive the same.

If any such conversion of foreign currency, in whole or in part, cannot be effected for distribution to some of the Owners entitled thereto, the Depositary may in its discretion make such conversion and distribution in Dollars to the extent permissible to the Owners entitled thereto and may distribute the balance of the foreign currency received by the Depositary to, or hold such balance uninvested and without liability for interest thereon for the respective accounts of, the Owners entitled thereto.

14. RIGHTS.

In the event that the Company shall offer or cause to be offered to the holders of any Deposited Securities any rights to subscribe for additional Shares or any rights of any other nature, the Depositary, after Consultation with the Company shall have discretion as to the procedure to be followed in making such rights available to any Owners or in disposing of such rights on behalf of any Owners and making the net proceeds available to such Owners or, if by the terms of such rights offering or for any other reason, the Depositary may not either make such rights available to any Owners or dispose of such rights and make the net proceeds available to such Owners, then the Depositary shall allow the rights to lapse. If at the time of the offering of any rights the Depositary determines in its discretion that it is lawful and feasible to make such rights available to all Owners or to certain Owners but not to other Owners, the Depositary may distribute, to any Owner to whom it determines the distribution to be lawful and feasible, in proportion to the number of American Depositary Shares held by such Owner, warrants or other instruments therefor in such form as it deems appropriate.

In circumstances in which rights would otherwise not be distributed, if an Owner of Receipts requests the distribution of warrants or other instruments in order to exercise the rights allocable to the American Depositary Shares of such Owner under the Deposit Agreement, the Depositary will make such rights available to such Owner upon written notice from the Company to the Depositary that (a) the Company has elected in its sole discretion to permit such rights to be exercised and (b) such Owner has executed such documents as the Company has determined in its sole discretion are reasonably required under applicable law.

If the Depositary has distributed warrants or other instruments for rights to all or certain Owners, then upon instruction from such an Owner pursuant to such warrants or other instruments to the Depositary from such Owner to exercise such rights, upon payment by such Owner to the Depositary for the account of such Owner of an amount equal to the purchase price of the Shares to be received upon the exercise of the rights, and upon payment of the fees and expenses of the Depositary and any other charges as set forth in such warrants or other instruments, the Depositary shall, on behalf of such Owner, exercise the rights and purchase the Shares, and the Company shall cause the Shares so purchased to be delivered to the Depositary on behalf of such Owner. As agent for such Owner, the Depositary will cause the Shares so purchased to be deposited pursuant to Section 2.2 of the Deposit Agreement, and shall, pursuant to Section 2.3 of the Deposit Agreement, execute and deliver Receipts to such Owner. In the case of a

distribution pursuant to the second paragraph of this Article, such Receipts shall be legended in accordance with applicable U.S. laws, and shall be subject to the appropriate restrictions on sale, deposit, cancellation and transfer under such laws.

If the Depositary determines in its discretion that it is not lawful and feasible to make such rights available to all or certain Owners, it may sell the rights, warrants or other instruments in proportion to the number of American Depositary Shares held by the Owners to whom it has determined it may not lawfully or feasibly make such rights available, and allocate the net proceeds of such sales (net of the fees and expenses of the Depositary as provided in Section 5.9 of the Deposit Agreement and all taxes and governmental charges payable in connection with such rights and subject to the terms and conditions of the Deposit Agreement) for the account of such Owners otherwise entitled to such rights, warrants or other instruments, upon an averaged or other practical basis without regard to any distinctions among such Owners because of exchange restrictions or the date of delivery of any Receipt or otherwise.

The Depositary will not offer rights to Owners unless both the rights and the securities to which such rights relate are either exempt from registration under the Securities Act with respect to a distribution to Owners or are registered under the provisions of the Securities Act; provided, that nothing in the Deposit Agreement shall create any obligation on the part of the Company to file a registration statement with respect to such rights or underlying securities or to endeavor to have such a registration statement declared effective. If an Owner of Receipts requests distribution of warrants or other instruments, notwithstanding that there has been no such registration under such the Securities Act, the Depositary shall not effect such distribution unless it has received an opinion from recognized counsel in the United States for the Company upon which the Depositary may rely that such distribution to such Owner is exempt from such registration; provided, however, the Company shall have no obligation to cause its counsel to issue such opinion at the request of such Owner.

The Depositary shall not be responsible for any failure to determine that it may be lawful or feasible to make such rights available to Owners in general or any Owner in particular.

15. RECORD DATES.

Whenever any cash dividend or other cash distribution shall become payable or any distribution other than cash shall be made, or whenever rights shall be issued with respect to the Deposited Securities, or whenever for any reason the Depositary causes a change in the number of Shares that are represented by each American Depositary Share, or whenever the Depositary shall receive notice of any meeting of holders of Shares or other Deposited Securities, or whenever the Depositary shall find it necessary or convenient, the Depositary shall fix a record date, which date shall be the same date, to the extent practicable, as the record date for the Deposited Securities or if different, as close thereto as practicable (a) for the determination of the Owners of Receipts who shall

be (i) entitled to receive such dividend, distribution or rights or the net proceeds of the sale thereof or (ii) entitled to give instructions for the exercise of voting rights at any such meeting, or (b) on or after which each American Depositary Share will represent the changed number of Shares, or (c) for any other matter, subject to the provisions of the Deposit Agreement.

16. VOTING OF DEPOSITED SECURITIES.

Upon receipt of notice of any meeting of holders of Shares or other Deposited Securities, if requested in writing by the Company, the Depositary shall, as soon as practicable thereafter, mail to the Owners of Receipts a notice, the form of which notice shall contain (a) such information as is contained in such notice of meeting, (b) a statement that the Owners of Receipts as of the close of business on a specified record date will be entitled, subject to any applicable provision of Hong Kong and Cayman Islands law and of the Memorandum and Articles of Association of the Company, to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the amount of Shares or other Deposited Securities represented by their respective American Depositary Shares and (c) a statement as to the manner in which such instructions may be given. Upon the written request of an Owner of a Receipt on such record date, received on or before the date established by the Depositary for such purpose (the "Instruction Date"), the Depositary shall endeavor, in so far as practicable to vote or cause to be voted the amount of Shares or other Deposited Securities represented by the American Depositary Shares evidenced by such Receipt in accordance with the instructions set forth in such request. The Depositary shall not vote or attempt to exercise the right to vote that attaches to the Shares or other Deposited Securities, other than in accordance with such instructions.

There can be no assurance that Owners generally or any Owner in particular will receive the notice described in the preceding paragraph sufficiently prior to the

Instruction Date to ensure that the Depositary will vote the Shares or Deposited Securities in accordance with the provisions set forth in the preceding paragraph.

17. CHANGES AFFECTING DEPOSITED SECURITIES.

In circumstances where the provisions of Section 4.3 of the Deposit Agreement do not apply, upon any change in nominal value, change in par value, split-up, consolidation or any other reclassification of Deposited Securities, or upon any recapitalization, reorganization, merger or consolidation, or sale of assets affecting the Company or to which it is a party, any securities which shall be received by the Depositary or a Custodian in exchange for or in conversion of or in respect of Deposited Securities shall be treated as new Deposited Securities under the Deposit Agreement, and American Depositary Shares shall thenceforth represent, in addition to the existing Deposited Securities, if any, the new Deposited Securities so received in exchange or conversion, unless additional Receipts are delivered pursuant to the following sentence. In any such case the Depositary may, and shall at the Company's request, execute and deliver additional Receipts as in the case of a dividend in Shares, or call for the surrender of outstanding Receipts to be exchanged for new Receipts specifically describing such new Deposited Securities.

18. LIABILITY OF THE COMPANY AND DEPOSITARY.

Neither the Depositary nor the Company nor any of their respective directors, officers, employees, agents or affiliates shall incur any liability to any Owner or Beneficial Owner of any Receipt, if by reason of any provision of any present or future law or regulation of the United States, the People's Republic of China or any other country, or of any governmental or regulatory authority or stock exchange, or by reason of any provision, present or future, of the Memorandum and Articles of Association of the Company, or by reason of any provision of any Securities issued or distributed by the Company, or any Offering or distribution thereof or by reason of any act of God or war or terrorism or other circumstances beyond its control, the Depositary or the Company shall be prevented, delayed or forbidden from, or be subject to any civil or criminal penalty on account of, doing or performing any act or thing which by the terms of the Deposit Agreement or Deposited Securities it is provided shall be done or performed; nor shall the Depositary or the Company or any of their respective directors, officers, employees, agents or affiliates incur any liability to any Owner or Beneficial Owner of a Receipt by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or thing which by the terms of the Deposit Agreement it is provided shall or may be done or performed, or by reason of any exercise of, or failure to exercise, any discretion provided for in the Deposit Agreement. Where, by the terms of a distribution pursuant to Sections 4.1, 4.2 or 4.3 of the Deposit Agreement, or an offering or distribution pursuant to Section 4.4 of the Deposit Agreement, or for any other reason, such distribution or offering may not be made available to Owners of Receipts, and the Depositary may not dispose of such distribution or offering on behalf of such Owners and make the net proceeds available to such Owners, then the Depositary shall not make such distribution

or offering, and shall allow any rights, if applicable, to lapse in each such case without liability to the Company or the Depositary.

Neither the Company nor the Depositary nor any of their officers, employees, agents or affiliates assumes any obligation or shall be subject to any liability under the Deposit Agreement to Owners or Beneficial Owners of Receipts, except that the Company and the Depositary agree to perform their obligations specifically set forth in the Deposit Agreement without negligence or bad faith. The Depositary shall not be subject to any liability with respect to the validity or worth of the Deposited Securities. Neither the Depositary nor the Company shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities or in respect of the Receipts, which in its opinion may involve it in expense or liability, unless indemnity satisfactory to it against all expense and liability shall be furnished as often as may be required, and the Custodian shall not be under any obligation whatsoever with respect to such proceedings, the responsibility of the Custodian being solely to the Depositary. Neither the Depositary nor the Company shall be liable for any action or nonaction by it in reliance upon the advice of or information from legal counsel, accountants, any person presenting Shares for deposit, any Owner or Beneficial Owner of a Receipt, or any other person believed by it in good faith to be competent to give such advice or information. The Depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the Depositary or in connection with any matter arising wholly after the removal or resignation of the Depositary, provided that in connection with the issue out of which such potential liability arises the Depositary performed its obligations without negligence or bad faith while it acted as Depositary. The Depositary shall not be responsible for any failure to carry out any instructions to vote any of the Deposited Securities, or for the manner in which any such vote is cast or the effect of any such vote, provided that any such action or nonaction is in good faith. The Company agrees to indemnify the Depositary, its directors, employees, agents and affiliates and any Custodian against, and hold each of them harmless from, any liability or expense (including, but not limited to, the fees and expenses of counsel) which may arise out of any registration with the Commission of Receipts, American Depositary Shares or Deposited Securities or the offer or sale thereof in the United States or out of acts performed or omitted, in accordance with the provisions of the Deposit Agreement and of the Receipts, as the same may be amended, modified or supplemented from time to time, (i) by either the Depositary or a Custodian or their respective directors, employees, agents and affiliates, except for any liability or expense arising out of the negligence or bad faith of either of them, or (ii) by the Company or any of its directors, employees, agents and affiliates. No disclaimer of liability under the Securities Act of 1933 is intended by any provision of the Deposit Agreement.

19. RESIGNATION AND REMOVAL OF THE DEPOSITARY.

The Depositary may at any time resign as Depositary under the Deposit Agreement by written notice of its election so to do delivered to the Company, such

resignation to take effect upon the appointment of a successor depositary and its acceptance of such appointment as provided in the Deposit Agreement. The Depositary may at any time be removed by the Company by 90 days prior written notice of such removal, which shall become effective upon the later to occur of the (i) 90th day after delivery of the notice to the Depositary or (ii) the appointment of a successor depositary and its acceptance of such appointment as provided in the Deposit Agreement. Whenever the Depositary in its discretion determines that it is in the best interest of the Owners of Receipts to do so, it may appoint a substitute or additional custodian or custodians.

20. AMENDMENT.

The form of the Receipts and any provisions of the Deposit Agreement may at any time and from time to time be amended by agreement between the Company and the Depositary without the consent of Owners and Beneficial Owners in any respect which they may deem necessary or desirable. Any amendment which shall impose or increase any fees or charges (other than taxes and other governmental charges, registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or which shall otherwise prejudice any substantial existing right of Owners of Receipts, shall, however, not become effective as to outstanding Receipts until the expiration of thirty (30) days after notice of such amendment shall have been given to the Owners of outstanding Receipts. Every Owner of a Receipt at the time any amendment so becomes effective shall be deemed, by continuing to hold such Receipt, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event shall any amendment impair the right of the Owner of any Receipt to surrender such Receipt and receive therefor the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law.

21. TERMINATION OF DEPOSIT AGREEMENT.

The Depositary shall at any time at the direction of the Company terminate the Deposit Agreement by mailing notice of such termination to the Owners of all Receipts then outstanding at least ninety (90) days prior to the date fixed in such notice for such termination. The Depositary may likewise terminate the Deposit Agreement by mailing notice of such termination to the Company and the Owners of all Receipts then outstanding if at any time ninety (90) days shall have expired after the Depositary shall have delivered to the Company a written notice of its election to resign and a successor depositary shall not have been appointed and accepted its appointment as provided in the Deposit Agreement. On and after the date of termination, the Owner of a Receipt will, upon (a) surrender of such Receipt at the Corporate Trust Office of the Depositary, (b) payment of the fee of the Depositary for the surrender of Receipts referred to in Section 2.5 of the Deposit Agreement and (c) payment of any applicable taxes or governmental charges, be entitled to delivery, to him or upon his order, of the amount of Deposited Securities represented by the American Depositary Shares evidenced by such Receipt. If any Receipts shall remain outstanding after the date of termination, the Depositary thereafter shall discontinue the registration of transfers of Receipts, shall suspend the distribution of dividends to the Owners thereof, and shall not give any further notices or

perform any further acts under the Deposit Agreement, except that the Depositary shall continue to collect dividends and other distributions pertaining to Deposited Securities, shall sell rights and other property as provided in the Deposit Agreement, and shall continue to deliver Deposited Securities, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any rights or other property, in exchange for Receipts surrendered to the Depositary (after deducting, in each case, the fee of the Depositary for the surrender of a Receipt, any expenses for the account of the Owner of such Receipt in accordance with the terms and conditions of the Deposit Agreement and any applicable taxes or governmental charges). At any time after the expiration of one year from the date of termination, the Depositary may sell the Deposited Securities then held under the Deposit Agreement and may thereafter hold uninvested the net proceeds of any such sale, together with any other cash then held by it thereunder, unsegregated and without liability for interest, for the pro rata benefit of the Owners of Receipts which have not theretofore been surrendered, such Owners thereupon becoming general creditors of the Depositary with respect to such net proceeds. After making such sale, the Depositary shall be discharged from all obligations under the Deposit Agreement, except for its obligations to the Company under Section 5.8 of the Deposit Agreement and to account for such net proceeds and other cash (after deducting, in each case, the fee of the Depositary for the surrender of a Receipt, any expenses for the account of the Owner of such Receipt in accordance with the terms and conditions of the Deposit Agreement, and any applicable taxes or governmental charges). Upon the termination of the Deposit Agreement, the Company shall be discharged from all obligations under the Deposit Agreement except for its obligations to the Depositary under Sections 5.8 and 5.9 of the Deposit Agreement.

22. DISCLOSURE OF INTERESTS.

Notwithstanding any other provision of this Deposit Agreement, each Owner and Beneficial Owner agrees to comply with requests from the Company pursuant to applicable law or the Memorandum and Articles of Association to provide information, inter alia, as to the capacity in which such Owner or Beneficial Owner owns American Depositary Shares (and Shares as the case may be) and regarding the identity of any other person(s) interested in such American Depositary Shares (and Shares, as the case may be) and the nature of such interest and various other matters, whether or not they are Owners or Beneficial Owners at the time of such request. The Depositary agrees to use its reasonable efforts to forward, upon the reasonable written request of the Company and at the expense of the Company, any such written request from the Company to the Owners and to forward, as promptly as practicable, to the Company any such responses to such requests received by the Depositary. If the Company requests information from the Depositary, the Custodian or the nominee of either, as the registered owner of the Shares, the obligations of the Depositary, Custodian or such nominee, as the case may be, shall be limited to disclosing to the Company the information contained in the register.

23. COMPLIANCE WITH U.S. SECURITIES LAWS.

Notwithstanding anything in the Deposit Agreement or this Receipt to the contrary, the Company and the Depositary each agrees that it will not exercise any rights it has under the Deposit Agreement to prevent the withdrawal or delivery of Deposited Securities in a manner which would violate the U.S. securities laws, including, but not limited to, Section I.A.(1) of the General Instructions to the Form F-6 Registration Statement, as amended from time to time, under the Securities Act.

24. SUBMISSION TO JURISDICTION; APPOINTMENT OF AGENT FOR SERVICE OF PROCESS.

The Company hereby (i) irrevocably designates and appoints CT Corporation System, 111 Eighth Avenue, 13th Floor, New York, New York 10011, in the State of New York, as the Company's authorized agent upon which process may be served in any suit or proceeding arising out of or relating to the Shares or Deposited Securities, the American Depositary Shares, the Receipts or this Agreement, (ii) consents and submits to the jurisdiction of any state or federal court in the State of New York in which any such suit or proceeding may be instituted, and (iii) agrees that service of process upon said authorized agent shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding. The Company agrees to deliver, upon the execution and delivery of the Deposit Agreement, a written acceptance by such agent of its appointment as such agent. The Company further agrees to take any and all action, including the filing of any and all such documents and instruments, as may be necessary to continue such designation and appointment in full force and effect for so long as any American Depositary Shares or Receipts remain outstanding or this Agreement remains in force. In the event the Company fails to continue such designation and appointment in full force and effect, the Company hereby waives personal service of process upon it and consents that any such service of process may be made by certified or registered mail, return receipt requested, directed to the Company at its address last specified for notices hereunder, and service so made shall be deemed completed five (5) days after the same shall have been so mailed.

25. ARBITRATION.

In the event the Depositary is advised that a judgment of a United States court may not be recognized, the following provisions shall apply:

(i) Any controversy, claim or cause of action brought by any party or parties hereto against any other party or parties hereto arising out of or relating to the Deposit Agreement shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

(ii) The place of the arbitration shall be the City of New York, State of New York, United States of America, and the language of the arbitration shall be English.

(iii) The number of arbitrators shall be three, each of whom shall be disinterested in the dispute or controversy, shall have no connection with any party

thereto, and shall be an attorney experienced in international securities transactions. Each party shall appoint one arbitrator and the two arbitrators shall select a third arbitrator who shall serve as chairperson of the tribunal. If a dispute, controversy or cause of action shall involve more than two parties, the parties shall attempt to align themselves in two sides (i.e., claimant and respondent), each of which shall appoint one arbitrator as if there were only two parties to such dispute, controversy or cause of action. If either or both parties fail to select an arbitrator, or if such alignment (in the event there is more than two parties) shall not have occurred, within sixty (60) calendar days after the initiating party serves the arbitration demand or the two arbitrators fail to select a third arbitrator within sixty (60) calendar days of the selection of the second arbitrator, the American Arbitration Association shall appoint the arbitrator or arbitrators in accordance with its rules. The parties and the American Arbitration Association may appoint the arbitrators from among the nationals of any country, whether or not a party is a national of that country.

(iv) The arbitrators shall have no authority to award damages not measured by the prevailing party's actual damages and shall have no authority to award any consequential, special or punitive damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of the Deposit Agreement.

(v) In the event any third-party action or proceeding is instituted against the Depositary relating to or arising from any act or failure to act by the Company, the Company hereby submits to the personal jurisdiction of the court or administrative agency in which such action or proceeding is brought.

EXHIBIT 4.4

CTRIP.COM INTERNATIONAL, LTD.

A CAYMAN ISLANDS COMPANY

SHAREHOLDERS AGREEMENT

EXHIBIT 4.4

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SHAREHOLDERS AGREEMENT

THIS SHAREHOLDERS AGREEMENT (the "AGREEMENT") is made and entered into as of September 4, 2003, by and among CTRIP.COM INTERNATIONAL, LTD., a Cayman Islands company (the "COMPANY"), Ctrip.com (Hong Kong) Limited, a company organized under the laws of the Hong Kong Special Administrative Region of the People's Republic of China (the "HK SUBSIDIARY"), Ctrip Computer Technology (Shanghai) Limited, a wholly foreign-owned enterprise established under the laws of the People's Republic of China ("CTRIP COMPUTER TECHNOLOGY"), Ctrip Travel Information Technology (Shanghai) Limited, a wholly foreign-owned enterprise established under the laws of the People's Republic of China ("CTRIP SHANGHAI" and together with the Company, the HK Subsidiary and the Ctrip Computer Technology, the "GROUP COMPANIES" and each a "GROUP COMPANY"), THE HOLDERS OF SERIES A PREFERRED SHARES ("SERIES A SHARES") listed on Exhibit A hereto (each a "SERIES A INVESTOR" and collectively, "SERIES A INVESTORS"), THE HOLDERS OF SERIES B PREFERRED SHARES ("SERIES B SHARES") listed on Exhibit B hereto (each a "SERIES B INVESTOR" and collectively, "SERIES B INVESTORS"), THE HOLDERS OF SERIES C PREFERRED SHARES listed on Exhibit C hereto (each a "SERIES C INVESTOR" and collectively, "SERIES C INVESTORS", and together with the Series A Investors and Series B Investors, the "INVESTORS"), the individuals listed on Exhibit D hereto (each a "FOUNDER" and collectively the "FOUNDERS") the individuals listed on Exhibit E hereto (each a "MODERN EXPRESS SHAREHOLDER"), and collectively, the "MODERN EXPRESS SHAREHOLDERS" and IDG Technology Venture Investment, Inc.

RECITALS

WHEREAS, each of the Company, the HK Subsidiary, the Ctrip Computer Technology and Ctrip Shanghai is a company limited by shares, the particulars of which are set out in Exhibit F;

WHEREAS, the Company and the Series C Investors are parties to that certain Series C Preferred Shares Purchase Agreement dated August 27, 2003 (the "SERIES C PURCHASE AGREEMENT") under which the Series C Investors' and the Company's obligations are conditioned upon execution and delivery of this Agreement by the Series C Investors immediately prior to the Closing Date under the Series C Purchase Agreement; and

NOW, THEREFORE, in consideration of the foregoing premises, mutual promises and covenants contained herein, the parties agree as follows:

1. INFORMATION RIGHTS; BOARD REPRESENTATION

1.1 Information and Inspection Rights

The Company covenants and agrees that, commencing on the date of this Agreement, for so long as a shareholder holds 5% of (i) the outstanding Ordinary Shares of the Company or (ii) any of the Company's Series A, Series B or Series C Preferred Shares ("SERIES C SHARES", and together with the Series A Shares and the Series B Shares, the "PREFERRED SHARES"), the Company will deliver to such shareholder:

(a) audited annual consolidated financial statements, including balance sheet, income statement and statement of cash flow, within ninety (90) days after the end of each fiscal year, audited by a "Big 4" accounting firm of the Company's choice;

(b) unaudited quarterly financial consolidated statement within forty-five (45) days after the end of each of the first three quarters;

(c) unaudited monthly consolidated financial statements, including balance sheet, income statement and statement of cash flow, within twenty-one (21) days of the end of each month;

(d) an annual consolidated budget for the following fiscal year within thirty (30) days after the end of each fiscal year; and

(e) upon the written request by the shareholder, such other information as the shareholder shall reasonably request.

All financial statements to be provided to the Shareholders pursuant to this Section 1.1 shall be in reasonable detail and prepared in conformance with U.S. Generally Accepted Accounting Principles or Hong Kong Generally Accepted Accounting Principles.

Each of the Group Companies further covenant and agree that, commencing on the date of this Agreement, for so long as a shareholder holds 5% of any of the Series A Shares, Series B Shares or Series C Shares, such shareholder shall have standard inspection rights of the facilities, records and books of the any of the Group Companies, including, without limitation, the right to discuss the business, operations and conditions of such Group Company with its directors, officers, accounts, legal counsel and investment bankers, provided that any such inspection will be conducted in such a manner as shall not unduly interfere with the Group Company's normal course of business.

These information and inspection rights shall terminate upon the consummation of an underwritten public offering of the Ordinary Shares of the Company in the United States, that has been registered under the Securities Act of 1933, as amended (the "SECURITIES ACT"), with the gross proceeds in excess of US$25,000,000, or in a similar public offering of the Ordinary Shares of the Company in a jurisdiction and on a recognized securities exchange or automated trading system outside of the United States, provided that such public offering is reasonably equivalent to the aforementioned public offering in the United States in terms of price, offering proceeds and regulatory approval (a "QUALIFIED IPO").

1.2 Board Representation; Observer

(a) Upon the Closing (as defined in the Series C Purchase Agreement) the Company's Board of Directors (the "BOARD") shall be constituted in the manner set forth herein. Upon the Closing, the Company's Amended and Restated Memorandum and Articles of Association (the "MEMORANDUM AND ARTICLES") shall provide that the Board shall consist of eight (8) members (excluding independent Directors), which number of members shall not be changed except pursuant to an amendment to the Amended and Restated Memorandum and Articles.

(i) Carlyle Asia Venture Partners I, L.P. and CIPA Co-Investments, L.P. (together with Carlyle Asia Venture Partners I, "CARLYLE") shall be entitled to elect two (2) Directors to the Board;

(ii) Each of the three (3) largest holders of Series A Shares, Series B Shares and Ordinary Shares (excluding Carlyle and the Founders and calculated on an as-converted basis) shall be entitled to one (1) Director; and

(iii) The Founders shall be entitled to elect three (3) Directors.

Two (2) independent Directors shall be nominated by holders of a majority of the Ordinary Shares and Preferred Shares (calculated on an as-converted basis). Any Director may only be removed or replaced by the party who elected such Director.

(b) For as long as a shareholder not otherwise represented on the Board holds at least 20% of the Shares it originally purchased from the Company and such holding constitutes at least 3% of the then outstanding Ordinary Shares of the Company (on a fully diluted and as-converted basis), such shareholder shall be entitled to appoint one (1) observer to attend all meetings of the Board (whether in person, telephonic or otherwise) in a non-voting, observer capacity; provided, however, such observer may be excluded from all or any portion of a meeting where their presence could reasonably result in (1) the disclosure of trade secrets to a competitor or (2) the loss of attorney-client privilege. Each observer shall enter into a legally enforceable confidentiality agreement with the Company prior to exercising observation rights.

2. REGISTRATION RIGHTS

2.1 Applicability of Rights

The holders of Preferred Shares shall be entitled to the following rights with respect to any public offering of the Company's Ordinary Shares in the United States and shall be entitled to reasonably analogous or equivalent rights with respect to any other offering of shares in any other jurisdiction pursuant to which the Company undertakes to publicly offer or list such securities for trading on a recognized securities exchange.

2.2 Definitions

For purposes of this Section 2:

(a) Form S-3 and Form F-3

The terms "FORM S-3" and "FORM F-3" means such respective form under the Securities Act as is in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(b) Holder

For purposes of this Section 2, the term "HOLDER" means any person owning of record Registrable Securities that have not been sold to the public or pursuant to Rule 144 promulgated under the Securities Act ("RULE 144"), or any permitted assignee of record of such Registrable Securities to whom rights under this Section 2 have been duly assigned in accordance with this Agreement.

(c) Initial Offering

The term "INITIAL OFFERING" means the Company's first firm commitment underwritten public offering of its Ordinary Shares where the shares are subsequently primarily traded on the Nasdaq Stock Market's National Market or the New York Stock Exchange or another comparable exchange or marketplace approved by the Board.

(d) Registrable Securities

The term "REGISTRABLE SECURITIES" means: (i) any Ordinary Shares of the Company issued or to be issued pursuant to conversion of any Preferred Shares, (ii) any Ordinary Shares of the Company 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, or in exchange for or in replacement of, any Preferred Shares described in clause (i) of this subsection (d), and (iii) any other Ordinary Shares of the Company owned or hereafter acquired by any holder of Preferred Shares. Notwithstanding the foregoing, "REGISTRABLE SECURITIES" shall exclude any Registrable Securities sold by a person in a transaction in which rights under this Section 2 are not assigned in accordance with this Agreement or any Registrable Securities sold in a public offering, whether sold pursuant to Rule 144, in a registered offering or otherwise.

(e) Registrable Securities Then Outstanding

The number of shares of "REGISTRABLE SECURITIES THEN OUTSTANDING" shall mean the number of Ordinary Shares of the Company that are, and the number of Ordinary Shares of the Company issuable pursuant to then exercisable or convertible securities that are, Registrable Securities and are then issued and outstanding.

(f) Registration

The terms "REGISTER," "REGISTERED," and "REGISTRATION" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

(g) SEC

The term "SEC" or "COMMISSION" means the U.S. Securities and Exchange Commission.

2.3 Demand Registration

(a) Request by Holders

If the Company shall at any time after the Initial Offering receive a written request from the Holders of at least fifty percent (50%) of the Registrable Securities then outstanding (the "INITIATING HOLDERS") that the Company file a registration statement under the Securities Act covering the registration of Registrable Securities pursuant to this Section 2.3, then the Company shall, within ten (10) business days of the receipt of such written request, give written notice of such request ("REQUEST NOTICE") to all Holders, and use its best efforts to effect, as soon as practicable, the registration under the Securities Act of all Registrable Securities that the Holders request to be registered and included in such registration by written notice given by such Holders to the Company within twenty (20) days after receipt of the Request Notice, subject only to the limitations of this Section 2.3; provided that the Registrable Securities requested by all Holders to be registered pursuant to such request must be at least fifteen percent (15%) of all Registrable Securities then outstanding; and provided further, that the Company shall not be obligated to effect any such registration if the Company has, within the six (6) month period preceding the date of such request, already effected a registration under the Securities Act pursuant to this Section 2.3 or Section 2.5 or in which the Holders had an opportunity to participate pursuant to the provisions of Section 2.4, other than a registration from which the Registrable Securities of the Holders have been excluded (with respect to all or any portion of the Registrable Securities the Holders requested be included in such registration).

(b) Underwriting

If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, then they shall so advise the Company as a part of their request made pursuant to this Section 2.3 and the Company shall include such information in the Request Notice.

In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein.

All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected for such underwriting by the Holders of a majority of the Registrable Securities being registered and reasonably acceptable to the Company (including a market stand-off agreement of up to 180 days if required by such underwriter or underwriters).

Notwithstanding any other provision of this Section 2.3, if the underwriter(s) advise(s) the Company in writing that marketing factors require a limitation of the number of securities to be underwritten (including Registrable Securities), then the Company shall so advise all Holders of Registrable Securities which would otherwise be registered and underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be reduced as required by the underwriter(s) and allocated among the Holders of Registrable Securities on a pro rata basis according to the number of Registrable Securities then outstanding held by each Holder requesting registration (including the Initiating Holders); provided, however, that the number of shares of Registrable Securities to be included in such underwriting and registration shall not be reduced unless all other securities are first entirely excluded from the underwriting and registration including, without

limitation, all shares that are not Registrable Securities and are held by any other person, including, without limitation, any person who is an employee, officer or director of the Company or any direct or indirect subsidiary of the Company; provided further, that at least thirty percent (30%) of shares of Registrable Securities requested by the Holders to be included in such underwriting and registration shall be so included. For purposes of the preceding sentence concerning apportionment, for any selling shareholder that is a Holder of Registrable Securities and that is a venture capital fund, partnership, limited liability company or corporation, the affiliated venture capital funds, partners, retired partners, members, retired members and shareholders of such Holder, or the estates and family members of any such partners, retired partners, members or retired members and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single "Holder," and any pro rata reduction with respect to such "Holder" shall be based upon the aggregate amount of Registrable Securities owned by all such related entities and individuals.

If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter(s), delivered at least ten (10) business days prior to the effective date of the registration statement.

Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration.

(c) Maximum Number of Demand Registrations

The Company shall be obligated to effect only three (3) such registrations pursuant to this Section 2.3.

(d) Deferral

Notwithstanding the foregoing, if the Company shall furnish to Holders requesting the filing of a registration statement pursuant to this Section 2.3, a certificate signed by the President or Chief Executive Officer of the Company stating that in the good faith judgment of the Board, it would be materially detrimental to the Company and its shareholders for such registration statement to be filed, then the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the initiating Holders; provided, however, that the Company may not utilize this right more than once in any twelve (12) month period and provided further that the Company shall not register any securities for the account of itself or any other shareholder during such ninety (90) day period (other than a registration relating solely to any employee benefit plan or a corporate reorganization).

(e) Expenses

All expenses incurred in connection with any registration pursuant to this Section 2.3, including without limitation all U.S. federal, "blue sky" and all foreign registration, filing and qualification fees, printer's and accounting fees, and fees and disbursements of counsel for the Company and the reasonable fees and disbursements of one counsel for the Holders participating in such registration (but excluding underwriters' discounts and commissions relating to shares sold by the Holders), shall be borne by the Company.

Each Holder participating in a registration pursuant to this Section 2.3 shall bear such Holder's proportionate share (based on the total number of shares sold in such registration other than for the account of the Company) of all discounts, and commissions or other amounts payable to underwriter(s) or brokers, in connection with such offering by the Holders.

Notwithstanding the foregoing, the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to this Section 2.3 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered, unless the Holders of a majority of the Registrable Securities then outstanding agree that such registration constitutes the use by the Holders of one (1) demand registration pursuant to this Section 2.3 (in which case such registration shall also constitute the use by all Holders of Registrable Securities of one (1) such demand registration); provided, however, that 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 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 and such registration shall not constitute the use of a demand registration pursuant to this Section 2.3.

2.4 Piggyback Registrations

(a) The Company shall notify all Holders of Registrable Securities in writing at least twenty (20) days prior to filing any registration statement under the Securities Act for purposes of effecting a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding registration statements relating solely to any employee benefit plan or a corporate reorganization) 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 desiring to include in any such registration statement all or any part of the Registrable Securities held by such Holder shall within ten (10) 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. 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 any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(b) Underwriting

If a registration statement under which the Company gives notice under this Section 2.4 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's Registrable Securities to be included in a registration pursuant to this Section 2.4 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 underwriters selected for such underwriting (including a market stand-off agreement of up to 180 days if required by such underwriter or underwriters).

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 (including Registrable Securities), then the managing underwriter(s) may exclude shares from the registration and the underwriting, and the number of shares that may be included in the registration and the underwriting shall be allocated, first, to the Company, and second, to each of the Holders requesting inclusion of their Registrable Securities in such registration statement on a pro rata basis based on the total number of Registrable Securities then held by each such Holder; provided, however, that the right of the underwriter(s) to exclude shares (including Registrable Securities) from the registration and underwriting as described above shall be restricted so that (i) the number of Registrable Securities included in any such registration is not reduced below thirty percent (30%) of the aggregate number of Registrable Securities for which inclusion has been requested; and (ii) all shares that are not Registrable Securities and are held by any other person, including, without limitation, any person who is an employee, officer or director of the Company (or any direct or indirect subsidiary of the Company) shall first be excluded from such registration and underwriting before any Registrable Securities are so excluded. For purposes of the preceding sentence concerning apportionment, for any selling shareholder that is a Holder of Registrable Securities and that is a venture capital fund, partnership, limited liability company or corporation, the affiliated venture capital funds, partners, retired partners, members, retired members and shareholders of such Holder, or the estates and family members of any such partners, retired partners, members or retired members and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single "Holder," and any pro rata reduction with respect to such "Holder" shall be based upon the aggregate amount of Registrable Securities owned by all such related entities and individuals.

If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter(s), delivered at least ten (10) business days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration.

(c) Expenses

All expenses incurred in connection with a registration pursuant to this Section 2.4 (excluding underwriters' and brokers' discounts and commissions relating to shares sold by the Holders), including, without limitation all U.S. federal, "blue sky" and all foreign registration, filing and qualification fees, printers' and accounting fees, and fees and disbursements of counsel for the Company and reasonable fees and disbursements of one counsel for the Holders, shall be borne by the Company.

(d) Not Demand Registration

Registration pursuant to this Section 2.4 shall not be deemed to be a demand registration as described in Section 2.3 above.

Except as otherwise provided herein, there shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 2.4.

2.5 Form S-3 or Form F-3 Registration

In case the Company shall at any time after the first anniversary of the date hereof receive from any Holder or Holders of a majority of all Registrable Securities then outstanding a written request or requests that the Company effect a registration on Form S-3 or Form F-3 (or an equivalent registration in a jurisdiction outside of the United States) and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, then the Company will:

(a) Notice

Promptly give written notice of the proposed registration and the Holder's or Holders' request therefor, and any related qualification or compliance, to all other Holders of Registrable Securities; and

(b) Registration

As soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holders or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within twenty (20) days after the Company provides the notice contemplated by Section 2.5(a); provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 2.5:

(i) if Form S-3 or Form F-3 is not available for such offering by the Holders;

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than US$5,000,000;

(iii) if the Company shall furnish to the Holders a certificate signed by the President or Chief Executive Officer of the Company stating that in the good faith judgment of the Board, it would be materially detrimental to the Company and its shareholders for such Form S-3 or Form F-3 Registration (or equivalent registration in a jurisdiction outside of the United States) to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 or Form F-3 registration statement (or equivalent registration statement in a jurisdiction outside of the United States) no more than once during any twelve (12) month period for a period of not more than ninety (90) days after receipt of the request of the Holder or Holders under this Section 2.5 and provided further that the Company shall not register any securities for the account of itself or any other shareholder during such ninety (90) day period (other than a registration relating solely to any employee benefit plan or a corporate reorganization);

(iv) if the Company has, within the six (6) month period preceding the date of such request, already effected a registration under the Securities Act other than a registration from which the Registrable Securities of Holders have been excluded (with respect to all or any portion of the Registrable Securities the Holders requested be included in such registration); or

(v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

(c) Expenses

The Company shall pay all expenses incurred in connection with each registration requested pursuant to this Section 2.5, (excluding underwriters' or brokers' discounts and commissions relating to shares sold by the Holders), including without limitation all U.S. federal, "blue sky" and all foreign registration, filing and qualification fees, printers' and accounting fees, and fees and disbursements of counsel for the Company and reasonable fees and disbursements of one counsel for the Holders.

(d) Not Demand Registration

Form S-3 or Form F-3 registrations (or equivalent registrations outside of the United States) shall not be deemed to be demand registrations as described in Section 2.3 above. Except as otherwise provided herein, there shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 2.5.

2.6 Obligations of the Company

Whenever required to effect the registration of any Registrable Securities under this Agreement the Company shall, as expeditiously as reasonably possible:

(a) Registration Statement

Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to ninety (90) days or, if earlier, until the distribution contemplated in such registration statement has

been completed, provided, however, that the Company shall not be required to keep any such registration statement effective for more than ninety (90) days.

(b) Amendments and Supplements

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 comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until the earlier of (i) the date on which all Registrable Securities covered by such registration have been sold and (ii) 90 days after the effective date of the registration statement.

(c) Prospectuses

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) Blue Sky

Use its best efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(e) Underwriting

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. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notification

Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, 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.

(g) Opinion and Comfort Letter

Furnish, at the request of any Holder requesting registration of Registrable Securities, on the date that such Registrable Securities are delivered to the underwriter(s) 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 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 requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities.

(h) Exchange or Marketplace. Cause all such Registrable Securities registered pursuant to this Section 2 to be listed on the Nasdaq Stock Market's National Market or the New York Stock Exchange or another comparable exchange or marketplace approved by the Board, and on each securities exchange and trading system on which similar securities issued by the Company are then listed; and

(i) Transfer Agent. Provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

2.7 Furnish Information

It shall be a condition precedent to the obligations of the Company to take any action pursuant to Sections 2.3, 2.4 or 2.5 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 required to timely effect the Registration of their Registrable Securities.

2.8 Delay of Registration.

No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.9 Indemnification

In the event any Registrable Securities are included in a registration statement under Sections 2.3, 2.4 or 2.5:

(a) By the Company

To the extent permitted by law; the Company will indemnify and hold harmless each Holder, its partners, members, officers, directors, legal counsel, any underwriter (as determined in the Securities Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Securities Exchange Act of 1934, as amended (the "1934 ACT") (each so indemnified party, a "COMPANY INDEMNIFIED PARTY"), against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the 1934 Act or other foreign, federal or state 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) the 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 1934 Act, any foreign, federal or state securities law or any rule or regulation promulgated under the Securities Act, the 1934 Act or any foreign, federal or state securities law in connection with the offering covered by such registration statement;

and the Company will reimburse each such Company Indemnified Party for any legal or other expenses reasonably incurred by them, as incurred, in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this subsection 2.9(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 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 such Holder, underwriter or controlling person of such Holder.

(b) By Selling Holders

To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, each of its directors, each of its officers who have signed the registration statement, each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder's partners, members, directors, officers, legal counsel or any person who controls such Holder within the meaning of the Securities Act or the 1934 Act (a "HOLDER INDEMNIFIED PARTY"), against any losses, claims, damages or liabilities (joint or several) to which the Holder Indemnified Party may become subject under the Securities Act, the 1934 Act or other foreign, 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 expressly for use in connection with such registration; and each such Holder will reimburse any legal or other expenses reasonably incurred by a Holder Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this subsection 2.9(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 consent of the Holder, which consent shall not be unreasonably withheld; and provided further, that the total amounts payable in indemnity by a Holder under this Section 2.9(b) in respect of any Violation shall not exceed the net proceeds received by such Holder in the registered offering out of which such Violation arises.

(c) Notice

Promptly after receipt by an indemnified party under this Section 2.9 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 2.9, 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, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) 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 an 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 shall relieve such indemnifying party of liability to the indemnified party under this Section 2.9 to the extent the indemnifying party is prejudiced as a result thereof, but the omission to so deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.9.

(d) Defect Eliminated in Final Prospectus

The foregoing indemnity agreements of the Company and Holders are subject to the condition that, insofar as they relate to any Violation made in a preliminary prospectus but eliminated or remedied in the amended prospectus on file with the SEC at the time the registration statement in question becomes effective or the amended prospectus filed with the SEC pursuant to SEC Rule 424(b) (the "FINAL PROSPECTUS"), such indemnity agreement shall not inure to the benefit of any person if a copy of the Final Prospectus was timely furnished to the indemnified party and was not furnished to the person asserting the loss, liability, claim or damage at or prior to the time such action is required by the Securities Act.

(e) Contribution

In order to provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (i) any Holder exercising rights under this Agreement, or any controlling person of any such Holder, makes a claim for indemnification pursuant to this Section 2.9 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 2.9 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any such selling Holder or any such controlling person in circumstances for which indemnification is provided under this Section 2.9; then, and in each such case, the Company and such Holder will contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (after contribution from others) in such proportion so that such Holder is responsible for the portion represented by the percentage that the public offering price of its Registrable Securities offered by and sold under the registration statement bears to the public offering price of all securities offered by and sold under such registration statement, and the Company and other selling Holders are responsible for the remaining portion; provided, however, that, in any such case: (A) no such Holder will be required to contribute any amount in excess of

the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement; and (B) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(f) Conflict

Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(g) Survival

The obligations of the Company and Holders under this Section 2.9 shall survive the completion of any offering of Registrable Securities in a registration statement and otherwise.

2.10 Reports Under the 1934 Act

With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3 or Form F-3, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times after the effective date of the Initial Offering;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the 1934 Act; and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company), the Securities Act and the 1934 Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 or Form F-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested to avail any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to such form.

2.11 Market Stand-Off

Each Holder, the Founders and the Modern Express Shareholders and IDG Technology Venture Investment, Inc. hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the Company's Initial Offering and ending on the date specified by the Company and the managing underwriter (such period shall not exceed one hundred eighty (l80) days; provided, however, in the case of a Holder of Series C Shares, such period shall not exceed three

hundred sixty-five (365) days in the event that the Company consummates the Initial Offering prior to April 1, 2004; provided further; however; in the case of a Holder of Series C Shares, such period shall not exceed one hundred eighty (180) days in the event the Company consummates the Initial Offering on or after April 1, 2004) (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares held immediately prior to the effectiveness of the Registration Statement for such offering, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Ordinary Shares, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise. The foregoing provisions of this Section 2.11 shall apply only to the Initial Offering, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall only be applicable to the Holders if all officers, directors and greater than five percent (5%) shareholders of the Company (or any direct or indirect subsidiary of the Company) enter into similar agreements. The underwriters in connection with the Company's Initial Offering are intended third-party beneficiaries of this Section 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder and each Founder further agrees to execute such agreements as may be reasonably requested by the underwriters in the Company's Initial Offering that are consistent with this Section 2.11 or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

2.12 Termination of the Company's Obligations

The Company shall have no obligations pursuant to Sections 2.3, 2.4 and 2.5 with respect to any Registrable Securities proposed to be sold by a Holder in a registration pursuant to Section 2.3, 2.4 or 2.5 (i) after seven (7) years after the consummation of an Initial Offering, or (ii) as to any Holder, such earlier time after the Initial Offering at which such Holder (A) can sell all shares held by it in compliance with Rule 144(k) or (B) holds one percent (1%) or less of the Company's outstanding Ordinary Shares and all Registrable Securities held by such Holder (together with any affiliate of the Holder with whom such Holder must aggregate its sales under Rule 144) can be sold in any three (3)-month period without registration in compliance with Rule 144.

2.13 No Registration Rights to Third Parties

Without the prior written consent of the Holders of a majority in interest of the Registrable Securities then outstanding, the Company covenants and agrees that it shall not grant, or cause or permit to be created, for the benefit of any person or entity any registration rights of any kind (whether similar to the demand, "piggyback" or Form S-3 or Form F-3 registration rights described in this Article 2, or otherwise) relating to any securities of the Company, which are senior to, or on a parity with, those granted to the Holders of Registrable Securities.

3. RIGHT OF PARTICIPATION

3.1 General

Each Investor (such Investor being hereinafter referred to as a "PARTICIPATION RIGHTS HOLDER") shall have the right of first refusal to purchase such Participation Rights Holder's Pro Rata Share (as defined below), of all (or any part) of any New Securities (as defined in Section 3.3) that the Company may from time to time issue after the date of this Agreement (the "RIGHT OF PARTICIPATION"). A Participation Rights Holder shall be entitled to apportion the Right of Participation hereby granted it among itself and its partners, members and affiliates (including, in the case of a venture fund, a predecessor or successor fund of, or entity under common investment management with such fund) in such proportions as it deems appropriate.

3.2 Pro Rata Share

A Participation Rights Holder's "PRO RATA SHARE" for purposes of the Right of Participation is up to that proportion of New Securities that equals the proportion that (a) the number of Registrable Securities held by such Participation Rights Holder bears to (b) the total number of Ordinary Shares of the Company (and other voting securities of the Company, if any) then outstanding immediately prior to the issuance of New Securities giving rise to the Right of Participation (assuming full conversion and exercise of all convertible and exercisable securities then outstanding).

3.3 New Securities

"NEW SECURITIES" shall mean any Preferred Shares, Ordinary Shares and other voting shares of the Company, whether now authorized or not, and rights, options or warrants to purchase such Preferred Shares, Ordinary Shares and securities of any type whatsoever that are, or may become, convertible or exchangeable into such Preferred Shares, Ordinary Shares or other voting shares, provided, however, that the term "New Securities" shall not include:

(a) up to 2,725,670 shares of the Company's Ordinary Shares (and/or options or warrants therefor) issued or reserved for issuance to employees, officers, directors, contractors, advisors or consultants of the Company for the primary purpose of soliciting or retaining their services pursuant to incentive agreements or incentive plans approved by the Board (such number of Ordinary Shares (and/or options or warrants therefor) subject to increase upon the approval of the Board);

(b) any Preferred Shares issued under the Series C Purchase Agreement;

(c) any Ordinary Shares of the Company issued upon the conversion of any Preferred Shares;

(d) any securities issued in connection with any share split, share dividend or other similar event in which all Participation Rights Holders are entitled to participate on a pro rata basis;

(e) any securities issued upon the exercise, conversion or exchange of any outstanding security if such outstanding security constituted a New Security;

(f) any securities issued in connection with a bona fide business acquisition of or by the Company, whether by consolidation, merger, purchase or sale of assets, sale or exchange of shares or otherwise, in a single transaction or series of related transactions;

(g) any securities or rights issued to persons or entities with which the Company has business relationships provided such issuances are for primarily other than equity financing purposes and approved by the Board;

(h) any securities issued or issuable pursuant to equipment lease financings or bank credit lines approved by the Board; or

(i) any securities issued in connection with a public offering approved by the Board.

In addition to the foregoing, the Right of Participation shall not be applicable with respect to any Participation Rights Holder in any offering of New Securities if (i) at the time of such offering, the Participation Rights Holder is not an "accredited investor" as that terms is then defined in Rule 501(a) of the Securities Act, and (ii) such offering of New Securities is otherwise being offered only to accredited investors.

3.4 Procedures

(a) First Participate Notice

In the event that the Company proposes to undertake an issuance of New Securities (in a single transaction or a series of related transactions), it shall give to each Participation Rights Holder written notice of its bona fide intention to issue New Securities (the "FIRST PARTICIPATION NOTICE"), describing the amount and the type of New Securities and the price and the general terms upon which the Company proposes to issue such New Securities.

Each Participation Rights Holder shall have ten (10) business days from the date of receipt of any such First Participation Notice to agree in writing to purchase such Participation Rights Holder's Pro Rata Share of such New Securities for the price and upon the terms and conditions specified in the First Participation Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Participation Rights Holder's Pro Rata Share).

If any Participation Rights Holder fails to so agree in writing within such ten (10) business day period to purchase such Participation Rights Holder's full Pro Rata Share of an offering of New Securities, then such Participation Rights Holder shall forfeit the right hereunder to purchase that part of its Pro Rata Share of such New Securities that it did not so agree to purchase.

(b) Second Participation Notice; Oversubscription

If any Participating Rights Holder fails to exercise its Right of Participation in accordance with subsection (a) above, the Company shall promptly give notice (the "SECOND PARTICIPATION NOTICE") to the other Participating Rights Holders holding Registrable Securities and who have exercised their Right of Participation (the "RIGHT PARTICIPANTS") in accordance with subsection (a) above. Each Right Participant shall have five (5) business days from the date of the Second Participation Notice (the "SECOND PARTICIPATION PERIOD") to notify the Company of its desire to purchase more than its Pro Rata Share of the New Securities, stating the number of the additional New Securities it proposes to buy.

Such notice may be made by telephone if confirmed in writing within two (2) business days.

If, as a result thereof, such oversubscription exceeds the total number of the remaining New Securities available for purchase, each oversubscribing Right Participant will be cut back by the Company with respect to its oversubscriptions to that number of remaining New Securities equal to the product obtained by multiplying (i) the number of the remaining New Securities available for subscription by (ii) a fraction the numerator of which is the number of Registrable Securities held by such oversubscribing Right Participant and the denominator of which is the total number of Registrable Securities held by all the oversubscribing Right Participants.

Each oversubscribing Rights Participant shall be obligated to buy such number of additional New Securities as determined by the Company pursuant to this subsection (b) and the Company shall so notify the Right Participants within fifteen (15) business days of the date of the Second Participation Notice.

3.5 Failure to Exercise

Upon the expiration of the Second Participation Period, or in the event no Participation Rights Holder exercises the Right of Participation, after ten (10) business days following the receipt of the First Participation Notice, the Company shall have 120 days thereafter to sell the New Securities described in the First Participation Notice (with respect to which the Right of Participation pursuant to Section 3.3(a) and (b) hereunder was not exercised) at the same or higher price and upon non-price terms not materially more favorable to the purchasers thereof than specified in the First Participation Notice.

In the event that the Company has not issued and sold such New Securities within such 120 day period, then the Company shall not thereafter issue or sell any New Securities without again first offering such New Securities to the Participation Rights Holders pursuant to this Section 3.

3.6 Termination

The Right of Participation for each Participation Rights Holder under this Section 3 shall terminate upon a Qualified IPO.

4. TRANSFER RESTRICTIONS

4.1 Certain Definition

For purposes of this Section 4, "EQUITY SECURITIES" means the Ordinary Shares, the Preferred Shares, and all other shares, options, warrants or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for Ordinary Shares; a "MAJOR SHAREHOLDER" shall mean any holder of Series A Shares or Series B Shares holding 3% or more of the Company's Ordinary Shares into which such Series A Shares or Series B Shares are convertible or

have been converted and any holder of Series C Shares or Ordinary Shares into which such Series C Shares are convertible or have been converted; and the term "TRANSFER" shall include any sale, assignment, encumbrance, hypothecation, pledge, conveyance in trust, gift, transfer by bequest, devise or descent, or other transfer or disposition of any kind, including, but not limited to, transfers pursuant to divorce or legal separation, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary, involuntarily or by operation of law, directly or indirectly, of any of the Equity Securities.

4.2 Sale by Founder or Major Shareholder; Notice of Sale

Subject to Section 4.6 of this Agreement, if a Founder or a Major Shareholder (the "SELLING SHAREHOLDER") proposes to Transfer any Equity Securities, then the Selling Shareholder shall promptly give written notice (the "TRANSFER NOTICE") to the Company and the Major Shareholders who are not Selling Shareholders (the "NON-SELLING HOLDERS") prior to such Transfer. The Transfer Notice shall describe in reasonable detail the proposed Transfer including, without limitation, the number and type of Equity Securities to be sold or transferred (the "OFFERED SHARES"), the nature of such Transfer, the consideration to be paid, and the name and address of each prospective purchaser or transferee. In the event that the Transfer is being made pursuant to the provisions of Section 4.5, the Transfer Notice shall state under which specific subsection the Transfer is being made.

4.3 Right of First Refusal

(a) The Company shall have an option for a period of ten (10) days from delivery of the Transfer Notice to elect to purchase the Offered Shares at the same price and subject to the same material terms and conditions as described in the Transfer Notice. The Company may exercise such purchase option and purchase all or any portion of the Offered Shares by notifying the Selling Shareholder in writing before expiration of such ten (10) day period as to the number of such shares that it wishes to purchase. If the Company gives the Selling Shareholder notice that it desires to purchase such shares, then payment for the Offered Shares shall be by check or wire transfer, against delivery of the Offered Shares to be purchased at a place agreed upon between the parties and at the time of the scheduled closing therefor, which shall be no later than forty-five (45) days after delivery to the Company of the Transfer Notice, unless the Transfer Notice contemplated a later closing with the prospective third-party transferee(s) or unless the value of the purchase price has not yet been established pursuant to Section 4.3(d). In the event that the Company elects not to purchase all or any portion of the Offered Shares, it shall promptly give written notice to each Non-Selling Holder which notice shall set forth the Offered Shares not purchased by the Company, and shall offer the Non-Selling Holders the right to acquire the unsubscribed Offered Shares (the "ADDITIONAL TRANSFER NOTICE"). Each Non-Selling Holder will have the right of first refusal to purchase up to all of the Holder Allotment (as defined below) of the Offered Shares from the Selling Shareholder not purchased by the Company.

The Non-Selling Holders' right of first refusal may be exercised as follows:

(b) Holder Allotment

The Non-Selling Holder must, within twenty (20) days of the receipt of the Additional Transfer Notice from the Company (the "PURCHASE RIGHT PERIOD"), give written notice to the Selling Shareholder and to the Company of the Non-Selling Holder's election to purchase that number of the Offered Shares (the "HOLDER ALLOTMENT") equivalent to the product obtained by multiplying (i) the aggregate number of the Offered Shares by (ii) a fraction, (B) the numerator of which is the number of Ordinary Shares on an as-converted basis held by the Non-Selling Holder at the time of the transaction and (B) the denominator of which is the total number of Ordinary Shares owned by all the Non-Selling Holders on an as-converted basis at the time of the transaction.

The Non-Selling Holder will not have a right to purchase any of the Offered Shares unless the Non-Selling Holder exercises its right of first refusal within the Purchase Right Period to purchase up to all of its Holder Allotment of the Offered Shares.

In the event any Non-Selling Holder elects not to purchase its Holder Allotment, then the Selling Shareholder shall promptly give written notice (the "OVERALLOTMENT NOTICE") to each Non-Selling Holder that is purchasing its full Holder Allotment (each, a "PARTICIPATING HOLDER") which notice shall set forth the Offered Shares not purchased by the other Non-Selling Holders, and shall offer the Participating Holders the right to acquire the unsubscribed shares. Each Participating Holder shall have five (5) days after delivery of the Overallotment Notice (and the Purchase Right Period shall be extended by such period after delivery of the Overallotment Notice) to deliver a written notice to the Selling Shareholder (the "PARTICIPATING HOLDERS OVERALLOTMENT NOTICE") of its election to purchase its Holder Allotment of the unsubscribed shares on the same terms and conditions as set forth in the Overallotment Notice. For purposes of calculating the Holder Allotment with respect to an Overallotment Notice, the denominator in such calculation shall be the total number of Ordinary Shares owned by all the Participating Holders on an as-converted basis on the date of the Transfer Notice.

Each Non-Selling Holder shall be entitled to apportion the Offered Shares to be purchased among its partners, members and affiliates (including in the case of a venture capital fund, predecessor and successor funds and funds under common investment management), provided that such Non-Selling Holder notifies the Selling Shareholder of such allocation.

(c) Expiration Notice

Within ten (10) days after expiration of the Purchase Right Period the Company will give written notice (the "EXPIRATION NOTICE") to the Selling Shareholder and Non-Selling Holders specifying either (i) that all of the Offered Shares were subscribed by the Non-Selling Holders exercising their rights of first refusal or (ii) that the Non-Selling Holders have not subscribed for all of the Offered Shares in which case the Expiration Notice will specify the Non-Selling Holders' Pro Rata Portion (as defined below) of the remaining Offered Shares for the purpose of their co-sale right described in Section 4.4 below.

(d) Purchase Price

The purchase price for the Offered Shares to be purchased by the Non-Selling Holders exercising their right of first refusal will be the price set forth in the Transfer Notice, but will be payable as set forth in this Section 4.3(d). If the purchase price in the Transfer Notice includes consideration other than cash, the cash equivalent value of the non-cash consideration will be determined by the Board in good faith, which determination will be binding upon the Company, the Non-Selling Holders and the Selling Shareholder, absent fraud or error.

(e) Payment

Payment of the purchase price for the Offered Shares purchased by any Non-Selling Holder shall be made within ten (10) days following the date of the Expiration Notice, unless the Transfer Notice contemplated a later closing with the prospective third party transferee(s) or unless the value of the purchase price has not yet been established pursuant to this subsection (e).

Payment of the purchase price will be made by wire transfer or check as directed by the Selling Shareholder, against delivery of the Offered Shares to be purchased at a place agreed upon between the parties and at the time of the scheduled closing therefor.

Should the purchase price specified in the Transfer Notice be payable in property other than cash, the Non-Selling Holders shall have the right to pay the purchase price in the form of cash equal in amount to the value of such property (as determined pursuant to subsection (d) above.

(f) Rights as a Founder or Holder

If any Non-Selling Holder exercises its right of first refusal to purchase the Offered Shares, then, upon the date the notice of such exercise is given by such Non-Selling Holder, the Selling Shareholder will have no further rights as a holder of such Offered Shares except the right to receive payment for such Offered Shares from such Non-Selling Holder in accordance with the terms of this Agreement, and the Selling Shareholder will forthwith cause all certificate(s) evidencing such Offered Shares to be surrendered to the Company for transfer to such Non-Selling Holder.

(g) Application of Co-Sale Right

If the Non-Selling Holders have not elected to purchase all of the Offered Shares, then the sale of the remaining Offered Shares will become subject to the Non-Selling Holders' co-sale right set forth in Section 4.4 below.

4.4 Co-Sale Right

To the extent that the Non-Selling Holders have not exercised their right of first refusal with respect to all the Offered Shares, each Non-Selling Holder shall have the right, exercisable upon written notice to the Selling Shareholder within fifteen (15) days after receipt of the Expiration Notice, to participate in such sale of the Equity Securities on the same terms and conditions. To the extent one or more of the Non-Selling Holders exercise such right of participation in accordance with the terms and conditions set forth below, the number of Equity Securities that the Selling Shareholder may sell in the transaction shall be correspondingly reduced.

The co-sale right of each Non-Selling Holder shall be subject to the following terms and conditions:

(a) Non-Selling Holder's Pro Rata Portion

Each Non-Selling Holder may sell all or any part of that number of shares of the Company held by it that is equal to the product obtained by multiplying (i) the aggregate number of Equity Securities covered by the Transfer Notice that have not been subscribed for pursuant to Section 4.3 above by (ii) a fraction, (A) the numerator of which is the number of Ordinary Shares owned by the Non-Selling Holder on an as-converted basis at the time of the Transfer and (B) the denominator of which is the combined number of Ordinary Shares of the Company at the time owned by all Non-Selling Holders and all Selling Shareholders on an as-converted basis ("HOLDER'S PRO RATA PORTION").

(b) Transferred Shares

Each Non-Selling Holder shall effect its participation in the sale by promptly causing the Company to deliver to the Selling Shareholder for Transfer to the prospective purchaser one or more certificates, properly endorsed for transfer, which represent:

(i) the type and number of Ordinary Shares which such Non-Selling Holder elects to sell; or

(ii) that number of Preferred Shares which is at such time convertible into the number of Ordinary Shares that such Non-Selling Holder elects to sell; provided, however, that if the prospective purchaser objects to the delivery of Preferred Shares in lieu of Ordinary Shares, such Non-Selling Holder shall procure the Company to convert such Preferred Shares into Ordinary Shares and shall procure the Company to deliver Ordinary Shares as provided in Subsection 4.4(b)(i) above.

The Company agrees to make any such conversion concurrent with and contingent on the actual Transfer of such shares to the purchaser.

(c) Payment to Non-Selling Holders

The share certificate or certificates that the Non-Selling Holder delivers to the Selling Shareholder pursuant to Section 4.4(b) shall be Transferred to the prospective purchaser in consummation of the sale of the Equity Securities pursuant to the terms and conditions specified in the Transfer Notice, and the Selling Shareholder shall concurrently therewith remit to such Non-Selling Holder that portion of the sale proceeds to which such Non-Selling Holder is entitled by reason of its participation in such sale.

To the extent that any prospective purchaser or purchasers prohibits such assignment or otherwise refuses to purchase shares or other securities from a Non-Selling Holder exercising its co-sale right hereunder, the Selling Shareholder shall not sell to such prospective purchaser or purchasers any Equity Securities unless and until, simultaneously with such sale, the Selling Shareholder shall purchase such shares or other securities from such Non-Selling Holder.

(d) Right to Transfer

To the extent the Non-Selling Holders do not elect to purchase or to participate in the sale of the Equity Securities subject to the Transfer Notice, the Selling Shareholder may, not later than ninety (90) days following delivery to the Company and each of the Non-Selling Holders of the Transfer Notice, conclude a Transfer of the Equity Securities covered by the Transfer Notice and not elected to be purchased by the Non-Selling Holders on terms and conditions not materially different from those described in the Transfer Notice. Any proposed Transfer on terms and conditions materially different from those described in the Transfer Notice, as well as any subsequent proposed Transfer of any Equity Securities by the Selling Shareholder, shall again be subject to the right of first refusal and the co-sale rights of the Non-Selling Holders and shall require compliance by the Selling Shareholder with the procedures described in Section 4.3 and Section 4.4 of this Agreement. Furthermore, the exercise or non-exercise of the rights of the Non-Selling Holders under this Section 4 to purchase Equity Securities from the Selling Shareholder or participate in sales of Equity Securities by the Selling Shareholder shall not adversely affect their rights to make subsequent purchases from the Selling Shareholder of Equity Securities or subsequently participate in sales of Equity Securities by the Selling Shareholder.

4.5 Exempt Transfers

Notwithstanding the foregoing, and subject to Section 4.6(a) hereof, the right of first refusal and co-sale rights of the Non-Selling Holders shall not apply to (a) any pledge of the Founder Shares made pursuant to a bona fide loan transaction that creates a mere security interest; (b) any Transfer to the ancestors, descendants or spouse or to trusts for the benefit of such persons or the Founders or the Major Shareholders; (b) any Transfer of shares to the Company pursuant to any repurchase rights of the Company under any incentive agreements or incentive plans approved by the Board; and (c) any Transfer to an affiliate of the Major Shareholder, including a current or former partner of a Major Shareholder who is a partnership, current or former member of a Major Shareholder who is a limited liability company and current or former shareholder of a Major Shareholder who is a corporation; provided that (i) the Transferring Founder or Major Shareholder shall inform the Non-Selling Holders, of such Transfer prior to effecting it and (ii) the Transferee shall furnish the Company with a written agreement to be bound by and comply with all provisions of Section 3 and Section 4 of this Agreement. Such Transferred Equity Securities shall remain "Equity Securities" hereunder, and such Transferee shall be treated as a "Founder" or a "Major Shareholder", as the case may be, for purposes of this Agreement.

4.6 Prohibited Transfers

(a) Notwithstanding anything to the contrary contained herein, none of the Founders shall, without the prior written consent of a majority in interest of the Ordinary Shares (on an as-converted basis) held by the holders of the Preferred Shares, voting as a single class, Transfer an aggregate of more than twenty percent (20%) of the Ordinary Shares now held by such Founder to any person or entity prior to a Qualified IPO by the Company.

(b) Any attempt by a Founder or a Major Shareholder to Transfer Equity Securities in violation of this Section 4 shall be void and the Company agrees it will not effect such a Transfer nor will it treat any alleged transferee as the holder of such shares without the written consent of a majority in interest of the Ordinary Shares (on an as-converted basis) held by the Non-Selling Holders.

(c) In the event the Selling Shareholder should sell any Equity Securities in contravention of the co-sale rights of the Non-Selling Holders under this Section 4 (a "PROHIBITED TRANSFER"), the Non-Selling Holders, in addition to such other remedies as may be available at law, in equity or hereunder, shall have the put option provided below under subsection (d), and the Selling Shareholder shall be bound by the applicable provisions of such option.

(d) In the event of a Prohibited Transfer, each Non-Selling Holder shall have the right to sell to the Selling Shareholder the type and number of shares of Equity Securities equal to the number of shares each Non-Selling Holder would have been entitled to transfer to the third-party transferee(s) under Section 4 hereof had the Prohibited Transfer been effected pursuant to and in compliance with the terms hereof. Such sale shall be made on the following terms and conditions:

(i) The price per share at which the shares are to be sold to the Selling Shareholder shall be equal to the price per share paid by the third-party transferee(s) to the Selling Shareholder in the Prohibited Transfer. The Selling Shareholder shall also reimburse each Non-Selling Holder for any and all fees and expenses, including legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of the Non-Selling Holder's rights under Section 4.

(ii) Within twenty (20) days after the later of the dates on which the Non-Selling Holder (A) receives notice of the Prohibited Transfer or (B) otherwise becomes aware of the Prohibited Transfer, each Non-Selling Holder shall, if exercising the option created hereby, deliver to the Selling Shareholder the certificate or certificates representing shares to be sold, each certificate to be properly endorsed for transfer.

(iii) The Selling Shareholder shall, upon receipt of the certificate or certificates for the shares to be sold by a Non-Selling Holder, pursuant to this Section 4, pay the aggregate purchase price therefor and the amount of reimbursable fees and expenses, as specified in subparagraph (i) above, in cash or by other means acceptable to the Non-Selling Holder.

4.7 Legend

(a) Each certificate representing the Equity Securities now or hereafter owned by a Founder or an Investor or issued to any person in connection with a Transfer pursuant to Sections 4.3 and 4.4 hereof shall be endorsed with the following legend:

"THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A SHAREHOLDERS' AGREEMENT BY AND BETWEEN THE SHAREHOLDER, THE CORPORATION, CERTAIN AFFILIATES OF THE CORPORATION AND CERTAIN SHAREHOLDERS OF THE CORPORATION. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE CORPORATION."

(b) Each Founder and each Investor agrees that the Company may instruct its transfer agent to impose transfer restrictions on the shares represented by certificates bearing the legend referred to in Section 4.7(a) above to enforce the provisions of this Agreement and the Company agrees to promptly do so.

The legend shall be removed upon termination of this Agreement.

4.8 Assignment and Amendment of Rights

(a) The rights of any Investor under this Section 4 are only assignable (i) by any Investor to any other Investor, (ii) to a current or former partner, member, shareholder or other affiliate (including in the case of an Investor that is a venture capital fund, predecessor or successor funds of, or entities under common investment management with such fund) of such Investor or (iii) to an assignee or transferee who acquires all of the Equity Securities purchased by an Investor; provided, that any such assignee shall receive such assigned rights subject to all the terms and conditions of this Agreement.

(b) Any provision in this Section 4 may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only by the written consent of (i) as to the Company, only by the Company, (ii) as to the Founders, by Founders holding a majority in interest of all Ordinary Shares (on an as-converted basis) then held by all Founders or their respective assignees pursuant to Section 4.8(a) hereof, (iii) as to the Series B Investors, by persons or entities holding a majority in interest of the Series B Shares held by the Series B Investors and their assignees pursuant to Section 4.8(a) hereof; provided, however, that any Series B Investor may waive any of its rights hereunder without obtaining the consent of any other Series B Investor; (iv) as to a Series A Investor, by persons or entities holding a majority in interest of the Series A Shares held by such Series A Investor and their assignees pursuant to Section 4.8 (a) hereof; provided, however, that any Series A Investor may waive any of its rights hereunder without obtaining the consent of any other Series A Investors, and (v) as to the Series C Investors, by persons or entities holding a majority in interest of the Series C Shares held by the Series C Investors and their assignees pursuant to Section 4.8(a) hereof.

Any amendment or waiver effected in accordance with clauses (i), (ii), (iii), (iv) and (v) of this paragraph shall be binding upon each Investor, its successors and assigns, the Company and the Founders.

4.9 Term

The provisions under this Section 4 shall terminate upon the earlier of (i) a Qualified IPO, (ii) the closing of the Company's sale of all or substantially all of its assets or the acquisition of the Company by another entity by means of merger or consolidation resulting in the exchange of the outstanding shares of the Company's capital shares for securities issued or other consideration paid, or caused to be issued or paid, by the acquiring entity or its subsidiary (except a merger or consolidation in which the holders of the outstanding shares of the Company's capital shares immediately prior to such merger or consolidation continue to hold at least fifty percent (50%) of the voting power of the capital shares of the Company or the acquiring or surviving entity), and (iii) the execution by the Company of a general assignment for the benefit of creditors or the appointment of a receiver or trustee to take possession of the property and assets of the Company.

5. ASSIGNMENT AND AMENDMENT

5.1 Assignment

Notwithstanding anything herein to the contrary:

(a) Information Rights

The rights of a shareholder under Section 1.1 are transferable to any holder of Registrable Securities; provided, however, that no party may be assigned any of the foregoing rights unless the Company is given written notice by the assigning party at the time of such assignment stating the name and address of the assignee and identifying the securities of the Company as to which the rights in question are being assigned; and provided further, that any such assignee shall receive such assigned rights subject to all the terms and conditions of this Agreement, including without limitation the provisions of this Section 5.

The rights of any Investor under Section 1.2 may not be assigned.

(b) Registration Rights

The registration rights of a Holder under Section 2 hereof may be assigned to any Holder; provided, however, that no party may be assigned any of the foregoing rights unless the Company is given written notice by the assigning party at the time of such assignment stating the name and address of the assignee and identifying the securities of the Company as to which the rights in question are being assigned; and provided further, that any such assignee shall receive such assigned rights subject to all the terms and conditions of this Agreement, including without limitation the provisions of this Section 5.

(c) Rights of Participation

The rights of any Participation Rights Holder under Sections 3 hereof may not be assigned or transferred; provided, however, that a Participation Rights Holder that is a venture capital fund may assign or transfer such rights to its partners, members and affiliates (including predecessor or successor funds of, or entities under common investment management with such fund); and provided further, that any such assignee shall receive such assigned rights subject to all the terms and conditions of this Agreement.

5.2 Amendment of Rights

Any provision of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and holders of 75% of each of (i) Series A Shares, (ii) Series B Shares and (iii) Series C Shares; provided that, in the case of an amendment or waiver of any provision of Section 2 hereof, only with the written consent of the Company and the Holders of a majority of the Registrable Securities then outstanding and entitled to the registration rights set forth in Section 2 hereof. Any amendment or waiver effected in accordance with this Section 5.2 shall be binding upon each Founder, Investor, each Holder, each permitted successor or assignee of such Investor or Holder, and each Group Company.

6. CONFIDENTIALITY AND NON-DISCLOSURE

6.1 Disclosure of Terms

The terms and conditions of this Agreement and the Series C Purchase Agreement, and all exhibits and schedules attached to such agreements (collectively, the "FINANCING TERMS"), including their existence, shall be considered confidential information and shall not be disclosed by any party hereto to any third party except in accordance with the provisions set forth below.

6.2 Press Releases, Etc.

The Company may issue a press release disclosing that certain Investors invested in the Company; provided that the release does not disclose any of the Financing Terms and the final form of the press release is approved in advance in writing by the Investors.

No other announcement regarding any Investor in a press release, conference, advertisement, announcement, professional or trade publication, mass marketing materials or otherwise to the general public may be made without such Investor's prior written consent.

6.3 Permitted Disclosures

Notwithstanding the foregoing,

(a) any party may disclose any of the Financing Terms to its current or bona fide prospective investors, employees, investment bankers, lenders, partners, accountants and attorneys, in each case only where such persons or entities are under appropriate nondisclosure obligations; and

(b) any party may disclose (other than in a press release or other public announcement described in subsection 6.2 above) solely the fact that any Investor is an investor in the Company to any third parties without the requirement for the consent of any other party or nondisclosure obligations.

6.4 Legally Compelled Disclosure

In the event that any party is requested or becomes legally compelled (including without limitation, pursuant to securities laws and regulations) to disclose the existence of this Agreement and the Series C Purchase Agreement, and exhibits and schedules attached to such agreements, or any of the Financing Terms hereof in contravention of the provisions of this Section 6, such party (the "DISCLOSING PARTY") shall provide the other parties (the "NON-DISCLOSING PARTIES") with prompt written notice of that fact and use all reasonable efforts to seek (with the cooperation and reasonable efforts of the other parties) a protective order, confidential treatment or other appropriate remedy. In such event, the Disclosing Party shall furnish only that portion of the information which is legally required and shall exercise reasonable efforts to keep confidential such information to the extent reasonably requested by any Non-Disclosing Party.

6.5 Other Information

The provisions of this Section 6 shall be in addition to, and not in substitution for, the provisions of any separate nondisclosure agreement executed by any of the parties hereto with respect to the transactions contemplated hereby.

6.6 Notices

All notices required under this section shall be made pursuant to Section 8.1 of this Agreement.

7. PROTECTIVE PROVISIONS

7.1 Acts of the Company

(a) The following actions, whether by merger, consolidation or otherwise, with respect to the Company, or any direct or indirect subsidiary of the Company (each such entity, including without limitation, the Company, shall be referred to herein as a "CTRIP ENTITY"), shall require the written approval of the holder(s) of (a) not less than seventy-five percent (75%) of the outstanding Series A Shares (in respect of actions affecting Series A Shares) (b) not less than seventy-five percent (75%) of the outstanding Series B Shares (in respect of actions affecting Series B Shares) and (c) not less than fifty percent (50%) of the outstanding Series C Shares (in respect of actions affecting Series C Shares):

(i) any amendment or change of the authorized number of or the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Series A Shares, Series B Shares or Series C Shares;

(ii) any action that authorizes, creates or issues shares of any class or series of the Company having preferences superior to or on a parity with the Series A Shares, Series B Shares or Series C Shares;

(iii) any new issuance of any securities of a Ctrip Entity, excluding (a) any issuance of the Series A Shares, Series B Shares and Series C Shares under the Series C Purchase Agreement, (b) any issuance of Ordinary Shares upon conversion of the Series A Shares, Series B Shares or Series C Shares and (c) any issuance of Ordinary Shares to employees under an employee stock option plan approved by the Board.

(iv) any action that reclassified any outstanding shares into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of the Series A Shares, Series B Shares or Series C Shares;

(v) any amendment of the Memorandum and Articles of Association or other charter documents of a Ctrip Entity;

(vi) redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any shares of a Ctrip Entity; or

(vii) consummate a Liquidation Event (as defined below) with respect to a Ctrip Entity if such Liquidation Event would be consummated at an equity valuation of such Ctrip Entity of less than One Hundred Fifty Million Dollars (US$150,000,000).

A "LIQUIDATION EVENT" shall include (A) the closing of the sale, transfer, or other disposition of all or substantially all of a Ctrip Entity's assets, (B) the consummation of the merger or consolidation of a Ctrip Entity with or into another entity (except a merger or consolidation in which the holders of capital stock of such Ctrip Entity immediately prior to such merger or consolidation continue to hold at least 50% of the voting power of the capital shares of such Ctrip Entity or the surviving or acquiring entity in substantially the same proportions as held by such holders immediately prior to such merger or consolidation), (C) the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of such Ctrip Entity's securities), of a Ctrip Entity's securities if, after such closing, such person or group of affiliated persons would hold 50% or more of the outstanding voting shares of such Ctrip Entity (or the surviving or acquiring entity), or (D) a liquidation, dissolution or winding up of a Ctrip Entity; provided, however, that a transaction shall not constitute a Liquidation Event if its sole purpose is to change the jurisdiction of a Ctrip Entity's incorporation or formation or to create a holding company that will be owned in substantially the same proportions by the persons who held such Ctrip Entity's securities immediately prior to such transaction.

(b) The following actions, whether by merger, consolidation or otherwise, with respect to any Ctrip Entity shall require the written approval of not less than eight (8) members of the Board:

(i) any merger or consolidation of a Ctrip Entity with or into any other business entity in which the shareholders of such Ctrip Entity immediately after such merger or consolidation held shares representing less than a majority of the voting power of the outstanding share capital of the surviving business entity;

(ii) the sale of all or substantially all of a Ctrip Entity's assets;

(iii) the liquidation, dissolution or winding up of a Ctrip Entity;

(iv) the declaration or payment of a dividend on the shares of a Ctrip Entity (other than dividend payable solely in Ordinary Shares);

(v) incurrence of indebtedness by a Ctrip Entity in excess US$2,000,000;

(vi) any increase in compensation of any of the four (4) most highly compensated employees of a Ctrip Entity by more than 15% in a twelve (12) month period;

(vii) the purchase or lease by a Ctrip Entity of any real estate (other than office space used for the primary operations of such Ctrip Entity) valued in excess of US$2,000,000;

(viii) the purchase by a Ctrip Entity of equity securities of any other company in excess of US$2,000,000; and

(ix) any material changes in the nature or scope of business of a Ctrip Entity.

8. GENERAL PROVISIONS

8.1 Notices

Unless otherwise provided, all notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (c) ten (10) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) two (2) days after deposit with an internationally recognized overnight courier, specifying next day or two day delivery, with written verification of receipt. All communications shall be sent to the respective parties at the addresses set forth in Exhibit F hereto.

Each person making a communication hereunder by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication.

A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 9.1 by giving the other party written notice of the new address in the manner set forth above.

8.2 Tax

(a) Each Group Company shall use its best efforts to avoid being a "passive foreign investment company" within the meaning of Section 1297 of the Code within two years from the date hereof. In connection with a "Qualified Electing Fund" election made by an Investor pursuant to Section 1295 of the Code, each Group Company shall provide annual financial information to such Investor in the form provided in the attached PFIC Exhibit and shall provide such Investor with access to such other Group Company information as may be required for purposes of filing U.S. federal income tax returns in connection with such Qualified Electing Fund election. In the event that an Investor who has made a "Qualified Electing Fund" election must include in its gross income for a particular taxable year its pro rata share of a Group Company's earnings and profits pursuant to Section 1293 of the Code, such Group Company agrees to make a dividend distribution to such Investor (no later than 90 days following the end of the Investor's taxable year) in an amount equal to 50% of the amount so included by such Investor. The obligations of each of the Group Companies under this Section 8.2(a) hereof shall terminate upon a Qualified IPO.

(b) Except to the extent the Series C Investors elect otherwise, each Group Company shall take such actions, including making an election to be treated as a corporation or refraining from making an election to be treated as a partnership, as may be required to ensure that at all times such Group Company is treated as a corporation for United States federal income tax purposes. The obligation of the Company under this Section 8.2(b) shall terminate within two years of the date hereof.

8.3 Preservation of Existence

Unless approved by the Board, each Group Company shall, and shall cause each PRC VIE (as defined in the Series C Purchase Agreement) to:

(a) preserve and maintain in full force and effect its existence and good standing under the laws of its jurisdiction of formation or organization where the failure to so preserve and maintain would have a material adverse effect on the assets, properties, financial condition, operating results, or business of the Group Companies (as such businesses are currently conducted and are proposed to be conducted);

(b) preserve and maintain in full force and effect all licenses and permits where the failure to so preserve and maintain would have a material adverse effect on the assets, properties, financial condition, operating results, or business of the Group Companies (as such businesses are currently conducted and are proposed to be conducted); and

(c) comply in all material respects with all laws, ordinances, rules and regulations, as well as judicial interpretations and decisions and with the directions of any governmental authority or regulatory body having jurisdiction over any of the Group Companies or their respective businesses or properties, where the failure to so comply would have a material adverse effect on the assets, properties, financial condition, operating results, or business of the Group Companies (as such businesses are currently conducted and are proposed to be conducted).

8.4 Fundamental Changes

Unless approved by the Board, each Group Company shall not, and shall cause each PRC VIE (as defined in the Series C Purchase Agreement) not to, directly or indirectly, enter into any transaction or series of related transactions of merger, amalgamation, consolidation or combination, or consolidate, liquidate, windup or dissolve itself (or suffer any liquidation or dissolution), or sell, transfer or otherwise dispose of, in one transaction or in a series of transactions all or substantially all of its business, property or assets, whether now owned or hereafter acquired.

8.5 Entire Agreement

This Agreement, together with all the Exhibits hereto, constitutes and contains the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, correspondence, agreements, understandings, duties or obligations between the parties respecting the subject matter hereof, and that certain Shareholders Agreement by and between the Company and the other parties thereto dated November 13, 2000 is hereby amended and restated in its entirety and shall be of no further force and effect.

8.6 Governing Law; Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of New York to the rights and obligations of the parties. Each party hereto irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement may be brought in any

state or federal court in the State of New York. The parties hereto hereby irrevocably submit to the exclusive jurisdiction of such courts in any such action or proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such action or proceeding.

8.7 Severability

If one or more provisions of this Agreement are held to be unenforceable under applicable law, then such provision(s) shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

8.8 Third Parties

Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties hereto and their permitted successors and assigns any rights or remedies under or by reason of this Agreement.

8.9 Successors and Assigns

The provisions of this Agreement shall inure to the benefit of, and shall be binding upon, the successors and permitted assigns of the parties hereto.

8.10 Interpretation; Captions

This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement.

The captions to sections of this Agreement have been inserted for identification and reference purposes only and shall not be used to construe or interpret this Agreement.

8.11 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.12 Adjustments for Share Splits, Etc.

Wherever in this Agreement there is a reference to a specific number of shares of Ordinary Shares, Series A Shares, Series B Shares or Series C Shares of the Company, then, upon the occurrence of any subdivision, combination or share dividend of Ordinary Shares, Series A Shares, Series B Shares or Series C Shares, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of shares by such subdivision, combination or share dividend.

8.13 Aggregation of Shares

All Ordinary Shares and Preferred Shares held or acquired by affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

[Remainder of Page Intentionally Left Blank.]

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

CTRIP.COM INTERNATIONAL, LTD.

By: /s/

Name:

Title:

CTRIP.COM (HONG KONG) LIMITED

By: /s/

Name:

Title:

CTRIP COMPUTER TECHNOLOGY (SHANGHAI) LIMITED

By: /s/

Name:

Title:

CTRIP TRAVEL INFORMATION TECHNOLOGY (SHANGHAI) LIMITED

By: /s/

Name:

Title:

SERIES A INVESTORS

CHINA ENTERPRISE INVESTMENTS No. 11 LIMITED

By: /s/

Name:

Title:

IDG TECHNOLOGY VENTURE INVESTMENT, INC.

By: /s/

Name:

Title:

S.I. TECHNOLOGY VENTURE CAPITAL LIMITED

By: /s/

Name:

Title:

ECITY INVESTMENT LIMITED

By: /s/

Name:

Title:

ORCHID ASIA II, L.P. a Cayman Islands limited partnership

By: /s/

Name:

Title:

/s/ Gabriel Li

Gabriel Li

JFI II, LP By: Joost Enterprises Corporation Its: GP

By: /s/

Name:

Title:

/s/ Eric Li

Eric Li

/s/ Jed Dempsey

Jed Dempsey

/s/ Jim Watson

Jim Watson

SERIES B INVESTORS
CARLYLE ASIA VENTURE PARTNERS I, L.P.

By: /s/ Gabriel Li

Executed as a deed by Gabriel Li
On behalf of CIPA, Ltd., as general partner
of CIPA General Partner, L.P., as a general
partner of Carlyle Asia Venture Partners I,
L.P.

CIPA CO-INVESTMENT, L.P.

By: /s/ Gabriel Li

Executed as a deed by Gabriel Li On behalf
of CIPA, Ltd., as general partner of CIPA
General Partner, L.P., as a general partner
of CIPA Co-Investment, L.P.

SOFTBANK ASIA NET-TRANS (NO.4) LIMITED

By: /s/

Name:

Title:

OPENVENTURE COMPANY LIMITED

By: /s/

Name:

Title:

IDG TECHNOLOGY VENTURE INVESTMENTS, LP.
By: IDG TECHNOLOGY VENTURES INVESTMENTS, LLC, its general partner

By: /s/

Name:

Title:

S.I. TECHNOLOGY VENTURE CAPITAL LIMITED

By: /s/

Name:

Title:

ORCHID ASIA II, L.P.

By: /s/

Name:

Title:

JFI II, L.P. By: Joost Enterprises Corporation
Its: GP

By: /s/

Name:

Title:

/s/ Gabriel Li

Gabriel Li

/s/ Eric Li

Eric Li

/s/ Jed Dempsey

Jed Dempsey

/s/ Jim Watson

Jim Watson

SERIES C INVESTORS

TIGER TECHNOLOGY PRIVATE INVESTMENT PARTNERS, L.P.

By: /s/ Scott Shleifer

Name: Scott Shleifer

Title:

TIGER TECHNOLOGY II, L.P.

By: /s/ Scott Shleifer

Name: Scott Shleifer

Title:

ORDINARY INVESTOR

IDG TECHNOLOGY VENTURE INVESTMENT, INC.

By: /s/

Name:

Title:

FOUNDERS

/s/ Nan Peng Shen

Nan Peng Shen

/s/ Jian Zhang Liang

Jian Zhang Liang

/s/ Qi Ji

Qi Ji

/s/ Min Fan

Min Fan

MODERN EXPRESS SHAREHOLDERS

/s/ Xi Yuan Fang

Xi Yuan Fang

/s/ Sheng Li Wang

Sheng Li Wang

/s/ Jing Dong Li

Jing Dong Li

/s/ Xiao Tan

Xiao Tan

/s/ Ze Sheng Wang

Ze Sheng Wang

/s/ Yu Sun

Yu Sun

LIST OF EXHIBITS

Exhibit A	Schedule of Series A Investors
Exhibit B	Schedule of Series B Investors
Exhibit D	Schedule of Founders
Exhibit E	Schedule of Modern Express Shareholders
Exhibit F	Particulars of the Company, the HK Subsidiary, Ctrip Computer Technology and Ctrip Shanghai
Exhibit G	Notices

Exhibits

EXHIBIT A

SCHEDULE OF SERIES A INVESTORS

ORCHID ASIA II, L.P.

JFI II, LP

JED DEMPSEY

GABRIEL LI

ERIC LI

JIM WATSON

CHINA ENTERPRISE INVESTMENTS NO. 11 LIMITED

IDG TECHNOLOGY VENTURE INVESTMENT, INC.

S.I. TECHNOLOGY VENTURE CAPITAL LIMITED

ECITY INVESTMENT LIMITED

EXHIBIT B

SCHEDULE OF SERIES B INVESTORS

CARLYLE ASIA VENTURE PARTNERS I, L.P.

CIPA CO-INVESTMENT, L.P.

SOFTBANK ASIA NET-TRANS (NO.4) LIMITED

OPENVENTURE COMPANY LIMITED

IDG TECHNOLOGY VENTURE INVESTMENTS, LP.

S.I. TECHNOLOGY VENTURE CAPITAL LIMITED

ORCHID ASIA II, L.P.

JFI II, LP

GABRIEL LI

ERIC LI

JED DEMPSEY

JIM WATSON

EXHIBIT C

SCHEDULE OF SERIES C INVESTORS

TIGER TECHNOLOGY PRIVATE INVESTMENT PARTNERS, L.P.

TIGER TECHNOLOGY II, L.P.

Exhibit C-1

EXHIBIT D

SCHEDULE OF FOUNDERS

NAN PENG SHEN

JIAN ZHANG LIANG

QI JI

MIN FAN

Exhibit D-1

EXHIBIT E

SCHEDULE OF MODERN EXPRESS SHAREHOLDERS

XIYUAN FANG

SHENGLI WANG

JINGDONG LI

XIAO TAN

ZE SHENG WANG

YU SUN

EXHIBIT F

PARTICULARS OF THE COMPANY

NAME	:	Ctrip.com International, Ltd.
COMPANY REGISTRATION NO.	:	CR-97668
REGISTERED OFFICE	:	M&C Corporate Services Limited, P.O. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands
DATE AND PLACE OF INCORPORATION	:	March 3, 2000; Cayman Islands
AUTHORISED SHARE CAPITAL	:	US$515,134.64 divided into 40,000,000 ordinary shares of par value of US$0.01 each, 4,320,000 Series A Preferred Shares of par value US$0.01 each and 7,193,464 Series B Preferred Shares of par value of US$0.01 each

PARTICULARS OF THE HK SUBSIDIARY

NAME	:	Ctrip.com (Hong Kong) Limited
COMPANY REGISTRATION NO.	:	678553
REGISTERED OFFICE	:	Room 2001, 20/F, The Centrium, 60 Wyndham Street, Central, Hong Kong.
DATE AND PLACE OF INCORPORATION	:	June 11, 1999; Hong Kong
AUTHORISED SHARE CAPITAL	:	US$250,000 divided into 250,000 ordinary shares of US$1.00 each

PARTICULARS OF CTRIP COMPUTER TECHNOLOGY

NAME	:	Ctrip Computer Technology (Shanghai) Limited
REGISTRATION NO.	:	Qi Du Hu Fu Zi No. 015676
REGISTERED OFFICE	:	3F, Building 63, 421 Hong Cao Road, Shanghai, People's Republic of China
DATE AND PLACE OF INCORPORATION	:	January 19, 1994; Shanghai, People's Republic of China
REGISTERED CAPITAL	:	US$8,000,000

PARTICULARS OF CTRIP SHANGHAI

NAME	:	Ctrip Travel Information Technology (Shanghai) Limited
REGISTRATION NO.	:	Qi Du Hu Pu Zong Fu Zi No. 316782 (Pudong)
REGISTERED OFFICE	:	Suite 640-09, Building 2, 351 Guo Shou Jing Road, Zhangjiang High-Tech Park, Shanghai, People's Republic of China
DATE AND PLACE OF INCORPORATION	:	March 13, 2003; Shanghai, People's Republic of China
REGISTERED CAPITAL	:	US$150,000

EXHIBIT G

NOTICES

The Company:

Unit 2001, The Centrium
60 Wyndham Street
Central
Hong Kong
Attention: Neil Shen
Fax Number: (852) 2169-0920

Carlyle Asia Venture Partners I, L.P.

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EXHIBIT 10.1

CTRIP.COM INTERNATIONAL LIMITED

EMPLOYEES' STOCK OPTION PLAN

1. Purposes of the Plan

The purposes of this Plan are:

(a) to attract and retain the best available personnel for positions of substantial responsibility,

(b) to provide additional incentive to Employees, Independent Directors and Consultants, and

(c) to promote the success of the Company's business.

Stock Purchase Rights may also be granted under the Plan.

2. Definitions

"Administrative Committee"	the Board or any of its Committees as shall be administering the Plan in accordance with Section 4 below. It should be comprised of CEO, CFO and members of the compensation committee.
"Applicable Laws"	the requirements relating to the administration of stock option plans under any stock exchange or quotation system on which the Ordinary Shares are listed or quoted and the applicable laws of any country or jurisdiction where Options or Stock Purchase Rights are granted under the Plan.
"Board"	the Board of Directors of the Company.
"Committee"	a committee of Directors appointed by the Board in accordance with Section 4 below.
"Company"	CTRIP.COM INTERNATIONAL LIMITED, a company incorporated under the laws of Cayman Islands.
"Consultant"	any person who is engaged by the Company or any Parent or Subsidiary to render consulting or advisory services to such entity.

"Director"	a member of the Board.
"Disability"	any total and permanent disability which prevents the Service Provider to continue in such capacity.
"Employee"	any person, including but not limited to Directors, employed by the Company or any Parent or Subsidiary of the Company. A Service Provider shall not cease to be an Employee in the case: (i) any leave of absence approved by the Company; or (ii) transfers between locations of the Company or between the Company, its Parent, any Subsidiary, or any successor.
"Fair Market Value"	as of any date, the value of Ordinary Shares is determined as follows: (i) if the Ordinary Shares are listed or publicly traded on any established stock exchange or a national market system, its Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system for the last market trading day prior to the time of determination, as reported in The Wall Street Journal or such other resource as the Administrative Committee deems reliable.

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

(iii) in the absence of an established market for the Ordinary Shares, the Fair Market Value thereof shall be determined in good faith by the Administrative Committee after consultation with legal and accounting experts as the Administrative Committee may deem advisable.

"Option"	a stock option granted pursuant to the Plan.
"Option Agreement"	a written or electronic agreement between the Company and an Optionee evidencing the terms and conditions of an individual Option grant. The Option Agreement is subject to the terms and conditions of the Plan.
"Option Exchange Program"	a program whereby outstanding Options are exchanged for Options with a lower exercise price.
"Optioned Stock"	the Ordinary Shares subject to an Option or a Stock Purchase Right.
"Optionee"	The holder of an outstanding Option or Stock Purchase Right granted under the Plan.
"Ordinary Shares"	The ordinary shares of the Company.
"Parent"	Any entity which holds directly or indirectly at least fifty point one percent (50.1%) of the voting equity of the Company.
"Plan"	This Employees' Stock Option Plan.

"Restricted Stock"	Shares of Ordinary Shares acquired pursuant to a grant of a Stock Purchase Right under Section 11 below.
"Securities Act"	the securities exchange legislation of any applicable jurisdiction together with its amendments.
"Service Provider"	an Employee, Director or Consultant.
"Share" or "Shares"	a share or shares of the Ordinary Shares, as adjusted in accordance with Section 12 below.
"Stock Purchase Right"	a right to purchase Ordinary Shares pursuant to Section 11 below.
"Subsidiary"	any entity in which the Company holds directly or indirectly fifty point one percent (50.1%) or more of the voting equity.
"Tax Law"	The relevant tax legislation of the applicable jurisdiction, as amended.

Except where otherwise indicated by the context, the masculine gender also shall include the feminine gender, and the definition of any term herein in the singular also shall include the plural.

3. Stock Subject to the Plan

Subject to the provisions of Section 12 of the Plan, the maximum aggregate number of Shares which may be subject to option and sold under the Plan is 1,187,510 Shares. At all times during the term of the Plan and while any Option(s) or Stock Purchase Right(s) are outstanding, the Company shall retain as authorized and unissued stock, or as treasury stock, at least the number of Shares from time to time required under the provisions of the Plan, or otherwise assure itself of its ability to perform its obligations hereunder.

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

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

4. Administration of the Plan

(a) Administrative Committee

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

(b) Powers of the Administrative Committee

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

(i) to determine the Fair Market Value;

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

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

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

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

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

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

(viii) to initiate an Option Exchange Program;

(ix) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of qualifying for preferred tax treatment under foreign tax law;

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

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

(c) Effect of Administrative Committee's Decision

All decisions, determinations and interpretations of the Administrative Committee pursuant to the provisions of the Plan shall be final conclusive and binding on all Optionees.

5. Eligibility

(a) Stock Purchase Rights may be granted to Service Providers.

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

6. Term of Plan

The Plan shall become effective upon its adoption by the Board. It shall continue in effect for a term of five (5) years unless sooner terminated under Section 14 below.

7. Term of Option

The term of each Option shall be stated in the Option Agreement; provided, however, that the term shall be no more than five (5) years from the date of grant thereof.

8. Option Exercise Price and Consideration

(a) The per share exercise price for the Shares to be issued upon exercise of an Option shall be such price as is determined by the Administrative Committee.

(b) The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrative Committee. Such consideration may consist of:

(i) cash,

(ii) check payable to the order of the Company,

(iii) promissory note,

(iv) other Shares which (x) in the case of Shares acquired upon exercise of an Option, have been owned by the Optionee for more than six (6) months on the date of surrender, and (y) have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option shall be exercised,

(v) consideration received by the Company under a cashless exercise program implemented by the Company in connection with the Plan, or

(vi) any combination of the foregoing methods of payment.

In making its determination as to the type of consideration to accept, the Administrative Committee shall consider if acceptance of such consideration may be reasonably expected to benefit the Company.

9. Exercise of Option

(a) Procedure for Exercise; Rights as a Shareholder

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

An Option shall be deemed exercised when the Company receives:

(i) written or electronic notice of exercise (in accordance with the Option Agreement) from the person entitled to exercise the Option, and

(ii) full payment for the Shares with respect to which the Option is exercised.

Full payment may consist of any consideration and method of payment authorised by the Administrative Committee and permitted by the Option Agreement and the Plan. Shares issued upon exercise of an Option shall be issued in the name of the Optionee or, if requested by the Optionee, in the name of the Optionee and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorised transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall

issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 12 below.

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

(b) Termination of Relationship as Service Provider

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

(c) Disability of Optionee

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

(d) Death of Optionee

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

(e) Buyout Provisions

The Administrative Committee may at any time offer to buy out an Option previously granted for a payment in cash or Shares, based on such terms and conditions as the Administrative Committee shall establish and communicate to the Optionee at the time that such offer is made.

10. Non-Transferability of Options and Stock Purchase Rights

The Option and Stock Purchase Rights may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of succession and may be exercised, during the lifetime of the Optionee, only by the Optionee.

11. Stock Purchase Rights

(a) Rights to Purchase

Stock Purchase Rights may be issued either alone, in addition to, or in tandem with other awards granted under the Plan and/or cash awards made outside of the Plan. After the Administrative Committee determines that it will offer Stock Purchase Rights under the Plan, it shall advise the offeree in writing or electronically of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid, and the time within which such person must accept such offer.

(b) Repurchase Option

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

(c) Other Provisions

The Restricted Stock purchase agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrative Committee in its sole discretion.

(d) Rights as a Shareholder

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

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

(a) (i) Changes in Capitalization

Subject to any required action by the shareholders of the Company, the number of shares of Ordinary Shares covered by each outstanding Option or Stock Purchase Right, and the number of shares of Ordinary Shares which have been authorised for

issuance under the Plan but as to which no Options or Stock Purchase Rights have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Option or Stock Purchase Right, as well as the price per share of Ordinary Shares covered by each such outstanding Option or Stock Purchase Right, shall be proportionately adjusted for any increase or decrease in the number of issued shares of Ordinary Shares resulting from a reclassification of the Ordinary Shares, or any other increase or decrease in the number of issued shares of Ordinary Shares effected without receipt of consideration by the Company. The conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration". Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares of Ordinary Shares subject to an Option or Stock Purchase Right.

(ii) Adjustments for Stock Split, Stock Dividend, Etc.

For avoidance of doubt, it is further stated if the Company shall at any time increase or decrease the number of its outstanding Shares of Ordinary Shares, or change in any way the rights and privileges of such Shares by means of the payment of a stock dividend or any other distribution upon such Shares, or through a stock split, subdivision, consolidation, combination, reclassification or recapitalization involving the stock, then in relation to the Ordinary Shares that is affected by one or more of the above events, the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if such Shares had been issued and outstanding, fully paid and nonassessable at the time of such occurrence: (I) the number of shares of Ordinary Shares as to which Options may be granted under the Plan: and (ii) the Shares included in each outstanding Option granted hereunder.

(b) Dissolution or Liquidation

In the event of the proposed dissolution or liquidation of the Company, the Administrative Committee shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction. The Administrative Committee in its discretion may provide for an Optionee to have the right to exercise his or her Option or Stock Purchase Right until fifteen (15) days prior to such transaction as to all of the Optioned Stock covered thereby, including Shares as to which the Option or Stock Purchase Right would not otherwise be exercisable. In addition, the Administrative Committee may provide that any

Company repurchase option applicable to any Shares purchased upon exercise of any Option or Stock Purchase Right shall lapse as to all such Shares, provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated. To the extent it has not been previously exercised, an Option or Stock Purchase Right will terminate immediately prior to the consummation of such proposed action.

(c) Merger or Asset Sale

In the event of a merger of the Company with or into another corporation, or the sale of substantially all of the assets of the Company, each outstanding Option and Stock Purchase Right shall be assumed or an equivalent option or right substituted by the successor corporation or Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Option or Stock Purchase Right, the Optionee shall fully vest in and have the right to exercise the Option or Stock Purchase Right as to all of the Optioned Stock, including Shares as to which it would not otherwise be vested or exercisable. If an Option or Stock Purchase Right becomes fully vested and exercisable in lieu of assumption or substitution in the event of a merger or sale of assets, the Administrative Committee shall notify the Optionee in writing or electronically that the Option or Stock Purchase Right shall be fully exercisable for a period of fifteen (15) days from the date of such notice, and the Option or Stock Purchase Right shall terminate upon the expiration of such period. For the purposes of this paragraph, the Option or Stock Purchase Right shall be considered assumed if, following the merger or sale of assets, the option or right confers the right to purchase or receive, for each Share of Optioned Stock subject to the Option or Stock Purchase Right immediately prior to the merger of sale of assets, the consideration (whether stock, cash, or other securities or property) received in the merger or sale of assets by holders of Ordinary Shares for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or sale of assets is not solely common stock of the successor corporation or its Parent, the Administrative Committee may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise

of the Option or Stock Purchase Right, for each Share of Optioned Stock subject to the Option or Stock Purchase right, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Ordinary Shares in the merger or sale of assets.

(d) General Adjustment Rules

If any adjustment or substitution provided for in this Section 12 shall result in the creation of a fractional Share under any Option, the Company shall, in lieu of issuing such fractional Share, pay to the Optionee a cash sum 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.

(e) Determination by Incentive Plan Committee

Adjustments under this Section 12 shall be made by the Administrative Committee whose determinations with regard thereto shall be final and binding upon all parties.

13. Time of Granting Options and Stock Purchase Rights

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

14. Amendment and Termination of the Plan

(a) Amendment and Termination

The Board may at any time amend, alter, suspend or terminate the Plan.

(b) Shareholder Approval

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

(c) Effect of Amendment or Termination

No amendment, alternation, suspension or termination of the Plan shall impair the rights of any Optionee, unless mutually agreed otherwise in meeting between the Optionee and the Administrative Committee. Termination of the Plan shall not affect the Administrative Committee's ability to exercise the powers granted to it hereunder with respect to Options granted under the Plan prior to the date of such termination.

15. Conditions Upon Issuance of Shares

(a) Legal Compliance

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

(b) The payment of cash pursuant to the Plan shall be subject to all Applicable laws, rules and regulations.

(c) Investment Representations

As a condition to the exercise of an Option, the Administrative Committee may require the person exercising such Option to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares.

16. Inability to Obtain Authority

The inability of the Company to obtain authority from any regulatory body having jurisdiction shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

17. General Reservations

(a) The Company may require any person to whom an Option is granted, as a condition of exercising such Option or receiving Shares pursuant to the Plan, to give written assurances, in the substance and form satisfactory to the Company and its counsel, to the effect that such person is acquiring the Shares subject to the Option for his own account for investment and not with

any present intention of selling or otherwise distributing the same, and to such other effects as the Company deems necessary or appropriate in order to comply with applicable securities laws.

(b) The Administrative Committee may provide that Shares issuable upon the exercise of an Option shall, under certain conditions, be subject to restrictions whereby the Company has a right of first refusal with respect to such shares, which restrictions may survive an Optionee's term of employment with the Company.

18. Shareholder Approval

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

19. Information to Optionees and Purchasers

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

20. Withholding

The Company's obligations to deliver Shares upon the exercise of an Option or Stock Purchase Right shall be subject to the Optionee's satisfaction of all applicable federal, state and local income and other tax withholding requirements of applicable jurisdiction.

At the time an Option is exercised by the Optionee, the Administrative Committee in its sole discretion, may permit the Optionee to pay all such amounts of tax withholding, or any part thereof, by transferring to the Company, or directing the Company to withhold from Shares otherwise issuable to such Optionee, Shares having a value equal Administrative Committee at such time. The value of Shares to be withheld shall be based on the Fair Market Value of the Administrative Committee on the date that the amount of tax to be withheld is to be determined.

21. Nonexclusivity of the Plan

Neither the adoption of the Plan by the Board nor the submission of the Plan to stockholders of the Company for approval shall be construed as creating any limitations on the power or authority of the Board to adopt such other or additional incentive or other compensation arrangements of whatever nature as the Board may deem necessary or desirable or preclude or limit the continuation of any other plan, practice or arrangement for the payment of compensation or fringe benefits to the payment of compensation or fringe benefits to employees generally, or to any class or group of employees, which the Company or any Parent or Subsidiary now has lawfully put into effect, including, without limitation, any retirement, pension, savings and stock purchase plan, insurance, death and disability benefits and executive short-term incentive plans.

- E N D -

EXHIBIT 10.2

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (the "Agreement") is entered into as of _____, 200__ by and between Ctrip.com International, Ltd., a Cayman Islands company (the "Company") and the undersigned, a [director or officer] of the Company ("Indemnitee").

RECITALS

1. The Company recognizes that highly competent persons are becoming more reluctant to serve corporations as directors or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against risks of claims and actions against them arising out of their services to the corporation.

2. The Board of Directors of the Company (the "Board") has determined that the inability to attract and retain highly competent persons to serve the Company is detrimental to the best interests of the Company and its shareholders and that it is reasonable and necessary for the Company to provide adequate protection to such persons against risks of claims and actions against them arising out of their services to the corporation.

3. The Company and Indemnitee recognize the current impracticability of obtaining adequate director and officer liability insurance, and Indemnitee does not regard the indemnities available under the Company's current memorandum and articles of association (the "Articles of Association") as adequate to protect him against the risks associated with his service to the Company.

4. The Company is willing to indemnify Indemnitee to the fullest extent permitted by applicable law, and Indemnitee is willing to serve and continue to serve the Company on the condition that he be so indemnified.

AGREEMENT

In consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

A. DEFINITIONS

The following terms shall have the meanings defined below:

Expenses shall include damages, judgments, fines, penalties, settlements and costs, attorneys' fees and disbursements and costs of attachment or similar bond, investigations, and any expenses paid or incurred in connection with investigating, defending, being a witness in, participating in (including on appeal), or preparing for any of the foregoing in, any Proceeding.

Indemnifiable Event means any event or occurrence that takes place either before or after the execution of this Agreement, related to the fact that Indemnitee is or was a director or an officer of the Company, or is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture or other entity, or was a director or officer of an entity that was a predecessor of the Company or another entity at the request

of such predecessor entity, or related to anything done or not done by Indemnitee in any such capacity.

Participant means a person who is a party to, or witness or participant (including on appeal) in, a Proceeding.

Proceeding means any threatened, pending, or completed action, suit or proceeding, or any inquiry, hearing or investigation, whether civil, criminal, administrative, investigative or other, in which Indemnitee may be or may have been involved as a party or otherwise by reason of an Indemnifiable Event.

B. AGREEMENT TO INDEMNIFY

1. General Agreement. In the event Indemnitee was, is, or becomes a Participant in, or is threatened to be made a Participant in, a Proceeding, the Company shall indemnify the Indemnitee from and against any and all Expenses which Indemnitee is or becomes legally obligated to pay in connection with such Proceeding, to the fullest extent permitted by applicable law.

2. Indemnification of Expenses of Successful Party. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits in defense of any Proceeding or in defense of any claim, issue or matter in such Proceeding, Indemnitee shall be indemnified against all Expenses incurred in connection with such Proceeding or such claim, issue or matter, as the case may be.

3. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of Expenses, but not for the total amount of Expenses, the Company shall indemnify the Indemnitee for the portion of such Expenses to which Indemnitee is entitled.

4. Exclusions. Notwithstanding anything in this Agreement to the contrary, Indemnitee shall not be entitled to indemnification under this Agreement:

(a) to the extent that payment is actually made to Indemnitee under a valid, enforceable and collectible insurance policy;

(b) to the extent that Indemnitee is indemnified and actually paid other than pursuant to this Agreement;

(c) in connection with a judicial action by or in the right of the Company, in respect of any claim, issue or matter as to which the Indemnitee shall have been adjudicated by final judgment in a court of law to be liable for negligence or misconduct in the performance of his duty to the Company unless and only to the extent that any court in which such action was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnity for such Expenses as such court shall deem proper;

(d) in connection with any Proceeding initiated by Indemnitee against the Company or any director or officer of the Company, and not by way of defense, unless (i) the Company has joined in or the Board has consented to the initiation of such Proceeding; or (ii)

the Proceeding is one to enforce indemnification rights under this Agreement or any applicable law;

(e) if it is proved by final judgment in a court of law or other final adjudication to have been based upon or attributable to the Indemnitee's in fact having gained any personal profit or advantage to which he was not legally entitled;

(f) for a disgorgement of profits made from the purchase and sale by the Indemnitee of securities pursuant to Section 16(b) of the Exchange Act or similar provisions of any applicable U.S. state statutory law or common law;

(g) brought about or contributed to by the dishonesty of the Indemnitee seeking payment hereunder; provided, however, that the Indemnitee shall be protected under this Agreement as to any claims upon which suit may be brought against him by reason of any alleged dishonesty on his part, unless a judgment or other final adjudication thereof adverse to the Indemnitee establishes that he committed (i) acts of active and deliberate dishonesty, (ii) with actual dishonest purpose and intent, and (iii) which acts were material to the cause of action so adjudicated;

(h) for any judgment, fine or penalty which the Company is prohibited by applicable law from paying as indemnity; or

(i) arising out of Indemnitee's breach of an employment agreement with the Company (if any) or any other agreement with the Company or any of its subsidiaries.

5. No Employment Rights. Nothing in this Agreement is intended to create in Indemnitee any right to continued employment with the Company.

C. INDEMNIFICATION PROCESS

1. Notice and Cooperation By Indemnitee. Indemnitee shall, as a condition precedent to his right to be indemnified under this Agreement, give the Company notice in writing as soon as practicable of any claim made against Indemnitee for which indemnification will or could be sought under this Agreement. Notice to the Company shall be given in accordance with Section F.7 below. In addition, Indemnitee shall give the Company such information and cooperation as the Company may reasonably request.

2. Indemnification Payment.

(a) Advancement of Expenses. Indemnitee may submit a written request to the Company requesting that the Company advance to Indemnitee all Expenses that may be reasonably incurred by Indemnitee in connection with a Proceeding. The Company shall, within ten business days of receiving such a written request by Indemnitee, advance all requested Expenses to Indemnitee.

(b) Reimbursement of Expenses. To the extent Indemnitee has not requested any advanced payment of Expenses from the Company, Indemnity shall be entitled to receive reimbursement for the Expenses incurred in connection with a Proceeding from the Company as soon as practicable after Indemnitee makes a written request to the Company for reimbursement.

(c) Determination by the Reviewing Party. Notwithstanding anything foregoing to the contrary, in the event the Reviewing Party informs the Company that Indemnitee is not entitled to indemnification in connection with a Proceeding under this Agreement or applicable law, the Company shall be entitled to be reimbursed by Indemnitee for all the Expenses previously advanced or otherwise paid to Indemnitee in connection with such Proceeding; provided, however, that Indemnitee may bring a suit to enforce his indemnification right in accordance with Section C.3 below.

3. Suit to Enforce Rights. Regardless of any action by the Reviewing Party, if Indemnitee has not received full indemnification within 30 days after making a written demand in accordance with Section C.2 above, Indemnitee shall have the right to enforce its indemnification rights under this Agreement by commencing litigation in any court of competent jurisdiction seeking a determination by the court or challenging any determination by the Reviewing Party or any aspect of the Agreement. Any determination by the Reviewing party not challenged by Indemnitee and any judgment entered by the court shall be binding on the Company and Indemnitee.

4. Assumption of Defense. In the event the Company is obligated under this Agreement to advance any Expenses for any Proceeding against Indemnitee, the Company shall be entitled to assume the defense of such Proceeding, with counsel approved by Indemnitee, upon delivery to Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same Proceeding, unless (i) the employment of counsel by Indemnitee has been previously authorized by the Company, (ii) Indemnitee shall have reasonably concluded, based on written advice of counsel, that there may be a conflict of interest of such counsel retained by the Company between the Company and Indemnitee in the conduct of any such defense, or (iii) the Company ceases or terminates the employment of such counsel with respect to the defense of such Proceeding, in any of which events the fees and expenses of Indemnitee's counsel shall be at the expense of the Company. At all times, Indemnitee shall have the right to employ counsel in any Proceeding at Indemnitee's expense.

5. Defense to Indemnification, Burden of Proof and Presumptions. It shall be a defense to any action brought by Indemnitee against the Company to enforce this Agreement that it is not permissible under this Agreement or applicable law for the Company to indemnify the Indemnitee for the amount claimed. In connection with any such action or any determination by the Reviewing Party or otherwise as to whether Indemnitee is entitled to be indemnified under this Agreement, the burden of proving such a defense or determination shall be on the Company. Neither the failure of the Reviewing party or the Company to have made a determination prior to the commencement of such action by Indemnitee that indemnification is proper under the circumstances because Indemnitee has met the standard of conduct set forth in applicable law, nor an actual determination by the Reviewing Party or the Company that Indemnitee had not met such applicable standard of conduct shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

6. No Settlement Without Consent. The Company shall not settle any Proceeding in any manner that would impose any damage, loss, penalty or limitation on

Indemnitee without Indemnitee's written consent. Neither the Company nor Indemnitee shall unreasonably withhold its consent to any proposed settlement.

7. Company Participation. The Company shall not be liable to indemnify the Indemnitee under this Agreement with regard to any judicial action if the Company was not given a reasonable and timely opportunity, at its expense, to participate in the defense of such action.

8. Reviewing Party. For purposes of this Agreement, the Reviewing Party with respect to each indemnification request of Indemnitee shall be any person or persons appointed by the Board, none of whom shall be a party to the Proceeding with respect to which Indemnitee is seeking indemnification.

D. DIRECTOR AND OFFICER LIABILITY INSURANCE

1. Good Faith Determination. The Company shall from time to time make the good faith determination whether or not it is practicable for the Company to obtain and maintain a policy or policies of insurance with reputable insurance companies providing the officers and directors of the Company with coverage for losses incurred in connection with their services to the Company or to ensure the Company's performance of its indemnification obligations under this Agreement.

2. Coverage of Indemnitee. To the extent the Company maintains an insurance policy or policies providing directors' and officers' liability insurance, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any of the Company's directors or officers.

3. No Obligation. Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain any director and officer insurance policy if the Company determines in good faith that such insurance is not reasonably available in the case that (i) premium costs for such insurance are disproportionate to the amount of coverage provided, (ii) the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit, or (iii) Indemnitee is covered by similar insurance maintained by a parent or subsidiary of the Company.

E. NON-EXCLUSIVITY; FEDERAL PREEMPTION

1. Non-Exclusivity. The indemnification provided by this Agreement shall not be deemed exclusive of any rights to which Indemnitee may be entitled under the Articles of Association, applicable law or any written agreement between Indemnitee and the Company (including its subsidiaries and affiliates). The indemnification provided under this Agreement shall continue to be available to Indemnitee for any action taken or not taken while serving in an indemnified capacity even though he may have ceased to serve in any such capacity at the time of any Proceeding.

2. Federal Preemption. Notwithstanding the foregoing, both the Company and Indemnitee acknowledge that in certain instances, U.S. federal law or public policy may override applicable law and prohibit the Company from indemnifying its directors and officers under this Agreement or otherwise. Such instances include, but are not limited to, the U.S. Securities and Exchange Commission's prohibition on indemnification for liabilities

arising under certain U.S. federal securities laws. Indemnitee understands and acknowledges that the Company has undertaken or may be required in the future to undertake with the SEC to submit the question of indemnification to a court in certain circumstances for a determination of the Company's right under public policy to indemnify Indemnitee.

F. MISCELLANEOUS

1. Amendment of this Agreement. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall operate as a waiver of any other provisions (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided in this Agreement, no failure to exercise or any delay in exercising any right or remedy shall constitute a waiver.

2. Subrogation. In the event of payment to Indemnitee by the Company under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company to bring suit to enforce such rights.

3. Assignment; Binding Effect. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party hereto without the prior written consent of the other party; except that the Company may, without such consent, assign all such rights and obligations to a successor in interest to the Company which assumes all obligations of the Company under this Agreement. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and the Company's successors (including any direct or indirect successor by purchase, merger, consolidation, or otherwise to all or substantially all of the business and/or assets of the Company) and assigns, as well as Indemnitee's spouses, heirs, and personal and legal representatives.

4. Severability and Construction. Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to a court order, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. In addition, if any portion of this Agreement shall be held by a court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by applicable law. The parties hereto acknowledge that they each have opportunities to have their respective counsels review this Agreement. Accordingly, this Agreement shall be deemed to be the product of both of the parties hereto, and no ambiguity shall be construed in favor of or against either of the parties hereto.

5. Counterparts. This Agreement may be executed in two counterparts, both of which taken together shall constitute one instrument.

6. Governing Law. This agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of New York, U.S.A., without giving effect to conflicts of law provisions thereof.

7. Notices. All notices, demands, and other communications required or permitted under this Agreement shall be made in writing and shall be deemed to have been duly given if delivered by hand, against receipt, or mailed, postage prepaid, certified or registered mail, return receipt requested, and addressed to the Company at:

[Address]
[Address]
[Address]
Attention:

with a copy to:

David T. Zhang, Esq.
Latham & Watkins LLP
20th Floor, Standard Chartered Bank Building
4 Des Voeux Road, Central, Hong Kong

and to Indemnitee at:

[Name]
[Address]
[Address]
[Address]

8. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

(Signature page follows)

IN WITNESS WHEREOF, the parties hereto execute this Agreement as of the date first written above.

COMPANY

Ctrip.com International, Ltd.

- ----------
Name:
Title:

INDEMNITEE

[Name]

- ----------

EXHIBIT 10.3
TRANSLATION

LABOR CONTRACT

Shanghai Ctrip Commerce Co., Ltd. (hereinafter referred to as "Party A")

and

Name of Employee:_____ Identification Card No.: _____
(hereinafter referred to as "Party B")

hereby execute this Contract in accordance with the applicable provisions of "The Labor Law of the People's Republic of China" and other laws and regulations on the basis of equality, voluntariness and consensus.

Article 1

Term of Contract and Probation Period

1. The term of this Contract shall be __ years __ months, from dd mm yy to dd mm yy, during this: there shall be a probation period of ___ years ___ months, from dd mm yy to dd mm yy.

2. This Contract shall take effect on the day Party B actually commences work for Party A.

3. During probation period, Party A shall perform a performance review on Party B, and shall decide whether to formally hire Party B based on Party B's work performance and capabilities. The probation period shall end upon notice from Party A of Party B's formal hiring, and Party B shall become Party A's formal employee. In the event that Party A does not believe that Party B fully meets hiring conditions, Party A may extend the probation period in accordance with applicable rules. During the probation period, in the event that Party A does not believe that Party B meets hiring conditions and decides not to hire Party A, this Contract shall be terminated automatically.

4. On the day Party B reports to work, Party B shall provide Party A with the labor certificate or relevant severance certificates [from Party B's previous employer]. In the event such proof is not provided within half a month, Party B must have a reasonable application and may get an extension only after Party A gives consent, and said extension shall not exceed one month. In the event that Party B fails to provide relevant proof within the prescribed timeframe, this Contract shall be automatically terminated.

Article 2

Job Post and Job Duties

1. Party B shall hold the position of ___ with the department of _____. Party B shall complete his work according to the job duties defined by Party A.

2. Party A may change Party B's job due to Party A's business need or due to Party B's capabilities or performance. Party B shall have the right to make his

own comment, but shall comply with Party A's work arrangements, and shall complete the procedures for change according to the rules.

Article 3

Work Conditions and Labor Protection

1. Party A shall implement a 40-hour work week system. Due to business needs, management, sales and service departments, etc., shall implement an irregular work system or comprehensive work hour system.

2. In the event that Party A needs Party B to work overtime due to business needs, Party A may provide makeup breaks or compensation.

3. Party A shall provide Party B with a work environment and labor protection measures consistent with the requirements of the Chinese Government.

Article 4

Compensation

1. In accordance with the current salary system of Party A, Party B's total monthly salary shall be RMB____. At the end of the probation period, Party B's monthly salary shall be issued in the following manner.

   a. The base amount shall be RMB___ , of which ___% shall be the performance review bonus, which shall be issued after being floated according to Party A's performance review system.

   b. The salary shall be RMB___, plus a bonus. The bonus shall be issued in accordance with relevant requirements of Party A.

2. Party A shall issue the salary for the previous month on the 10th of each month.

3. Party B's personal income adjustment tax shall be borne by Party B himself, and shall be withheld by Party A.

4. Party A may pay Party B a certain amount of subsidies and bonuses depending on the business operating status and Party B's work performance.

5. In the event that Party A implements a new salary system, adjusts salary levels or in the event that Party B's duty post and position is changed, Party A may make an adjustment to Party B's salary in accordance with the relevant rules.

Article 5

Labor Insurance, Welfare and Benefits

1. Party shall pay relevant social insurance to designated authorities on Party B's behalf in a timely manner in accordance with government requirements.

2. Party B shall be entitled to legal holidays specified by the Chinese Government, as well as paid leaves, such as annual vacations, marital leave, bereavement leave and maternity leave, etc.

3. During Party B's employment with Party A, in the event of Party B's sickness or non-job related injuries, Party B shall set Party B's medical leave in accordance with government requirements.

Article 6

Labor Discipline

1. Party B shall strictly comply with the various rules and regulations prepared by Party A in accordance with law.

2. In the event that Party B has complied with rules and regulations in an exemplary manner or in the event that Party B has violated such rules and regulations, Party A shall reward and discipline Party B, as the case may be.

Article 7

Termination of, Changes to, Renewal and Dissolution of Labor Contract

1. Upon the occurrence of any one of the following circumstances, this Labor Contract shall be terminated:

a) The expiration of this Labor Contract;

b) Party A has been declared bankrupt in accordance with law;

c) Party A has been dissolved or revoked in accordance with law;

d) Party B's retirement, severance or death;

e) Other circumstances specified by laws and regulations;

2. This Labor Contract may be terminated upon consensus between Party A and Party B;

3. Upon its expiration, this Labor Contract may be renewed upon mutual agreement between Party A and Party B;

4. Due to change of products, adjustment to business operations or due to policy adjustments and other changes of circumstances, Party A may change the relevant contents of this Contract and complete the procedures for such changes;

5. Party B may terminate this Labor Contract at any time upon the occurrence of any one of the following circumstances:

a) Party B is in the probation period;

b) Party A forces Party B to perform labor through force, threat or illegal restriction on Party B's personal freedom;

c) Party A fails to pay labor compensation or provide work conditions;

d) Upon confirmation by labor protection and labor health oversight authorities, Party A's work safety and health conditions do not meet the standards of laws and regulations;

6. Party B must give Party A 30 days of written notice when it requests termination of this Labor Contract. In the event that any special provisions have been covenanted regarding the deadline for advance notice, the requirement for such a prescribed deadline shall be met.

7. Upon the occurrence of any one of the following circumstances, Party A may terminate this Labor Contract, but must give Party B 30 days of written notice:

a) In the event that Party B becomes sick or suffers non-work related injuries, after Party B's medical leave has ended, Party B still has not

recovered, or although Party B has recovered, Party B cannot perform the work on the original duty post or any other work arranged by Party A;

b) Party B is incompetent, and still remains incompetent even after training or even though Party B's duty post has been adjusted;

c) There have been major changes to in objective circumstances used as the basis for the execution of this Labor Contract, rendering it impossible to perform the original Labor Contract, and the parties are still not able to reach an agreement on changes to this Labor Contract after their consultations;

8. Party B may terminate this Labor Contract at any time upon the occurrence of any one of the following circumstances on Party B's part:

a) Party B proves that Party A has not met the hiring conditions during the probation period;

b) The cumulative number of days of Party B's absence without leave and leave exceeds the number of days allowed by Party A;

c) Party B seriously violates the labor discipline or the rules and regulations of the company;

d) Party B neglects his duty and is engaged in malpractice for personal gains, causing substantial loss to Party A;

e) Party B is held criminally liable in accordance with law; and

f) Other circumstances specified by laws and regulations.

9. The performance of this Labor Contract shall be suspended upon the occurrence of any one of the following circumstances:

a) Party B is drafted into military service or performs other legally mandated obligations specified by the state;

b) Party B is temporarily unable to perform the obligations under this Labor Contract, but there are still conditions and possibilities for the employee to continue to perform them; and

c) Other circumstances set forth by laws and regulations or covenanted by this Labor Contract.

Article 8

Liabilities for Breach of This Labor Contract

1. Upon the termination, dissolution of this Labor Contract or upon the occurrence of liability for breach of same, legal liabilities shall be undertaken in accordance with the applicable provisions of the "Labor Law" and state laws and regulations. In the event that any economic losses or damages have been caused to the other party, liabilities for damages shall be in accordance with law.

2. In the event that when Party A terminates this Contract in accordance with Section 7, Article 7, and Party B terminates this Contract in accordance with Section 7, Article 7 and Clause 2, Section 2, Article 9, if no advance notice is given in accordance with the prescribed requirements or if advance notice is insufficient, compensation shall be paid at the number of deficient days multiplied by the average number of days of Party B's actual monthly salaries.

3. When Party B is engaged in professional and technical work or has access to Party A's trade secrets or in the event Party B terminates this Contract in violation of Clause a, Section 2 and Section 3 Article 9 during the period of required service, Party B shall be liable for breach of contract and pay a penalty equivalent to three months' salaries.

4. In the event Party B has received training funded by Party A and terminates this Contract in violation of Clause a to Clause e, Section 8, Article 7 during the period of required service, Party B shall compensate Party A for the training fee, which shall be decreased by the year in accordance with the applicable state requirements.

Article 9

Other Matters Covenanted By the Parties Through Consultations

1. Confidentiality

a) Party A maintains a strict policy on confidentiality. Any violation by Party B of the confidentiality rule shall be a serious violation of this Contract. Upon severance, Party B shall not photocopy, take away or disclose in any manner any documents or information belonging to Party A, and shall maintain trade secrets for Party A.

2. Denial of Access to Secrets

a) Party B shall maintain trade secrets for Party A. Relevant workers who engage in professional and technical work or who have access to trade secrets shall give Party A three months of written notice when they request termination of their labor contracts. During this time, Party A may take corresponding measures to deny access to secrets.

b) During Party B's denial of access to secrets, Party A shall have the right to adjust Party B's duty post, and may adjust Party B's duty post salary based on the current duty post.

3. The Required Service Period

a) In the event that Party A has spent funds to hire Party B, has provided training or other special treatment to Party B, Party A may covenant a required service period with Party B.

b) In the event that Party B terminates this Labor Contract during the required service period, Party B shall give Party A two months written notice, and shall compensate Party A in accordance with relevant requirements. At the same time, Party A may adjust Party B's duty post.

4. Non-competition

a) Party B agrees not to be hired by another company without approval during the term of this Contract.

b) Party B agrees not to engage in direct or indirect business contact with Part A and the affiliates thereof without approval for one year after the termination of this Contract; shall not engage in actions in competition with Party A and the affiliates thereof or engage in business of a similar nature in any manner, and Party A shall provide corresponding compensation.

5. Intellectual Property: Party A shall own the rights to all intellectual property created by Party B relating to Party B's employment during the service period, including inventions, creations, all patents, copyrights and other intellectual properties.

6. Other Covenants

Article 10

For matters not covered by this Contract, decisions shall be made by reference to applicable provincial and local laws, regulations and policies, as well as the system of the company. In the absence of specific rules, such matters shall be resolved by Party A and Party B through friendly consultations.

Article 11

In the event that the provisions of this Contract contravene applicable provincial laws, regulations and policies, applicable provincial laws, regulations and policies shall control.

Article 12

This Contract shall be in duplicate copies, with one copy for each of the parties, and shall take effect upon affixation thereto of the signatures and seals of the parties.

Party A (Seal)
Shanghai Ctrip Commerce Co., Ltd.

Signature of Authorized Representative: Date: dd mm yy

Party B's signature: Date: dd mm yy

EXHIBIT 10.4

CTRIP.COM INTERNATIONAL, LTD.

EMPLOYMENT AND CONFIDENTIALITY AGREEMENT

EXHIBIT 10.4

EMPLOYMENT AND CONFIDENTIALITY AGREEMENT

This Employment and Confidentiality Agreement (the "AGREEMENT") is made as of this first day of September 2003 ("Effective Date") by and between Ctrip.com International, Ltd. (the "COMPANY") and Jian Zhang Liang (the "EMPLOYEE").

(The Company and the Employee are hereinafter referred to individually as a "Party" and collectively as the "Parties".)

WHEREAS, the Company desires to engage the services of Employee and the Employee desires to perform such services upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereafter set forth, the Parties agree as follows:

ARTICLE 1 APPOINTMENT

1.1 Subject to the terms and conditions herein, the Company agrees to employ Employee and cause its wholly-owned subsidiary Ctrip Computer Technology (Shanghai) Limited ("Ctrip Shanghai") to employ Employee as the Chief Executive Officer of the Company and Ctrip Shanghai, and Employee agrees to serve the Company and Ctrip Shanghai in such capacity, and/or in such other capacity as the Company and the Employee may from time to time agree upon, on the terms set out in this Agreement ("Appointment").

ARTICLE 2 DUTIES

2.1 The Employee shall be responsible for day-to-day management and business operations of the Company and Ctrip Shanghai in accordance with this Agreement, the Memorandum and Articles of Association of the Company (the "Articles of Association"), and the guidelines, policies and procedures of the Company approved from time to time by the Board.

2.2 The Employee shall use his best endeavor to perform Employee's duties hereunder and hereby agrees that Employee shall not, without the prior written consent of the Board, become an employee of any entity other than the Company and shall not be concerned or interested in any other business directly competitive with that carried on by the Company, provided that nothing in this clause shall preclude the Employee from holding or being otherwise interested in any shares or other securities of any company any part of those share capital is listed or dealt in on any stock exchange or recognized securities market anywhere and the Employee should notifies the Company in writing of his interest in such shares or securities in a timely manner and with such details and particulars as the Company may reasonably require.

ARTICLE 3 REMUNERATION

3.1 In consideration for the services rendered by the Employee to the Company and Ctrip Shanghai hereunder, the Company shall cause Ctrip Shanghai to pay to the Employee a salary (the "SALARY") consisting of (i) a fixed component and (ii) a variable component as indicated in Appendix 1.

3.2 Salary shall be deemed to accrue from day to day, with the first monthly installment calculated from the Effective Date and the last monthly installment calculated down to the Expiration Date, or, in the event of early termination, to the date this Agreement is terminated, whichever is earlier.

3.3 The Employee shall be solely responsible for all individual income tax and any other tax whatsoever imposed under applicable law of the jurisdiction of the Company and Ctrip Shanghai, or otherwise on the Salary and any other amounts paid to the Employee by the Company for Employee's employment.

3.4 The Company or Ctrip Shanghai shall reimburse travel, hotel and other out-of-pocket expenses properly incurred by the Employee in the course of Employee's employment.

ARTICLE 4 MEDICAL EXPENSES INSURANCE, PAID HOLIDAY AND SICK LEAVE

4.1 The Company shall cover the cost of membership for the Employee, his spouse and his children of an appropriate private patient medical plan with such reputable medical expenses insurance scheme as the Company shall decide from time to time.

4.2 The Employee shall be paid in full during any period of absence from work due to sickness or injury not exceeding 30 working days in any period of 12 months, and to the production of satisfactory evidence from a qualified medical practitioner in respect of any period of absence in excess of 14 consecutive working days. The Employee's salary during any period of absence due to sickness or injury shall be inclusive of any sickness allowance or other amount to which he is entitled from the Company.

4.3 The Employee shall be entitled to a 25-days holiday with pay in every calendar year during the term of the Appointment at times convenient to the Company. Any entitlement to holiday remaining at the end of any calendar year may, be carried forward to the next calendar year but no further. The entitlement to holiday (and on termination of employment to holiday pay in lieu of holiday) accrues pro rata throughout each calendar year.

ARTICLE 5 CONFIDENTIALITY

5.1 Save insofar as such information is already lawfully in the public domain, the Employee shall keep secret and shall not at any time (whether during the Term or thereafter) use for Employee's own or any third party's advantage, or reveal to any person, firm, company or organization and shall use Employee's best endeavors to prevent the publication or disclosure of all Confidential Information (as defined herein below).

5.2 If the Employee breaches this obligation of confidentiality, the Employee shall be liable to the Company for all damages (direct or consequential) incurred as a result of the Employee's breach.

5.3 The restrictions in this Article 5 shall not apply to any disclosure or use authorized by the Board or required by law or by the intended performance of this Agreement.

5.4 "CONFIDENTIAL INFORMATION", for the purpose of this Agreement, shall mean information relating to the business, customers, products and affairs of the Company (including without limitation marketing information) deemed confidential by the Company, treated by the Company or which the Employee knows or ought reasonably to have known to be confidential, and trade secrets, including without limitation designs, processes, pricing policies, methods, inventions, technology, technical data, financial information and know-how relating to the business of the Company.

For purposes of Articles 5 and 6 of this Agreement, the Company shall include all subsidiaries and affiliated Chinese entities of the Company, including without limitation, Ctrip Shanghai, Ctrip Travel Information Technology (Shanghai) Limited and Ctrip.com (Hong Kong) Limited.

5.5 All notes, memoranda, records, drawings, designs, sketches, writing (by whatever medium kept or made) concerning the business of the Company or customers of the Company made or received by the Employee during the course of the Employee's employment shall be and remain the exclusive property of the Company and shall be handed over by the Employee to the Company upon the request of the Company at any time during the course of Employee's employment and at the termination of this Agreement or in any event upon Employee's leaving the service of the Company.

ARTICLE 6 NON-COMPETITION

6.l In consideration of the Salary paid to the Employee by the Company, the Employee agrees that during the Term and for a period of two (2) years following the termination or expiration of this Agreement (for whatever reason):

(a) Employee will not approach clients, customers or contacts of the Company or other persons or entities introduced to Employee in Employee's capacity as a representative of the Company for the purposes of doing business with such persons or entities and will not interfere with the business relationship between the Company and such persons and/or entities;

(b) unless expressly consented to by the Company, Employee will not assume employment with or provide services as a director or otherwise for any competitor of the Company in Hong Kong, or engage, whether as principal, partner, licensor or otherwise, in any business which is in direct or indirect competition with the business of the Company; and

(c) unless expressly consented to by the Company, Employee will not seek directly or indirectly, by the offer of alternative employment or other inducement whatsoever, to solicit the services of any employee of the Company employed as at the date of such termination, or in the year preceding such termination.

6.2 The provisions provided in Article 6.1 shall be separate and severable and enforceable independently of each other and independent of any other provision of this Agreement.

6.3 The provisions contained in Article 6.1 are considered reasonable by the Parties but, in the event that any such provisions should be found to be void under relevant Hong Kong laws and regulations but would be valid if some part thereof was deleted or the period or area of application reduced, such provisions shall apply with such modification as may be necessary to make them valid and effective.

ARTICLE 7 TERMINATION

7.1 TERMINATION FOR CONVENIENCE. The Company may, terminate the Appointment by giving three months notice in writing to the Employee or the Employee may also terminate the Appointment by giving three months notice in writing to the company.

7.2 TERMINATION FOR CAUSE.

The employment of the Employee may be terminated by the Company:

(a) If the Employee is guilty of any gross default or gross misconduct in connection with or affecting the business of the Company to which he is required by this Agreement to render services

(b) If the Employee is convicted of any arrestable criminal offence (other than an offense under road traffic legislation for which a fine or non-custodial penalty is imposed);

7.3 On termination of this Agreement for whatever reason (and whether in breach of contract or otherwise) the Employee shall deliver forthwith to the Company all books, documents, papers (including copies), materials, credit cards, the company car and car keys (if any) and all other property relating to the business of or belonging to the Company which is in Employee's possession or under Employee's power or control.

ARTICLE 8 ASSIGNMENT

8.l This Agreement will be binding upon and inure to the benefit of any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company.

ARTICLE 9 GRIEVANCE PROCEDURES

9.1 If at any time the Employee has any grievance relating to Employee's employment with the Company, Employee may seek redress orally or in writing by referring the grievance to the Board and the Board shall deal with such matter by discussion and by majority decision.

ARTICLE 10 APPLICABLE LAW AND DISPUTE RESOLUTION

10.1 This validity, interpretation, execution and settlement of any disputes arising this Agreement shall be governed by the laws of New York, USA.

10.2 In the case that any one or more of the provisions contained in this Agreement shall be held invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

10.3 For labor disputes arising from the execution of, or in relation to this Agreement, the Parties shall first try to resolve the dispute through friendly consultations. The Parties may also apply for mediation and/or arbitration in accordance with relevant New York laws and regulations.

ARTICLE 11 MISCELLANEOUS

11.1 The Parties agree that the rights and obligations set forth in Articles 5, 6, 7.3, 10, and 11 shall survive the termination of this Agreement.

11.2 This Agreement constitutes the entire agreement and understanding between the Parties and supersedes all other oral and written agreements between the Company and the Employee regarding the subject matter hereof, including that certain Employment and Confidentiality Agreement dated January 1, 2003 between the Employee and Ctrip Shanghai. The Employee acknowledges that Employee has not entered into this Agreement in reliance upon any representation, warranty or undertaking which is not set forth in this Agreement or expressly referred to in it as forming part of the Employee's contract of employment.

11.3 Any notice to be given under this Agreement to the Employee may be served by being handed to Employee personally or by being sent by recorded delivery first class post to Employee at Employee's usual or last known address; and any notice to be given to the Company may be served by being left at or by being sent by recorded delivery first class post to its registered office. Any notice served by post shall be deemed to have been served on the day (excluding Sundays and statutory holidays) next following the date of posting and in proving such service it shall be sufficient proof that the envelope containing the notice was properly addressed and posted as a prepaid letter by recorded delivery first class post.

11.4 If one or more provisions of this Agreement are held to be unenforceable under applicable law, thus such provision(s) shall be deemed to be excluded from this Agreement and the balance of this Agreement shall be enforceable in accordance with its terms.

11.5 The rights and duties of the Employee under this Agreement shall not be subject to alienation, assignment or transfer.

11.6 The headings of the Articles of this Agreement are for the convenience of the Parties hereto and shall not be deemed a substantive part of this Agreement.

11.7 No change in, or addition to, the terms of this Agreement shall be valid unless in writing and signed by both Parties hereto.

11.8 This Agreement may be signed in two (2) counterparts and each counterpart shall be deemed to be an original.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF this Agreement has been executed on the date first above written.

CTRIP.COM INTERNATIONAL, LTD.	EMPLOYEE
Signature: /s/	Signature: /s/ James Jianzhang Liang
Name:	Name: James Jianzhang Liang

APPENDIX 1

SALARY OF EMPLOYEE

- Employee's salary shall have two components: Fixed Base Salary and discretionary Performance Bonus based on the individual performance and 85% completion of the monthly net revenue/net income budget of the Company.

- The Fixed Base Salary of Employee shall be US$[ ] per year, to be paid pro rata on the monthly basis.

- The Performance Bonus, if any, shall be paid quarterly.

EXHIBIT 10.5

CTRIP.COM INTERNATIONAL, LTD.

EMPLOYMENT AND CONFIDENTIALITY AGREEMENT

EXHIBIT 10.5

EMPLOYMENT AND CONFIDENTIALITY AGREEMENT

This Employment and Confidentiality Agreement (the "AGREEMENT") is made as of this first day of September 2003 ("Effective Date") by and between Ctrip.com International, Ltd. (the "COMPANY") and Nan Peng Shen (the "EMPLOYEE").

(The Company and the Employee are hereinafter referred to individually as a "Party" and collectively as the "Parties".)

WHEREAS, the Company desires to engage the services of Employee and the Employee desires to perform such services upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereafter set forth, the Parties agree as follows:

ARTICLE 1 APPOINTMENT

1.1 Subject to the terms and conditions herein, the Company agrees to employ Employee and cause its subsidiary Ctrip.com (Hong Kong) Limited ("Ctrip Hong Kong") to employ Employee as the Chief Financial Officer of the Company and Ctrip Hong Kong, and Employee agrees to serve the Company and Ctrip Hong Kong in such capacity, and/or in such other capacity as the Company and the Employee may from time to time agree upon, on the terms set out in this Agreement ("Appointment").

ARTICLE 2 DUTIES

2.1 The Employee shall be responsible for day-to-day management and business operations of the Company and Ctrip Hong Kong in accordance with this Agreement, the Memorandum and Articles of Association of the Company (the "Articles of Association"), and the guidelines, policies and procedures of the Company approved from time to time by the Board.

2.2 The Employee shall use his best endeavor to perform Employee's duties hereunder and hereby agrees that Employee shall not, without the prior written consent of the Board, become an employee of any entity other than the Company and shall not be concerned or interested in any other business directly competitive with that carried on by the Company, provided that nothing in this clause shall preclude the Employee from holding or being otherwise interested in any shares or other securities of any company any part of those share capital is listed or dealt in on any stock exchange or recognized securities market anywhere and the Employee should notifies the Company in writing of his interest in such shares or securities in a timely manner and with such details and particulars as the Company may reasonably require.

ARTICLE 3 REMUNERATION

3.1 In consideration for the services rendered by the Employee to the Company and Ctrip Hong Kong hereunder, the Company shall cause Ctrip Hong Kong to pay to the Employee a salary (the "SALARY") consisting of (i) a fixed component and (ii) a variable component as indicated in Appendix 1.

3.2 Salary shall be deemed to accrue from day to day, with the first monthly installment calculated from the Effective Date and the last monthly installment calculated down to the Expiration Date, or, in the event of early termination, to the date this Agreement is terminated, whichever is earlier.

3.3 The Employee shall be solely responsible for all individual income tax and any other tax whatsoever imposed under applicable law of the jurisdiction of the Company and Ctrip Hong Kong, or otherwise on the Salary and any other amounts paid to the Employee by the Company for Employee's employment.

3.4 The Company or Ctrip Hong Kong shall reimburse travel, hotel and other out-of-pocket expenses properly incurred by the Employee in the course of Employee's employment.

ARTICLE 4 MEDICAL EXPENSES INSURANCE, PAID HOLIDAY AND SICK LEAVE

4.1 The Company shall cover the cost of membership for the Employee, his spouse and his children of an appropriate private patient medical plan with such reputable medical expenses insurance scheme as the Company shall decide from time to time.

4.2 The Employee shall be paid in full during any period of absence from work due to sickness or injury not exceeding 30 working days in any period of 12 months, and to the production of satisfactory evidence from a qualified medical practitioner in respect of any period of absence in excess of 14 consecutive working days. The Employee's salary during any period of absence due to sickness or injury shall be inclusive of any sickness allowance or other amount to which he is entitled from the Company.

4.3 The Employee shall be entitled to a 25-day holiday with pay in every calendar year during the term of the Appointment at times convenient to the Company. Any entitlement to holiday remaining at the end of any calendar year may, be carried forward to the next calendar year but no further. The entitlement to holiday (and on termination of employment to holiday pay in lieu of holiday) accrues pro rata throughout each calendar year.

ARTICLE 5 CONFIDENTIALITY

5.1 Save insofar as such information is already lawfully in the public domain, the Employee shall keep secret and shall not at any time (whether during the Term or thereafter) use for Employee's own or any third party's advantage, or reveal to any person, firm, company or organization and shall use Employee's best endeavors to prevent the publication or disclosure of all Confidential Information (as defined herein below).

5.2 If the Employee breaches this obligation of confidentiality, the Employee shall be liable to the Company for all damages (direct or consequential) incurred as a result of the Employee's breach.

5.3 The restrictions in this Article 5 shall not apply to any disclosure or use authorized by the Board or required by law or by the intended performance of this Agreement.

5.4 "CONFIDENTIAL INFORMATION", for the purpose of this Agreement, shall mean information relating to the business, customers, products and affairs of the Company (including without limitation marketing information) deemed confidential by the Company, treated by the Company or which the Employee knows or ought reasonably to have known to be confidential, and trade secrets, including without limitation designs, processes, pricing policies, methods, inventions, technology, technical data, financial information and know-how relating to the business of the Company.

For purposes of Articles 5 and 6 of this Agreement, the Company shall include all subsidiaries and affiliated Chinese entities of the Company, including without limitation, Ctrip Hong Kong, Ctrip Computer Technology (Shanghai) Limited, and Ctrip Travel Information Technology (Shanghai) Limited.

5.5 All notes, memoranda, records, drawings, designs, sketches, writing (by whatever medium kept or made) concerning the business of the Company or customers of the Company made or received by the Employee during the course of the Employee's employment shall be and remain the exclusive property of the Company and shall be handed over by the Employee to the Company upon the request of the Company at any time during the course of Employee's employment and at the termination of this Agreement or in any event upon Employee's leaving the service of the Company.

ARTICLE 6 NON-COMPETITION

6.l In consideration of the Salary paid to the Employee by the Company, the Employee agrees that during the Term and for a period of two (2) years following the termination or expiration of this Agreement (for whatever reason):

(a) Employee will not approach clients, customers or contacts of the Company or other persons or entities introduced to Employee in Employee's capacity as a representative of the Company for the purposes of doing business with such persons or entities and will not interfere with the business relationship between the Company and such persons and/or entities;

(b) unless expressly consented to by the Company, Employee will not assume employment with or provide services as a director or otherwise for any competitor of the Company in Hong Kong, or engage, whether as principal, partner, licensor or otherwise, in any business which is in direct or indirect competition with the business of the Company; and

(c) unless expressly consented to by the Company, Employee will not seek directly or indirectly, by the offer of alternative employment or other inducement whatsoever, to solicit the services of any employee of the Company employed as at the date of such termination, or in the year preceding such termination.

6.2 The provisions provided in Article 6.1 shall be separate and severable and enforceable independently of each other and independent of any other provision of this Agreement.

6.3 The provisions contained in Article 6.1 are considered reasonable by the Parties but, in the event that any such provisions should be found to be void under relevant Hong Kong laws and regulations but would be valid if some part thereof was deleted or the period or area of application reduced, such provisions shall apply with such modification as may be necessary to make them valid and effective.

ARTICLE 7 TERMINATION

7.1 TERMINATION FOR CONVENIENCE. The Company may, terminate the Appointment by giving three months notice in writing to the Employee or the Employee may also terminate the Appointment by giving three months notice in writing to the company.

7.2 TERMINATION FOR CAUSE.

The employment of the Employee may be terminated by the Company:

(a) If the Employee is guilty of any gross default or gross misconduct in connection with or affecting the business of the Company to which he is required by this Agreement to render services

(b) If the Employee is convicted of any arrestable criminal offence (other than an offense under road traffic legislation for which a fine or non-custodial penalty is imposed);

7.3 On termination of this Agreement for whatever reason (and whether in breach of contract or otherwise) the Employee shall deliver forthwith to the Company all books, documents, papers (including copies), materials, credit cards, the company car and car keys (if any) and all other property relating to the business of or belonging to the Company which is in Employee's possession or under Employee's power or control.

ARTICLE 8 ASSIGNMENT

8.l This Agreement will be binding upon and inure to the benefit of any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company.

ARTICLE 9 GRIEVANCE PROCEDURES

9.1 If at any time the Employee has any grievance relating to Employee's employment with the Company, Employee may seek redress orally or in writing by referring the grievance to the Board and the Board shall deal with such matter by discussion and by majority decision.

ARTICLE 10 APPLICABLE LAW AND DISPUTE RESOLUTION

10.1 This validity, interpretation, execution and settlement of any disputes arising this Agreement shall be governed by the laws of New York, USA.

10.2 In the case that any one or more of the provisions contained in this Agreement shall be held invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

10.3 For labor disputes arising from the execution of, or in relation to this Agreement, the Parties shall first try to resolve the dispute through friendly consultations. The Parties may also apply for mediation and/or arbitration in accordance with relevant New York laws and regulations.

ARTICLE 11 MISCELLANEOUS

11.1 The Parties agree that the rights and obligations set forth in Articles 5, 6, 7.3, 10, and 11 shall survive the termination of this Agreement.

11.2 This Agreement constitutes the entire agreement and understanding between the Parties and supersedes all other oral and written agreements between the Company and the Employee regarding the subject matter hereof, including that certain Employment and Confidentiality Agreement dated January 1, 2003 between the Employee and Ctrip Hong Kong. The Employee acknowledges that Employee has not entered into this Agreement in reliance upon any representation, warranty or undertaking which is not set forth in this Agreement or expressly referred to in it as forming part of the Employee's contract of employment.

11.3 Any notice to be given under this Agreement to the Employee may be served by being handed to Employee personally or by being sent by recorded delivery first class post to Employee at Employee's usual or last known address; and any notice to be given to the Company may be served by being left at or by being sent by recorded delivery first class post to its registered office. Any notice served by post shall be deemed to have been served on the day (excluding Sundays and statutory holidays) next following the date of posting and in proving such service it shall be sufficient proof that the envelope containing the notice was properly addressed and posted as a prepaid letter by recorded delivery first class post.

11.4 If one or more provisions of this Agreement are held to be unenforceable under applicable law, thus such provision(s) shall be deemed to be excluded from this Agreement and the balance of this Agreement shall be enforceable in accordance with its terms.

11.5 The rights and duties of the Employee under this Agreement shall not be subject to alienation, assignment or transfer.

11.6 The headings of the Articles of this Agreement are for the convenience of the Parties hereto and shall not be deemed a substantive part of this Agreement.

11.7 No change in, or addition to, the terms of this Agreement shall be valid unless in writing and signed by both Parties hereto.

11.8 This Agreement may be signed in two (2) counterparts and each counterpart shall be deemed to be an original.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF this Agreement has been executed on the date first above written.

CTRIP.COM INTERNATIONAL, LTD.	EMPLOYEE
Signature: /s/	Signature: /s/ Neil Nanpeng Shen
Name:	Name: Neil Nanpeng Shen

APPENDIX 1

SALARY OF EMPLOYEE

- Employee's salary shall have two components: Fixed Base Salary and discretionary Performance Bonus based on the individual performance and 85% completion of the monthly net revenue/net income budget of the Company.

- The Fixed Base Salary of Employee shall be US$[ ] per year, to be paid pro rata on the monthly basis.

- The Performance Bonus, if any, shall be paid quarterly.

EXHIBIT 10.6

CTRIP.COM INTERNATIONAL, LTD.

EMPLOYMENT AND CONFIDENTIALITY AGREEMENT

EXHIBIT 10.6

EMPLOYMENT AND CONFIDENTIALITY AGREEMENT

This Employment and Confidentiality Agreement (the "AGREEMENT") is made as of this first day of September 2003 ("Effective Date") by and between Ctrip.com International, Ltd. (the "COMPANY") and Min Fan (the "EMPLOYEE").

(The Company and the Employee are hereinafter referred to individually as a "Party" and collectively as the "Parties".)

WHEREAS, the Company desires to engage the services of Employee and the Employee desires to perform such services upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereafter set forth, the Parties agree as follows:

ARTICLE 1 APPOINTMENT

1.1 Subject to the terms and conditions herein, the Company agrees to employ Employee and cause its subsidiary Ctrip.com (Hong Kong) Limited ("Ctrip Hong Kong") to employ Employee as the Executive Vice President of the Company and Ctrip Hong Kong, and Employee agrees to serve the Company and Ctrip Hong Kong in such capacity, and/or in such other capacity as the Company and the Employee may from time to time agree upon, on the terms set out in this Agreement ("Appointment").

ARTICLE 2 DUTIES

2.1 The Employee shall be responsible for day-to-day management and business operations of the Company and Ctrip Hong Kong in accordance with this Agreement, the Memorandum and Articles of Association of the Company (the "Articles of Association"), and the guidelines, policies and procedures of the Company approved from time to time by the Board.

2.2 The Employee shall use his best endeavor to perform Employee's duties hereunder and hereby agrees that Employee shall not, without the prior written consent of the Board, become an employee of any entity other than the Company and shall not be concerned or interested in any other business directly competitive with that carried on by the Company, provided that nothing in this clause shall preclude the Employee from holding or being otherwise interested in any shares or other securities of any company any part of those share capital is listed or dealt in on any stock exchange or recognized securities market anywhere and the Employee should notifies the Company in writing of his interest in such shares or securities in a timely manner and with such details and particulars as the Company may reasonably require.

ARTICLE 3 REMUNERATION

3.1 In consideration for the services rendered by the Employee to the Company and Ctrip Hong Kong hereunder, the Company shall cause Ctrip Hong Kong to pay to the Employee a salary (the "SALARY") consisting of (i) a fixed component and (ii) a variable component as indicated in Appendix 1.

3.2 Salary shall be deemed to accrue from day to day, with the first monthly installment calculated from the Effective Date and the last monthly installment calculated down to the Expiration Date, or, in the event of early termination, to the date this Agreement is terminated, whichever is earlier.

3.3 The Employee shall be solely responsible for all individual income tax and any other tax whatsoever imposed under applicable law of the jurisdiction of the Company and Ctrip Hong Kong, or otherwise on the Salary and any other amounts paid to the Employee by the Company for Employee's employment.

3.4 The Company or Ctrip Hong Kong shall reimburse travel, hotel and other out-of-pocket expenses properly incurred by the Employee in the course of Employee's employment.

ARTICLE 4 MEDICAL EXPENSES INSURANCE, PAID HOLIDAY AND SICK LEAVE

4.1 The Company shall cover the cost of membership for the Employee, his spouse and his children of an appropriate private patient medical plan with such reputable medical expenses insurance scheme as the Company shall decide from time to time.

4.2 The Employee shall be paid in full during any period of absence from work due to sickness or injury not exceeding 30 working days in any period of 12 months, and to the production of satisfactory evidence from a qualified medical practitioner in respect of any period of absence in excess of 14 consecutive working days. The Employee's salary during any period of absence due to sickness or injury shall be inclusive of any sickness allowance or other amount to which he is entitled from the Company.

4.3 The Employee shall be entitled to a 25-day holiday with pay in every calendar year during the term of the Appointment at times convenient to the Company. Any entitlement to holiday remaining at the end of any calendar year may, be carried forward to the next calendar year but no further. The entitlement to holiday (and on termination of employment to holiday pay in lieu of holiday) accrues pro rata throughout each calendar year.

ARTICLE 5 CONFIDENTIALITY

5.1 Save insofar as such information is already lawfully in the public domain, the Employee shall keep secret and shall not at any time (whether during the Term or thereafter) use for Employee's own or any third party's advantage, or reveal to any person, firm, company or organization and shall use Employee's best endeavors to prevent the publication or disclosure of all Confidential Information (as defined herein below).

5.2 If the Employee breaches this obligation of confidentiality, the Employee shall be liable to the Company for all damages (direct or consequential) incurred as a result of the Employee's breach.

5.3 The restrictions in this Article 5 shall not apply to any disclosure or use authorized by the Board or required by law or by the intended performance of this Agreement.

5.4 "CONFIDENTIAL INFORMATION", for the purpose of this Agreement, shall mean information relating to the business, customers, products and affairs of the Company (including without limitation marketing information) deemed confidential by the Company, treated by the Company or which the Employee knows or ought reasonably to have known to be confidential, and trade secrets, including without limitation designs, processes, pricing policies, methods, inventions, technology, technical data, financial information and know-how relating to the business of the Company.

For purposes of Articles 5 and 6 of this Agreement, the Company shall include all subsidiaries and affiliated Chinese entities of the Company, including without limitation, Ctrip Hong Kong, Ctrip Computer Technology (Shanghai) Limited, and Ctrip Travel Information Technology (Shanghai) Limited.

5.5 All notes, memoranda, records, drawings, designs, sketches, writing (by whatever medium kept or made) concerning the business of the Company or customers of the Company made or received by the Employee during the course of the Employee's employment shall be and remain the exclusive property of the Company and shall be handed over by the Employee to the Company upon the request of the Company at any time during the course of Employee's employment and at the termination of this Agreement or in any event upon Employee's leaving the service of the Company.

ARTICLE 6 NON-COMPETITION

6.l In consideration of the Salary paid to the Employee by the Company, the Employee agrees that during the Term and for a period of two (2) years following the termination or expiration of this Agreement (for whatever reason):

(a) Employee will not approach clients, customers or contacts of the Company or other persons or entities introduced to Employee in Employee's capacity as a representative of the Company for the purposes of doing business with such persons or entities and will not interfere with the business relationship between the Company and such persons and/or entities;

(b) unless expressly consented to by the Company, Employee will not assume employment with or provide services as a director or otherwise for any competitor of the Company in Hong Kong, or engage, whether as principal, partner, licensor or otherwise, in any business which is in direct or indirect competition with the business of the Company; and

(c) unless expressly consented to by the Company, Employee will not seek directly or indirectly, by the offer of alternative employment or other inducement whatsoever, to solicit the services of any employee of the Company employed as at the date of such termination, or in the year preceding such termination.

6.2 The provisions provided in Article 6.1 shall be separate and severable and enforceable independently of each other and independent of any other provision of this Agreement.

6.3 The provisions contained in Article 6.1 are considered reasonable by the Parties but, in the event that any such provisions should be found to be void under relevant Hong Kong laws and regulations but would be valid if some part thereof was deleted or the period or area of application reduced, such provisions shall apply with such modification as may be necessary to make them valid and effective.

ARTICLE 7 TERMINATION

7.1 TERMINATION FOR CONVENIENCE. The Company may, terminate the Appointment by giving three months notice in writing to the Employee or the Employee may also terminate the Appointment by giving three months notice in writing to the company.

7.2 TERMINATION FOR CAUSE.

The employment of the Employee may be terminated by the Company:

(a) If the Employee is guilty of any gross default or gross misconduct in connection with or affecting the business of the Company to which he is required by this Agreement to render services

(b) If the Employee is convicted of any arrestable criminal offence (other than an offense under road traffic legislation for which a fine or non-custodial penalty is imposed);

7.3 On termination of this Agreement for whatever reason (and whether in breach of contract or otherwise) the Employee shall deliver forthwith to the Company all books, documents, papers (including copies), materials, credit cards, the company car and car keys (if any) and all other property relating to the business of or belonging to the Company which is in Employee's possession or under Employee's power or control.

ARTICLE 8 ASSIGNMENT

8.l This Agreement will be binding upon and inure to the benefit of any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company.

ARTICLE 9 GRIEVANCE PROCEDURES

9.1 If at any time the Employee has any grievance relating to Employee's employment with the Company, Employee may seek redress orally or in writing by referring the grievance to the Board and the Board shall deal with such matter by discussion and by majority decision.

ARTICLE 10 APPLICABLE LAW AND DISPUTE RESOLUTION

10.1 This validity, interpretation, execution and settlement of any disputes arising this Agreement shall be governed by the laws of New York, USA.

10.2 In the case that any one or more of the provisions contained in this Agreement shall be held invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

10.3 For labor disputes arising from the execution of, or in relation to this Agreement, the Parties shall first try to resolve the dispute through friendly consultations. The Parties may also apply for mediation and/or arbitration in accordance with relevant New York laws and regulations.

ARTICLE 11 MISCELLANEOUS

11. The Parties agree that the rights and obligations set forth in Articles 5, 6, 7.3, 10, and 11 shall survive the termination of this Agreement.

11.2 This Agreement constitutes the entire agreement and understanding between the Parties and supersedes all other oral and written agreements between the Company and the Employee regarding the subject matter hereof, including that certain Employment and Confidentiality Agreement dated January 1, 2003 between the Employee and Ctrip Hong Kong. The Employee acknowledges that Employee has not entered into this Agreement in reliance upon any representation, warranty or undertaking which is not set forth in this Agreement or expressly referred to in it as forming part of the Employee's contract of employment.

11.3 Any notice to be given under this Agreement to the Employee may be served by being handed to Employee personally or by being sent by recorded delivery first class post to Employee at Employee's usual or last known address; and any notice to be given to the Company may be served by being left at or by being sent by recorded delivery first class post to its registered office. Any notice served by post shall be deemed to have been served on the day (excluding Sundays and statutory holidays) next following the date of posting and in proving such service it shall be sufficient proof that the envelope containing the notice was properly addressed and posted as a prepaid letter by recorded delivery first class post.

11.4 If one or more provisions of this Agreement are held to be unenforceable under applicable law, thus such provision(s) shall be deemed to be excluded from this Agreement and the balance of this Agreement shall be enforceable in accordance with its terms.

11.5 The rights and duties of the Employee under this Agreement shall not be subject to alienation, assignment or transfer.

11.6 The headings of the Articles of this Agreement are for the convenience of the Parties hereto and shall not be deemed a substantive part of this Agreement.

11.7 No change in, or addition to, the terms of this Agreement shall be valid unless in writing and signed by both Parties hereto.

11.8 This Agreement may be signed in two (2) counterparts and each counterpart shall be deemed to be an original.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF this Agreement has been executed on the date first above written.

CTRIP.COM INTERNATIONAL, LTD.	EMPLOYEE
Signature: /s/	Signature: /s/ Min Fan
Name:	Name: Min Fan

APPENDIX 1

SALARY OF EMPLOYEE

- Employee's salary shall have two components: Fixed Base Salary and discretionary Performance Bonus based on the individual performance and 85% completion of the monthly net revenue/net income budget of the Company.

- The Fixed Base Salary of Employee shall be US$[ ] per year, to be paid pro rata on the monthly basis.

- The Performance Bonus, if any, shall be paid quarterly.

EXHIBIT 10.7
TRANSLATION

Consulting and Services Agreement

This Consulting and Services Agreement (hereinafter referred to as the "Agreement") has been executed by and between the following parties on September 10, 2003 in Shanghai.

Party A: Ctrip Computer Technology (Shanghai) Co., Ltd.

Party B: An affiliated Chinese entity of Party A
Address: Room ___, ___ Building, _____ Street, Beijing

Whereas:

(1) Party A is a wholly foreign owned enterprise established in the People's Republic of China (hereinafter referred to as "China"), and has the resources to provide technical and consulting services;

(2) Party B is a company with exclusively domestic capital registered in China and may engage in air-ticketing business as approved by China Aviation Northern China Management Bureau;

(3) Party A agrees to provide Party B with exclusive technical consulting and related services in air-ticketing business during the term of this Agreement utilizing its own advantages in human capital and information, and Party B agrees to accept the technical consultations and services provided by Party A.

(4) Party A and Party B previously executed a Consulting Services Contract on July 15, 2002, and the parties now desire to make amendments to the conditions of said contract, and to execute this Agreement to replace said Consulting Services Contract.

Wherefore, through mutual discussion, the parties have reached the following agreements:

1. Exclusive Consultations and Services: Exclusive Interest

1.1 During the term of this Agreement, Party A agrees to provide Party B with relevant technical consultations and services as Party B's exclusive provider of technical and consultation services, in accordance with the conditions of this Agreement (for specific contents, see Attachment 1).

1.2 Party B agrees to accept the technical consultations and services provided by Party A. Party B further agrees that unless Party A consents in writing in advance, during the term of this Agreement, Party B shall not accept technical consultations and services provided by any third party regarding the aforementioned business.

1.3 Party A shall have exclusive interests in all rights, ownership, interests and intellectual properties arising from the performance of this Agreement, including but not limited to copyrights, patents, technical secrets, trade secrets and others, regardless of whether they have been developed by Party A or by Party B based on Party A's intellectual properties.

2. The Calculation and Payment of the Technical Consulting and Service Fee (hereinafter referred to as "Consulting Service Fee")

The parties agree that the Consulting Service Fee under this Agreement shall be determined and paid based on the methods set forth in Attachment 2.

3. Representations and Warranties

3.1 Party A hereby represents and warrants as follows:

3.2.1 Party A is a wholly foreign owned enterprise legally registered and validly existing in accordance with Chinese laws.

3.2.2 Party A's execution and performance of this Agreement is within the scope of its business operations; Party A has taken necessary corporate actions and given appropriate authorization and has obtained the consent and approval from third parties and government agencies, and will not violate the restrictions of laws binding or having an impact thereon.

3.2.3 This Agreement shall constitute Party A's legitimate and valid obligations as soon as it is executed, and shall be enforceable against it.

3.2 Party B hereby represents and warrants as follows:

3.2.1 Party B is a company legally registered and validly existing in accordance with Chinese laws and may engage in air-ticketing business as approved by China Aviation Northern China Management Bureau;

3.2.2 Party B's execution and performance of this Agreement is within the scope of its business operations; Party B has taken necessary corporate actions and given appropriate authorization and has obtained the consent and approval from third parties and government agencies, and will not violate the restrictions of laws binding or having an impact thereon.

3.2.3 This Agreement shall constitute Party B's legitimate and valid obligations as soon as it is executed, and shall be enforceable against it.

4. Confidentiality Clauses

4.1 Party B agrees to maintain the confidentiality of confidential materials and information (hereinafter referred to as "Confidential Information") of Party A that Party B learns or has access to due to its acceptance of Party A's exclusive consultations and services, and shall take various security measures designed to maintain such confidentiality; without the prior written consent of Party A, Party B shall not disclose, give or transfer such Confidential Information to any third party. Upon the termination of this Agreement, Party B shall return any document, material or software that contains such Confidential Information to Party A at Party A's request, or shall destroy same on his own and shall delete any Confidential Information from the relevant memory devices and shall not continue to use such Confidential Information.

4.2 The parties agree that this section shall survive changes to, rescission or termination of this Agreement.

5. Indemnification

Party B shall indemnify Party A for and hold Party A harmless from any loss, injury, obligation or expenses caused by any lawsuit, claims or other demands against Party A arising from or caused by contents of consultations and services requested by Party B.

6. Effectiveness and Term

6.1 This Agreement shall be executed on the date first above written and shall take effect as of the even date therewith. Unless terminated early in accordance with the provisions of this Agreement or relevant agreements separately executed between the parties, the term of this Agreement shall be ten years.

6.2 The term of this Agreement shall not be extended unless confirmed in writing by Party A prior to the expiration thereof. The extended term shall be determined by the parties to this Agreement through consensus.

7. Termination

7.1 Termination upon date of expiration. Unless renewed in accordance with the relevant terms of this Agreement, this Agreement shall be terminated upon the date of expiration thereof.

7.2 Early termination. During the term of this Agreement, unless Party A commits a gross fault, fraudulent act, other illegal acts or becomes bankrupt, Party B shall not terminate this Agreement early. Notwithstanding the aforementioned covenant, Party A shall have the right to terminate this Agreement upon 30 days of written notice to Party B at any time.

7.3 Terms that survive termination. The rights and obligations of the parties under Article 4 and Article 5 shall survive the termination of this Agreement.

8. Resolution of Disputes

In the event of any dispute with respect to the construction and performance of the provisions of this Agreement, the parties shall hold consultations in good faith to resolve same. Upon failure of such consultations, either party may submit the relevant dispute to the China International Economics and Foreign Trade Arbitration Commission Shanghai Chapter for resolution by arbitration, in accordance with its current arbitration rules. The arbitration shall be performed in Shanghai, and the language used during arbitration shall be Chinese. The arbitration ruling shall be final and binding on both parties.

9. Force Majeure

9.1 "Force majeure" shall refer to any event beyond the reasonable control of either party and that still cannot be avoided even if the party affected has exercised reasonable care, including but not limited government actions, acts of God, fire, explosions, storms, flood, earthquakes, tides, lightning or war. But a lack of credit, funds or financing shall not be deemed a circumstances beyond the reasonable control of either party. The party affected by a "force majeure event" shall notify the other party of such relief from liability as soon as possible.

9.2 In the event that the performance of this Agreement is delayed or impeded by the aforementioned "force majeure," the party affected by such force majeure shall not be liable in any way under this Agreement to the extent of such delay or impedance. The

party affected shall take appropriate measures to mitigate or eliminate the impact of such "force majeure" and shall attempt to resume the performance of obligations delayed or impeded by such "force majeure." As soon as the force majeure event is eliminated, the parties agree to use their best efforts to resume the performance of this Agreement.

10. Notices

Notices or other communications sent by either party as required by this Agreement shall be written in Chinese, and a notice shall be deemed served when it is delivered to the address of either party or the addresses of both parties below by personal delivery, registered mail, mail with prepaid postage or recognized express mail or facsimile.

To Licensor: Ctrip Computer Technology (Shanghai) Co., Ltd.
Address: 3rd fl., Building 63, Hong Cao Road, Shanghai
Facsimile: (021) 542651600
Phone: (021) 34064880

Party B: Address: Room ___, ___ Building, _____ Street, Beijing
Facsimile:
Phone:

11. Assignment

Unless Party A's prior written consent is obtained, Party B shall not assign the rights enjoyed to thereby and obligations undertaken thereby under this Agreement to any third party.

12. Severability

In the event that any provisions of this Agreement are invalid or unenforceable due to inconsistency with law, then such provisions shall only be invalid or unenforceable to the extent of the jurisdiction of such law, and shall not affect the legal validity of the remaining provisions of this Agreement.

13. Amendments and Supplements

Any amendments and supplements to this Agreement shall be in writing. The amendment agreements and supplementary agreements that have been signed by the parties and that relate to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

14. Governing Laws

This Agreement shall be governed by laws of China and shall be construed in accordance therewith.

IN WITNESS WHEREOF, the parties have caused their authorized representatives to execute this Agreement as of the date first above written.

Party A: Ctrip Computer Technology (Shanghai) Co., Ltd.
Authorized representative:

Party B: An affiliated Chinese entity of Party A
Authorized representative:

EXHIBIT 10.7
TRANSLATION

Attachment 1: Table of Contents of Technical Consultations and Services

Including furnishing of training of personnel, network platforms appurtenant to management and information services required for Party B's business, making recommendations to Party B regarding the air ticketing business, and other forms of services accepted by the parties.

EXHIBIT 10.7
TRANSLATION

Attachment 2: The Calculation and Payment of the Technical Consulting and Service Fee

For each air ticket sold by Party B, Party B shall pay Party A RMB18.00 in technical consulting and service fee. Party B shall settle and pay the aforementioned technical consulting and service fee by the 15th of each month.

The aforementioned method of calculation may be adjusted quarterly by Party A and Party B depending on the current actual circumstances.

EXHIBIT 10.8
TRANSLATION

Loan Agreement

This Loan Agreement (hereinafter referred to as this "Agreement") is hereby executed by and among the parties below on September 10, 2003 in Shanghai:

(1) Party A: Ctrip.com (Hong Kong) Limited
Address: Unit 2001, The Centrium, 60 Wyndham Street, Central, Hong Kong.

(2) Party B:
Chinese identification card No.:_____
Home address: Rm. ___, No. ___, Xuhui District, Shanghai

(3) Party C:
Chinese identification card No.:
Home address: Rm. ___, No. ___, Hongkou District, Shanghai

(4) Party D:
Home address: Building ___, Block _____, Hongcao Road, Shanghai

Whereas:

1. Party A is a company registered in Hong Kong, China, and Party A originally proposed to provide a total to RMB2 million loan to Party B, Party C and Party D, to be used as capital contributions of Party B, Party C and Party D to Ctrip Computer Technology (Shanghai) Limited (hereinafter referred to as "Ctrip Commerce"). Due to foreign currency remittance restrictions in China, the parties then decided to have Party A issue the aforementioned loan in the form of a consulting fee. On May 31, 2000, the parties executed the "Consulting Agreement" (hereinafter referred to as the "Consulting Agreement"), and on May 31, 2000, Party A paid US$240,963.00 to Party B, Party C and Party D in the form of a consulting fee (equivalent to RMB2 million), and the parties understood that said consulting fee was essentially a loan from Party A to Party B, Party C and Party D.

2. Now Parties A, B, C and D mutually acknowledge that the aforementioned Consulting Agreement shall be invalid as of the date of its execution and shall not be binding on the parties. The payment of RMB2 million from Party A to Party B, Party C and Party D on May 31, 2000 was a loan to Party B, Party C and Party D. Of this, Party A loaned RMB700,000 to Party B, Party A loaned RMB650,000 to Party C, and Party A loaned RMB650,000 to Party D.

3. In July 2000, Party B, Party C and Party D used the entire sum of the aforementioned RMB2 million to set up Ctrip Commerce. Party B holds 35% of the outstanding shares in Ctrip Commerce, Party C holds 32.5% of the outstanding shares in Ctrip Commerce and Party D holds 32.5% of the outstanding shares in Ctrip Commerce.

4. In March 2001, Party D transferred 16% of the shares held thereby in Ctrip Commerce to Party B. Upon completion of said share transfer, Party B held 51%

of the outstanding shares in Ctrip Commerce, and Party C held 49% of the outstanding shares in Ctrip Commerce. Concurrent with the share transfer, as consideration for the share transfer, the RMB650,000 loan from Party A to Party D was also taken over by Party B and Party C, respectively, and of this, Party B took over RMB320,000 and Party C took over RMB330,000.

5. Parties A, B, C and D mutually acknowledge that Party A lent a total of RMB1.02 million to Party B, to be used as Party B's capital contribution toward 51% of the equity interest in Ctrip Commerce. Party A lent a total of RMB980,000 to Party C, to be used as Party C's capital contribution toward 49% of the equity interest in Ctrip Commerce. To further clarify the relationship of rights and obligations with respect to the loan from Party A to Party B and Party C, the parties desired to execute this Loan Agreement, and use this Loan Agreement to replace all prior written or oral promises or agreements among the parties regarding the aforementioned RMB1.02 million loan from Party A to Party B (the relationship of loan rights and obligations between Party A and Party C shall be covenanted by the separately executed loan agreement as of the even date herewith ("Party C's Loan Agreement").

Now therefore, through mutual promise and agreement, the parties have reached the following agreement for their mutual compliance:

1. Loan

1.1 In accordance with the provisions of the terms and conditions of this Agreement, Party A agrees to provide an RMB 1.02 million loan to Party B. The term of the loan shall be ten years from the date of execution of this Agreement, which may be extended upon consent of the parties. During the term of the loan or the extended term of the loan, Party B shall accelerate repayment of the loan as soon as one of the following circumstances occurs:

(1) Party B's death, lack of capacity for civil conduct or limitation of capacity for civil conduct;

(2) Party B no longer serves as director of Party A or Party A's affiliate;

(3) Party B engages in criminal conduct or is involved in criminal activities;

(4) Any other party files a claim against Party B that exceeds RMB500,000; and

(5) According to applicable Chinese laws, competent authorities begin to approve large numbers of transactions associated with value added Internet telecommunications services that foreign businesses are permitted to invest in, and Party A exercises the exclusive option under the Exclusive Option Agreement described in Section 1.6 of this Agreement.

1.2 The parties acknowledge that Party A has issued and that Party B has received the entire aforementioned loan.

1.3 Party B agrees to accept the aforementioned loan provided by Party A, and hereby agrees and warranties to use the loan solely to provide funds capital for Ctrip Commerce, so as to develop Ctrip Commerce's business. Unless Party A's prior written consent is obtained, Party B shall not use the aforementioned loan for any

other purpose, nor can Party B transfer or mortgage the shares or other interest he holds in Ctrip Commerce to any third party.

1.4 Party A and Party B hereby jointly agree and acknowledge that Party B's method of repayment can only take the following form: Party B transfers in whole the shares held by him in Ctrip Commerce to Party A or Party A's designated person (legal or natural person).

1.5 Party A and Party B hereby jointly agree and acknowledge that any gains obtained by Party B through the transfer of the shares it holds in Ctrip Commerce shall be used to repay the loan to Party A in accordance with this Agreement, and paid to Party A in its entirety in the manner designated by Party A and this Agreement shall be concurrently terminated.

1.6 Party A and Party B hereby jointly agree and acknowledge that to the extent permitted by applicable laws, Party A shall have the right but not the obligation to purchase or designate other persons (legal or natural persons) to purchase Party B's shares in Ctrip Commerce in part or in whole at any time, at a price agreed to by the parties. Party A and Party B shall execute an "Exclusive Option Agreement" (hereinafter to referred to as the "Exclusive Option Agreement") concurrently with the execution of this Agreement. According to said Agreement, to the extent permitted by Chinese laws, Party B shall irrevocably grant to Party A an exclusive option to purchase all of the shares of Ctrip Commerce held by Party B.

Party B also warranties to execute an irrevocable power of attorney, which authorizes a person designated by Party A to exercise all of his rights as a shareholder in Ctrip Commerce.

1.7 Interests on the Loan. When Party B transfers the shares he holds in Ctrip Commerce to Party A or Party A's designated person, in the event that the transfer price of such shares equals or is lower than the principal of the loan under this Agreement, the loan under this Agreement shall be deemed an interest-free loan. In the event, however, that the transfer price of such shares exceeds the principal of the loan under this Agreement, the excess over the principal shall be deemed the interest of the loan under this Agreement paid by Party B to Party A.

2. Representations and Warranties

2.1 Between the date of execution of this Agreement and prior to the termination of this Agreement, Party A hereby makes the following representations and warranties to Party B:

(a) Party A is a company set up and legally existing in accordance with Hong Kong laws;

(b) Party A has the authority to execute and perform this Agreement. The execution and performance by Party A of this Agreement is consistent with Party A's scope of business and the provisions of Party A's corporate bylaws and other organizational documents, and Party A has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;

(c) Party A's execution and performance of this Agreement does not violate any laws and regulations or government approvals, authorizations, notices or other government documents that are binding thereon or that affect Party A, nor does it violate any agreements that Party A has executed with any third party or any promises to any third party; and

(d) This Agreement shall constitute Party A's legitimate and valid obligations as soon as it is executed, and shall be enforceable against it.

2.2 Between the date of execution of this Agreement and prior to the termination of this Agreement, Party B hereby makes the following representations and warranties:

(a) Ctrip Commerce is a limited liability company set up and legally existing in accordance with Chinese laws, and Party B is a legal holder of shares in Ctrip Commerce;

(b) Party B has the authority to execute and perform this Agreement. The execution and performance by Party B of this Agreement is consistent with Party B's corporate bylaws and other organizational documents, and Party B has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;

(c) Party B's execution and performance of this Agreement does not violate any laws and regulations or government approvals, authorizations, notices or other government documents that are binding upon or affect Party B, nor does it violate any agreements that Party B has executed with any third party or any promises to any third party;

(d) This Agreement shall constitute Party B's legitimate and valid obligations as soon as it is executed, and shall be enforceable against Party B;

(e) Party B has paid capital contributions in full with respect to Party B's shares in accordance with law, and has obtained a capital contribution verification report regarding capital contributions paid in from a qualified accounting firm;

(f) Except for the provisions of the "Share Pledge Agreement" (hereinafter referred to as the "Share Pledge Agreement") executed by and between Party B and Ctrip Computer Technology (Shanghai) Limited as of the date of execution of this Agreement, Party B has not placed any mortgage, pledge or any other security measures on Party B's shares, has not extended any offer to any third party regarding the transfer of Party B's shares or executed any agreement with any third party regarding the transfer of Party B's shares;

(g) There are no disputes, litigation, arbitration, administrative proceedings or any other legal proceedings relating to Party B and / or Party B's shares, nor are there any potential disputes, litigation, arbitration, administrative proceedings or any other legal proceedings relating to Party B and / or Party B's shares; and

(h) Ctrip Commerce has completed all the government approvals, authorizations, licensing, registration and filling required for engaging in business within the scope of its business license and for owning its assets.

3. Party B's Covenants

3.1 As a major shareholder in Ctrip Commerce, Party B promises that during the term of this Agreement, Party B shall cause Ctrip Commerce:

(a) Without Party A's prior written consent, Ctrip Commerce shall not supplement, change or amend its corporate bylaws in any manner, increase or decrease its registered capital or change its share capital structure in any manner;

(b) Maintain its corporate existence in accordance with good financial and business standards and practices by prudently and effectively operating its business and handling its affairs;

(c) Without Party A's prior written consent, Party B shall not sell, transfer, mortgage or in dispose in other manner its legitimate or beneficial interest in any of its assets, business or revenue at any time from the date of execution of this Agreement, or permit the encumbrance of any other security interest thereon;

(d) Without Party A's prior written consent, Party B shall not incur, inherit, guarantee or otherwise allow for the existence of any debt, except for (i) debt incurred in the ordinary course of business instead of that incurred through any loans; and (ii) debt already disclosed to Party A for which Party A's written consent has been obtained;

(e) Always operate all business during the ordinary course of business, to maintain its asset value;

(f) Without the prior written consent of Party A, Party B shall not execute any major contract, except for contracts in the ordinary course of business (for purpose of this subsection, a contract whose value exceeds RMB50,000 shall be deemed a major contract);

(g) Without the prior written consent of Party A, Party B shall not provide any person with any loan or credit;

(h) Provide Party A with all of the information on Party B's business operations and financial condition at Party A's request;

(i) Procure and maintain insurance from an insurance carrier acceptable to Party A, and the amount and types of coverage maintained shall be identical to the amount and types of coverage usually maintained by companies that operate similar business and hold similar properties or assets in the same area where Party B is located;

(j) Without the prior written consent of Party A, Party B shall not merge or be consolidated with any person, or acquire any person or make investments in any person;

(k) Immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party B's assets, business and income;

(l) To maintain the ownership by Party B of all of its assets, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defense against all claims;

(m) Without the prior written consent of Party A, Party B shall not in any manner distribute stock dividends to shareholders, provided that as soon as Party A makes a request, Party B shall immediately distribute all distributable profits to the respective shareholders;

(n) At the request of Party A, appoint any persons designated by Party A as directors of Ctrip Commerce; and

(o) Strictly abide by the provisions of the Exclusive Option Agreement, and refrain from any action/omission sufficient to affect the effectiveness and enforceability of the Exclusive Option Agreement.

3.2 Party B promises that during the term of this Agreement, he shall

(a) Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in shares held by Party B, or allow the encumbrance thereon of any security interest or permit the encumbrance of any other security interest thereon, except in accordance with the Share Pledge Agreement;

(b) Cause the directors of Ctrip Commerce appointed by Party B not to approve the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in shares held by Party B, or allow the encumbrance thereon of any security interest, except to Party A or Party A's designated person;

(c) Cause the directors of Ctrip Commerce appointed by Party B not to approve the merger or consolidation of Ctrip Commerce with any person, or its acquisition of or investment in any person, without the prior written consent of Party A;

(d) Immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party B's shares;

(e) To maintain his ownership of his shares in Ctrip Commerce, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defense against all claims;

(f) Without the prior written consent of Party A, Party B shall refrain from any action / omission that may have a major impact on the assets, business and liabilities of Ctrip Commerce;

(g) Appoint any designee of Party A as director of Ctrip Commerce, at the request of Party A;

(h) To the extent permitted by Chinese law, at the request of Party A at any time, promptly and unconditionally transfer all of the shares held by Party B in Ctrip Commerce to Party A or Party A's designated representative at any time, and cause the other shareholder of Ctrip Commerce to waives his right of first refusal with respect to the share transfer described in this section;

(i) To the extent permitted by Chinese law, at the request of Party A at any time, cause the other shareholder of Ctrip Commerce to promptly and unconditionally transfer all of the shares held by him to Party A or Party A's designated representative at any time, and Party B hereby waives his right of first refusal with respect to the share transfer described in this section;

(j) In the event that Party A purchases Party B's shares from Party B in accordance with the provisions of the Exclusive Option Agreement, Party B shall use such purchase price obtained thereby to repay the loan to Party A first; and

(k) Strictly abide by the provisions of this Agreement, the Share Pledge Agreement and the Exclusive Option Agreement, effectively perform his obligations under this Agreement, the Share Pledge Agreement and the Exclusive Option Agreement, and refrain from any action / omission sufficient to affect the effectiveness and enforceability of this Agreement, the Share Pledge Agreement and the Exclusive Option Agreement.

4. Liability for Default

In the event that Party B fails to perform the repayment obligations by the deadline set forth in this Agreement, Party B shall pay an overdue interest of 0.01% per day for the outstanding payment, until the day Party B repays all principal of the loan, overdue interest and other amounts.

5. Notices

Unless there are written notices changing the addresses below, notices under this Agreement shall be sent to the following addresses via personal delivery, facsimile or registered mail. If a notice is sent via registered mail, the date of signature for receipt on return receipt of the registered mail shall be the date of service; if a notice is sent via personal delivery or facsimile, it shall be deemed served on the date sent. If a notice is sent via facsimile, the original document shall be immediately sent to the following addresses via registered mail or personal delivery after transmission.

To Party A:

Ctrip.com (Hong Kong) Limited
Room 2001, The Centrium, 60 Wyndham Street
Central, Hong Kong
Facsimile: (00852) 21690920
Phone: (00852) 21690911
Attn: Neil Shen

To Party B:

Address: Rm. _____, No. _____, Alley _____, Xuhui District, Shanghai
Facsimile:
Phone:

To Party C:
Address: Rm. _____, No. _____, Alley _____, Shanghai
Facsimile:
Phone:

To Party D:
Address: Building ___, Block ___, Shanghai
Facsimile:
Phone:

6. Duty to maintain confidentiality

The parties acknowledge that any oral or written information exchanged among them with respect to this Agreement is confidential information. The parties shall maintain the confidentiality of all such information, and without obtaining the written consent of other parties, they shall not disclose any relevant information to any third parties, except in the following circumstances: (a) such information is or will be in the public domain (provided that this is not the result of a public disclosure by the receiving party); (b) information disclosed as required by applicable laws or rules or regulations of any stock exchange; or (c) information required to be disclosed by any party to its legal counsel or financial advisor regarding the transaction contemplated hereunder, and such legal counsel or financial advisor are also required to be bound by confidentiality duties similar to the duties in this section. Disclosure of a secret by the staff members or agency hired by any party shall be deemed disclosure of a secret by such a party, which shall be held liable for breach of this Agreement. This section shall survive the termination of this Agreement for any reason.

7. Governing Law and Resolution of Disputes

7.1 The execution, effectiveness, construction, performance and termination of this Agreement and the resolution of disputes shall be governed by Chinese laws.

7.2 In the event of any dispute with respect to the construction and performance of this Agreement, the parties shall first resolve same through friendly negotiations. Upon failure by the parties to reach an agreement on the resolution of such a dispute within 30 days after either party submits a request to the other party to resolve same through negotiations, any party may submit the relevant dispute to the China International Economics and Foreign Trade Arbitration Commission Shanghai Chapter for resolution by arbitration, in accordance with its arbitration rules effective then. The arbitration shall be performed in Shanghai, and the language used during arbitration shall be Chinese. The arbitration ruling shall be final and binding on all parties.

7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pendancy of arbitration of any dispute, except for the matters under dispute, the parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their other respective obligations under this Agreement.

8. Entire Agreement

The parties reaffirm that the Consulting Agreement executed by the parties to this Agreement on May 31, 2000 is invalid, and shall not be binding on the parties to this Agreement. The funding relations that occurred among the parties with respect to the maters described in this Agreement are fully defined in this Agreement and Party C's Loan Agreement.

Except the written amendments, supplements or changes done after the execution of this Agreement, this Agreement and Party C's Loan Agreement shall constitute the entire agreement among the parties to this Agreement with respect to the construction of this Agreement and the matters set forth in this Agreement, and shall supercede all prior oral discussions and written contracts reached among the parties with respect to the aforementioned matters.

9. Miscellaneous

9.1 This Agreement shall take effect upon the date of execution thereof, and shall expire upon the date of performance by the parties of their obligations under this Agreement.

9.2 This Agreement shall be in quadruplicate copies, with one copy for each of the parties. The copies shall have equal legal validity.

9.3 The parties to this Agreement all agree that Party A and Party B shall have the right to amend and supplement through written agreement any covenants herein that involve the relationship of rights and obligations between Party A and Party B. Such amendments and supplements shall not require the consent of Party C and Party D, not shall notices be required to be sent to Party C and Party D or acknowledgement required from Party C and Party D. Party C and Party D hereby acknowledge their waiver of all rights relating thereto. Such written amendment agreement and / or supplementary agreement executed by and between Party A and Party B are an integral part of this Agreement, and shall have the same legal validity as this Agreement.

9.4 The invalidation of any provisions of this Agreement shall not affect the legal validity of the remaining provisions of this Agreement.

9.5 The attachments to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

Party A: Ctrip.com (Hong Kong) Limited
Authorized representative: _____

Party B:
Signed: _____

Party C:
Signed: _____

Party D:
Signed: _____

EXHIBIT 10.9
TRANSLATION

Exclusive Option Agreement

This Exclusive Option Agreement (this "Agreement") is executed by and among the parties below as of September 10, 2003:

(1) Party A: Ctrip.com (Hong Kong) Limited, a limited liability company set up and existing under the laws of Hong Kong, with its registered address at Ctrip.com (Hong Kong) Limited, Unit 2001, The Centrium, 60 Wyndham Street, Central, Hong Kong;

(2) Party B: A shareholder of Party C
Chinese identification card No.:_____
Home address: Rm. ___, No. ___, Xuhui District, Shanghai; and

(3) Party C: An affiliated Chinese entity of Party A.

In this Agreement, each of Party A, Party B and Party C shall be referred to as a "Party," and they shall be collectively referred to as the "Parties."

Whereas:

(1) Party B holds 80% of the shares in Party C.

(2) Party B and Party A executed a loan agreement on September [10], 2003 (the "Loan Agreement").

(3) Party C has executed a series of agreements such as the "Consulting Services Agreement" with Ctrip Computer Technology (Shanghai) Limited, a wholly owned foreign entity set up by Party A in China ("Ctrip Shanghai").

Now therefore, upon mutual discussions and negotiations, the Parties have reached the following agreements:

1. Stock option and sale

1.1 Stock option grant

Party B hereby irrevocably grants to Party A an irrevocable right to purchase, or designate one or more persons (each, a "Designee") to purchase, the shares of Party C then held by Party B at any time in part or in whole at Party A's sole and absolute discretion to the extent permitted by Chinese laws and at the price described in Section 1.3 herein (such right being the "Stock Option"). Except for Party A and the Designee(s), no other person shall be entitled to the Stock Option. Party C hereby agrees to the grant by Party B of the Stock Option to Party A. The term "person" as used herein shall refer to individuals, corporations, partnerships, partners, enterprises, trusts or non-corporate organizations.

1.2 Steps for exercise of Stock Option

Subject to the provisions of Chinese laws and regulations, Party A may exercise the Stock Option by issuing a written notice to Party B (the "Stock Option Notice") and specifying the number of shares to be purchased from Party B (the "Option Shares").

1.3 Stock Option price

Unless an appraisal is required by Chinese laws applicable to the Stock Option exercised by Party A, the purchase price of the Option Shares (the "Stock Option Price") shall equal the actual capital contributions paid in by Party B for the Option Shares.

1.4 Transfer of Option Shares

For each exercise of the Stock Option:

(a) Party B shall cause to promptly convene a shareholders meeting, at which a resolution shall be adopted approving Party B's transfer of Option Shares to Party A and / or the Designee(s);

(b) Party B shall execute a share transfer contract with respect to each transfer with Party A and / or each Designee (whichever is applicable), in accordance with the provisions of this Agreement and the Stock Option Notice regarding the Option Shares;

(c) The relevant Parties shall execute all other necessary contracts, agreements or documents, obtain all necessary government licenses and permits and take all necessary actions, to give valid ownership of the Option Shares to Party A and/or the Designee(s) unencumbered by any security interest and cause Party A and/or the Designee(s) to become the registered owner(s) of the Option Shares. For the purchase of this section and this Agreement, "security interest" shall include security, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership detention or other security arrangements, etc. To clarify, security interest shall not include any security interest generated under this Agreement and Party B's Share Pledge agreement. The "Party B's Share Pledge Agreement" as used in this section and this Agreement shall refer to the Share Pledge Agreement executed by and between Ctrip Shanghai and Party B as of the even date hereof, whereby Party B pledges all of his shares in Party C to Ctrip Shanghai, in order to guarantee Party C's performance of its obligations under the "Consulting Services Agreement" executed by and between Party C and Ctrip Shanghai.

1.5 Payment for the Stock Option Price

In view of the fact that Party A and Party B have agreed in the Loan Agreement that any proceeds obtained by Party B through the transfer of its shares in Party C shall be used as consideration for repayment of the loan provided by Party A in accordance with the Loan Agreement, when Party A exercises the Stock Option, the Stock Option Price shall be deemed as consideration for repaying the loan owed by Party B to Party A, and accordingly, Party A shall no longer be required to pay any separate Stock Option Price to Party B.

2. Covenants regarding Stock Option

2.1 Covenants regarding Party C

Party B and Party C hereby warrant the following:

(a) Without the prior written consent of Party A or Ctrip Shanghai, they shall not in any manner supplement, change or amend the articles and bylaws of Party C, increase or decrease its registered capital, or change its structure of registered capital in any other manner;

(b) Maintain Party C's corporate existence in accordance with good financial and business standards and practices by prudently and effectively operating its business and handling its affairs;

(c) Without the prior written consent of Party A or Ctrip Shanghai, they shall not at any time following the date of execution hereof, sell, transfer, mortgage or dispose of in any other manner any assets of Party C or legal or beneficial interest in the business or revenues of Party C, or allow the encumbrance thereon of any security interest;

(d) Without the prior written consent of Party A or Ctrip Shanghai, they shall not incur, inherit, guarantee for or suffer the existence of any debt, except for (i) debt incurred in the ordinary course of business instead of that incurred through any loans; and (ii) debt already disclosed to Party A for which Party A's written consent has been obtained;

(e) Always operate all of Party C's businesses during the ordinary course of business, to maintain the asset value of Party C and refrain from any action / omission sufficient to affect Party C's operating status and asset value;

(f) Without the prior written consent of Party A or Ctrip Shanghai, they shall not execute any major contract, except contracts in the ordinary course of business (for purpose of this subsection, a contract whose value exceeds RMB1 million shall be deemed a major contract);

(g) Without the prior written consent of Party A or Ctrip Shanghai, they shall not provide any person with any loan or credit;

(h) Provide Party A with information on Party C's business operations and financial condition at Party A's request;

(i) Procure and maintain insurance from an insurance carrier acceptable to Party A, and the amount and types of coverage maintained shall be identical to the amount and types of coverage usually maintained by companies that operate similar business and hold similar properties or assets in the same area where Party C is located;

(j) Without the prior written consent of Party A or Ctrip Shanghai, they shall not merge or be consolidated with any person, or acquire any person or make investments in any person;

(k) Immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business and revenue;

(l) To maintain the ownership by Party C of all of its assets, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defenses against all claims;

(m) Without the prior written consent of Party A or Ctrip Shanghai, they shall not in any manner distribute stock dividends to the shareholders, provided that as soon

as Party A makes a request, they shall immediately distribute all distributable profits to the respective shareholders; and

(n) At the request of Party A or Ctrip Shanghai, appoint any persons designated by Ctrip Shanghai as directors of Party C.

2.2 Covenants regarding Party B

Party B hereby warrants the following:

(a) Without the prior written consent of Party A or Ctrip Shanghai, Party B shall not at any time following the date of execution hereof sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the shares of Party C held by Party B, or allow the encumbrance thereon of any security interest, except for the pledge placed on these shares in accordance with Party B's Share Pledge Agreement;

(b) Cause the directors of Party C appointed by Party B not to approve the sale, transfer, mortgage or disposition in any other manner any legal or beneficial interest in the shares of Party C held by Party B, or allow the encumbrance thereon of any security interest, except for the pledge placed on these shares in accordance with Party B's Share Pledge Agreement;

(c) Cause the directors of Party C appointed by Party B not to approve the merger or consolidation with any person, or the acquisition of or investment in any person, without the prior written consent of Party A or Ctrip Shanghai;

(d) Immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the shares of Party C held by Party B;

(e) Cause the directors of Party C appointed by Party B to vote their approval of the transfer of the Option Shares as set forth in this Agreement;

(f) To maintain his ownership of Party C's shares, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defenses against all claims;

(g) Appoint any Designee of Ctrip Shanghai as director of Party C, at the request of Party A or Ctrip Shanghai;

(h) At the request of Party A at any time, promptly and unconditionally transfer its shares in Party C to Party A's Designee(s) at any time, and waives its right of first refusal to the share transfer by the other existing shareholder of Party C; and

(i) Strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B, Party C and Party A, effectively perform the obligations thereunder, and refrain from any action/omission sufficient to affect the effectiveness and enforceability thereof.

3. Representations and Warranties by Party B and Party C

Party B and Party C hereby represent and warrant to Party A, as of the date of execution of this Agreement and each date of transfer of the Option Shares, that:

(a) They have the authority to execute and deliver this Agreement and any share transfer contracts to which they are a party concerning the Option Shares to be transferred thereunder (each, a "Transfer Contract"), and to perform their obligations under this Agreement and any Transfer Contracts. The execution of this Agreement and the Transfer Contracts to which they are a party shall constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;

(b) The execution and delivery of this Agreement or any Transfer Contract and the obligations under this Agreement or any Transfer Contract shall not: (i) cause any violation of any applicable Chinese laws; (ii) be inconsistent of their articles, bylaws or other organizational documents; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and /or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;

(c) Party C has a good and merchantable title to all of its assets. Party C has not placed any security interest on the aforementioned assets;

(d) Party C does not have any outstanding debt, except for (i) debt incurred in the ordinary course of business; and (ii) debt already disclosed to Party A for which Party A's written consent has been obtained.

(e) Party C has complied with all Chinese laws and regulations applicable to asset acquisitions;

(f) Currently, there are no pending or possible litigation, arbitration or administrative proceedings relating to the shares or assets of Party C; and

(g) Party B has a good and merchantable title to the shares of Party C he holds, and has not placed any security interest on such shares.

4. Effective date

This Agreement shall take effect upon the date of execution of this Agreement and remain effective for a term of 10 years, and may be renewed for an additional 10 years at Party A's election.

5. Applicable laws and resolution of disputes

5.1 Applicable laws

The execution, effectiveness, construction and performance of this Agreement and the resolution of disputes hereunder shall be subject to the protection and jurisdiction of formally

published and publicly available laws of China. Matters not covered by formally published and publicly available laws of China shall be governed by international legal principles and practices.

5.2 Methods of resolution of disputes

In the event of any dispute with respect to the construction and performance of the provisions of this Agreement, the Parties shall negotiate in good faith to resolve same. Upon failure by the Parties to reach an agreement on the resolution of such a dispute within 30 days after any Party submits a request to resolve same through negotiations, any Party may submit the relevant dispute to the China International Economics and Foreign Trade Arbitration Commission Shanghai Chapter for resolution by arbitration, in accordance with its then-effective arbitration rules. The arbitration shall be performed in Shanghai, and the language used during arbitration shall be Chinese. The arbitration ruling shall be final and binding on both Parties.

6. Taxes and fees

Each Party shall pay any and all transfer and registration tax, expenses and fees incurred thereby or levied thereon in accordance with Chinese laws in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

7. Notices

The notices or other communications required of any Party shall be in writing in Chinese or English, and shall be sent to the following addresses of other Parties or other designated addresses in notices from such a Party from time to time via personal delivery, letter or facsimile. The date on which such a notice shall be deemed actually served shall be determined as follows: (a) if a notice is sent via personal delivery, it shall be deemed actually served on the date of such personal delivery; (b) if a notice is sent via letter, on the tenth day (as indicated by the postmark) after the letter is sent via registered air mail, postage prepaid, or on the fourth day after the notice is given to an internationally recognized express mail carrier, it shall be deemed actually served; and (c) if a notice is sent via facsimile, the time of receipt shown on the transmission acknowledge sheet of the document shall be deemed the time of actual service.

To Party A:

Ctrip.com (Hong Kong) Limited
Room 2001, The Centrium, 60 Wyndham Street
Central, Hong Kong
Facsimile: (00852) 21690920
Phone: (00852) 21690911
Attn: Neil Shen

To Party B:

Name:
Address:
Facsimile:
Phone:

To Party C:

Name:
Address:
Facsimile:
Phone:

8. The duty to maintain confidentiality

The Parties acknowledge that any oral or written information exchanged among them with respect to this Agreement is confidential information. Each Party shall maintain the confidentiality of all such information, and without obtaining the written consent of other Parties, it shall not disclose any relevant information to any third parties, except in the following circumstances: (a) such information is or will be in the public domain (provided that this is not the result of a public disclosure by the receiving party); (b) information disclosed as required by applicable laws or rules or regulations of any stock exchange; or (c) information required to be disclosed by any Party to its legal counsel or financial advisor regarding the transaction contemplated hereunder, and such legal counsel or financial advisor are also required to be bound by confidentiality duties similar to the duties in this section. Disclosure of a secret by the staff members or agency hired by any Party shall be deemed disclosure of a secret by such a Party, which shall be held liable for breach of this Agreement. This section shall survive the termination of this Agreement for any reason.

9. Further warranties

The Parties agree to promptly execute documents that are reasonably required for the implementation of the provisions and purposes of this Agreement or that are conducive thereto, and take further actions that are reasonably required for the implementation of the provisions and purposes of this Agreement or that are conducive thereto.

10. Miscellaneous

10.1 Amendments, changes and supplements
Any amendments, changes and supplements to this Agreement shall require the execution of a written agreement by all of the Parties.

10.2 Compliance with laws and regulations
Each of the Parties shall comply with all formally published and publicly available laws and regulations of China and ensure that the operations of each of the Parties are in

compliance with all formally published and publicly available laws and regulations of China.

10.3 Entire contract

Except the written amendments, supplements or changes executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter thereof, and shall supercede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

10.4 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

10.5 Languages

This Agreement is in writing in Chinese in triplicate copies.

10.6 Severability

In the event that one or several of the provisions of this Agreement are ruled invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any aspect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

10.7 Successors

This Agreement shall be binding on and shall inure to the interest of the respective successors of the Parties and the permitted assigns of such Parties.

10.8 Survival

(a) Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

(b) The provisions of Articles 5 and 7 and this Section 10.8 shall survive the termination of this Agreement.

10.9 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

IN WITNESS WHTEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date first above written.

EXHIBIT 10.9
TRANSLATION

Party A: Ctrip.com (Hong Kong) Limited
Authorized representative: _____

Party B:
Signed: _____

Party C: An Affiliated Chinese Entity of Party A
Authorized representative: _____

EXHIBIT 10.10
TRANSLATION

Share Pledge Agreement

This Share Pledge Agreement (hereinafter referred to as this "Agreement") has been executed by and between the following parties on September 10, 2003 in Shanghai.

Pledgee: Ctrip Computer Technology (Shanghai) Co., Ltd.
Address: 3rd fl., Building 63, Hong Cao Road, Shanghai

Pledgor: A shareholder of an Affiliated Chinese Entity of Pledgee
Chinese identification card No.:
Address: Room ___, Alley___, Hongkou District, Shanghai

Whereas:

1. Pledgor is a citizen of the People's Republic of China (hereinafter referred to as "China"), and holds 20% of the shares in Beijing Chenhao Xinye Air-Ticketing Service Company Limited ("Beijing Chenhao"). Beijing Chenhao is a limited liability company registered in Beijing, China.

2. Pledgee is a wholly foreign owned entity registered in Shanghai, China, and is engaged in the business of developing computer software and hardware technologies and systems integration and information services (including online travel information consulting services). Pledgee and Beijing Chenhao executed a Consulting Services Agreement (hereinafter referred to as the "Service Agreement") on September 10, 2003;

3. To ensure that Pledgee collects consulting and service fees regularly from Beijing Chenhao partially owned by Pledgor, Pledgor hereby pledges all of the shares in Beijing Chenhao held by him as security for the consulting and service fees under the Service Agreement.

To perform the provisions of the Service Agreement, Pledgor and Pledgee have mutually agreed to execute this Agreement upon the following terms.

1. Unless otherwise provided herein, the terms below shall have the following meanings:

1.1 Pledge: shall refer to the entire content set forth in Article 2 of this Agreement.

1.2 Shares: shall refer to all of the shares lawfully held by Pledgor in Beijing Chenhao.

1.3 Pledge Ratio: shall refer to the ratio between value of the pledge under this Agreement and the service fees payable by Beijing Chenhao to Pledgee.

1.4 Term of Pledge: shall refer to the term set forth in Section 3.2 of this Agreement.

1.5 Service Agreement: shall refer to the Consulting Services Agreement executed by and between Beijing Chenhao partially owned by Pledgor and Pledgee on September 10, 2003.

1.6 Event of Default: shall refer to any circumstances set forth in Article 7 of this Agreement.

1.7 Notice of Default: shall refer to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. The Pledge

2.1 Pledgor hereby pledges to Pledgee all of his shares in Beijing Chenhao. "Pledge" shall refer to the right of Pledgee to be compensated on a preferential basis with the conversion, auction or sales price of the shares held by Pledgor.

3. The Pledge Ratio and Term of Pledge

3.1 The Pledge Ratio

3.1.1 The Pledge Ratio of the Pledge shall be approximately 100%.

3.2 Term of Pledge

3.2.1 The Pledge in accordance with this Agreement shall take effect as of the date of recording on the shareholders list of Beijing Chenhao, and the effective term of the Pledge shall be the same as the effective term of the Service Agreement. The parties agree to complete the filing procedures of the Pledge with the industry and commerce administration government authorities with which Beijing Chenhao was registered after this Agreement takes effect.

3.2.2 During the term of the Pledge, in the event that Pledgor fails to pay the exclusive technical consulting service fees in accordance with the Service Agreement, Pledgee shall have the right to dispose of the Pledge in accordance with the provisions of this Agreement.

4. Custody of Records for Shares subject to Pledge

4.1 During the Term of Pledge set forth in this Agreement, Pledgor shall submit to Pledgee's custody the capital contribution certificate for the Shares and the shareholder's list within one week from the execution of this Agreement.

4.2 Pledgee shall have the right to collect dividends generated by the Shares.

5. Representations and Warranties of Pledgor

5.1 Pledgor is the lawful owner of the Shares.

5.2 Whenever Pledgee exercises its right with respect to the Pledge in accordance with this Agreement, there shall not be any intervention from any other parties.

5.3 Pledgee shall have the right to dispose of and transfer the Pledge in accordance with the provisions set forth in this Agreement.

5.4 Except the Pledgee, the Pledgor has not placed any other pledge rights on the Shares.

6. Covenants of the Pledgor

6.1 Pledgor hereby promises to the Pledgee for the interest of the Pledgee, that during the term of this Agreement, Pledgor shall:

6.1.1 Not transfer the Shares, place or permit the existence of any pledge that may affect the Pledgee's rights and interests in the Shares, without the prior written consent of Pledgee;

6.1.2 Comply with the provisions of all laws and regulations applicable to the pledge of rights, and within 5 days of receipt of any notice, order or recommendation issued or prepared by relevant competent authorities regarding the Pledge, shall present

the aforementioned notice, order or recommendation to Pledgee, and shall comply with the aforementioned notice, order or recommendation or submit objections and representations with respect to the aforementioned matters upon Pledgee's reasonable request or upon consent of Pledgee;

6.1.3 Promptly notify Pledgee of any event or notice received by Pledgee that may have an impact on Pledgee's rights to the Shares or any portion thereof, as well as promptly notify Pledgee of any event or notice received by Pledgee that may have an impact on any guarantees and other obligations of Pledgor arising in connection with this Agreement.

6.2 Pledgor agrees that the rights acquired by Pledgee in accordance with this Pledge Agreement with respect to Pledge shall not be interrupted or harmed by Pledgor or any heirs or representatives of Pledgor or any other persons through operation of law.

6.3 Pledgor hereby warrants to Pledgee that to protect or perfect the guarantee provided by this Agreement for payment of the consulting service fees under the Service Agreement, Pledgor hereby executes in good faith and shall cause other parties who have a stake in the Pledge to execute all rights certificates, agreements, deeds and/or covenants required by Pledgee and / or shall perform and shall cause other parties who have a stake in the Pledge to perform actions required by Pledgee, and facilitate the exercise by Pledgee of its rights and authority granted thereto by this Agreement, execute all relevant documents that modify stock certificates with Pledgee or designee(s) of Pledgee (natural persons / legal persons), and shall provide to Pledgee within a reasonable time all notices, orders and decisions regarding the Pledge that are required by Pledgee.

6.4 Pledgor hereby warrants to Pledgee that for Pledgee's interest, Pledgor shall comply with and perform all guarantees, promises, agreements, representations and conditions under this Agreement. In the event of failure or partial performance of its guarantees, promises, agreements, representations and conditions, Pledgor shall indemnify Pledgee for all of its losses resulting therefrom.

7. Event of Default

7.1 The following circumstances shall be deemed Events of Default:

7.1.1 Beijing Chenhao fails to pay in full the exclusive technical service fees payable under the Service Agreement;

7.1.2 Any representation or warranty by Pledgor in Article 5 of this Agreement contains material misrepresentations or errors, and/or Pledgor violates any of the warranties in Article 5 of this Agreement;

7.1.3 Pledgor breaches any of the covenants in Article 6 of this Agreement;

7.1.4 Pledgor breaches any provisions of this Agreement;

7.1.5 Pledgor gives up the Shares pledged or assigns the Shares pledged without the written consent of Pledgee;

7.1.6 Any of Pledgor's own loans, guarantees, indemnification, promises or other debt liabilities to any third party or parties (1) have been subject to a demand of early repayment or performance; or (2) have become due but are not capable of being

repaid or performed in a timely manner, thus leading Pledgee to believe that Pledgor's ability to perform its obligations under this Agreement has been affected;

7.1.7 Pledgor is unable to repay general debts and other debts;

7.1.8 The promulgation of applicable laws have rendered this Agreement illegal or have rendered it impossible for Pledgor to continue to perform its obligations under this Agreement;

7.1.9 All approvals, licenses, permits or authorizations of government agencies that make this Agreement enforceable, legal and effective have been withdrawn, terminated, invalidated or substantively changed;

7.1.10 Adverse changes in properties owned by Pledgor, which lead Pledgee to believe that that Pledgor's ability to perform its obligations under this Agreement has been affected;

7.1.11 The successor or custodian of Beijing Chenhao is capable of only partially perform or refuses to perform the payment obligations under the Service Agreement;

7.1.12 Breach of this Agreement resulting from breach of other provisions of this Agreement by Pledgor's action or omission; and

7.1.13 Other circumstances where Pledgee is unable to exercise its right with respect to the Pledge.

7.2 Upon information or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, Pledgor shall immediately notify Pledgee in writing.

Unless an Event of Default set forth in this Section 7.1 has been successfully resolved to Pledgee's satisfaction, Pledgee may issue a Notice of Default to Pledgor in writing upon the occurrence of the Event of Default or at any time thereafter and demand that Pledgor immediately pay all outstanding payments due under the Service Agreement and all other payments due to Pledgee, or dispose of the Pledge in accordance with the provisions of Article 8 of this Agreement.

8. Exercise of Pledge

8.1 Prior to the full payment of the consulting service fee described in the Service Agreement, without the Pledgee's written consent, Pledgor shall not assign the Pledge.

8.2 Pledgee shall issue a Notice of Default to Pledgor when exercising the Pledge.

8.3 Subject to the provisions of Section 7.3, Pledgee may exercise the right to dispose of the Pledge concurrently with the issuance of the Notice of Default in accordance with Section 7.2 or at any time after the issuance of the Notice of Default.

8.4 Pledgee shall have the right to be compensated with the conversion price of the Shares under this Agreement in part or in whole, in accordance with legally mandated procedures, or with the auction or sale price of such Shares on a preferential basis, until all outstanding consulting service fees and all other outstanding payments under the Service Agreement have been paid off.

8.5 When Pledgee disposes of the Pledge in accordance with this Agreement, Pledgor shall not erect any impediment, and shall provide necessary assistance to enable Pledgee to realize its Pledge.

9. Assignment

9.1 Unless Pledgee consents in advance, Pledgor shall not have the right to assign or delegate its rights and obligations under this Agreement.

9.2 This Agreement shall be binding on Pledgor and the successors thereof, and shall be valid with respect to Pledgee and each of the successors and assigns thereof.

9.3 At any time, Pledgee may assign any and all of its rights and obligations under the Service Agreement to its designee(s) (natural / legal persons), in which case the assigns shall have the rights and obligations of Pledgee under this Agreement, as if it were a party to this Agreement. When the Pledgee assigns the rights and obligations under the Service Agreement, upon Pledgee's request, Pledgor shall execute relevant agreements and / or documents relating to such an assignment.

9.4 In the event of a change in Pledgee due to an assignment, the new parties to the Pledge shall execute a new pledge agreement.

10. Termination

10.1 Upon the payoff of the consulting service fees under the Service Agreement and Pledgor no longer undertakes any obligations under the Service Agreement, this Pledge Agreement shall be terminated, and Pledgor shall then cancel or terminate this Agreement as soon as reasonably practicable.

11. Handling Fees and Other Expenses

11.1 All fees and out of pocket expenses relating to this Agreement, including but not limited legal costs, cost of production, stamp tax and any other taxes and fees shall be borne by Pledgor. In the event that the law requires Pledgee to pay relevant taxes, Pledgor shall provide full reimbursement for all taxes already paid by Pledgee.

11.2 In the event that Pledgor fails to pay any taxes and fees in accordance with the provisions of this Agreement or in the event that due to other reasons, Pledgee attempts to recover taxes and fees payable by Pledgor through any means, all expenses (including but not limited to various taxes, handling fees, management fees, cost of litigation, attorney's fees and various insurance premiums, etc.) resulting therefrom shall be borne by Pledgor.

12. Force Majeure

12.1 "Force majeure" shall refer to any event beyond the reasonable control of either party and that still cannot be avoided even if the party affected has exercised reasonable care, including but not limited government actions, acts of God, fire, explosions, storms, flood, earthquakes, tides, lightning or war. But a lack of credit, funds or financing shall not be deemed a circumstances beyond the reasonable control of either party. The party affected by a "force majeure event" shall notify the other party of such relief from liability as soon as possible.

12.2 In the event that the performance of this Agreement is delayed or impeded by the aforementioned "force majeure," the party affected by such force majeure shall not be liable in any way under this Agreement to the extent of such delay or impedance. The party affected shall take appropriate measures to mitigate or eliminate the impact of such "force majeure" and shall attempt to resume the performance of obligations delayed or impeded by such "force majeure." As soon as the force majeure event is eliminated, the parties agree to use their best efforts to resume the performance of this Agreement.

13. Resolution of Disputes

13.1 This Agreement shall be governed by laws of China and shall be construed in accordance therewith.

13.2 In the event of any dispute with respect to the construction and performance of the provisions of this Agreement, the parties shall negotiate in good faith to resolve same. Upon failure of such negotiations, any party may submit the relevant disputes to the China International Economics and Foreign Trade Arbitration Commission Shanghai Chapter for resolution by arbitration, in accordance with its current arbitration rules. The arbitration shall be performed in Shanghai, and the language used during arbitration shall be Chinese. The arbitration ruling shall be final and binding on both parties.

14. Notices

14.1 Notices sent by the parties to perform the rights and obligations under this Agreement shall be in writing. If sent by personal delivery, such a notice shall be deemed served upon actual delivery; if sent by telex or facsimile, such a notice shall be deemed served at the time of transmission. If the date of transmission is not a business day or if transmission is after hours, then the next consecutive business day shall be the date of service. The address of service shall be the addresses of the two parties on the first page of this Agreement or addresses notified in writing at any time subsequently. In writing shall include facsimiles and telexes.

15. Attachments

The attachments set forth in this Agreement shall be an integral part hereof.

16. Effectiveness

Any amendments, changes and supplements to this Agreement shall be in writing and shall take effect upon affixation of the signatures and seals of the parties.

16.2 This Agreement is written in Chinese in triplicate copies.

(Signature Page to Follow)

EXHIBIT 10.10
TRANSLATION

Pledgee: Ctrip Computer Technology (Shanghai) Co., Ltd.

Authorized representative: _____

Pledgor:
Signed:

Attachments:

1. Shareholders list of Beijing Chenhao Xinye Air-Ticketing Service Co., Ltd.;

2. The Capital Contribution Certificate for the Formation of Beijing Chenhao Xinye Air-Ticketing Service Co., Ltd.; and

3. Consulting Services Agreement

EXHIBIT 10.11
TRANSLATION

Trademark License Agreement

This Trademark License Agreement (hereinafter referred to as "This Agreement") has been executed by and between the following parties on September 10, 2003 in Shanghai:

Licensor: Ctrip Computer Technology (Shanghai) Co., Ltd.
Address: 3rd fl., Building 63, Hong Cao Road, Shanghai

Licensee: An affiliated Chinese entity of Licensor
Address: Room ___, Building ___, _____ Street, Beijing

Whereas:

(1) Party A is a wholly foreign owned enterprise established in Shanghai in accordance with laws of the People's Republic of China (hereinafter referred to as "China") and owns the registered trademark shown in Attachment 1 to this Agreement;

(2) Party B is a company with exclusively domestic capital registered in China and may engage in the air-ticketing business as approved by China Aviation Northern China Management Bureau;

(3) Licensor agrees to grant to Licensee the right to use the aforementioned registered trademark on the terms and conditions of this Agreement, and Licensee also agrees to accept the aforementioned license on the terms and conditions of this Agreement.

Wherefore, through mutual discussion, the parties have reached the following agreements:

1. The Grant of License

1.1 Trademark license

According to the terms and conditions of this Agreement, Licensor agrees to grant Licensee the entire registered trademark shown in Attachment 1 or any portion thereof. Licensee agrees to accept the license granted by Licensor and use any of the graphics, text, symbol and visual image of the entire said registered trademark or any portion thereof (hereinafter collectively referred to as the "Trademark"). The nature of the right to use the Trademark under this Agreement shall be a non-exclusive license.

1.2 Scope

1.2.1 The right to use the Trademark granted by this Agreement shall only be used in the business operated by Licensee. Licensee agrees not to directly or indirectly use or authorize any other party to use the aforementioned Trademark in any other manner, unless there are contrary provisions in this Agreement.

1.2.2 The License granted by this Agreement to Licensee shall be valid in China only. Licensee agrees not to directly or indirectly use or authorize any other party to use the aforementioned Trademark in any other region.

2. Method of Payment

Licensee agrees to pay a royalty to Licensor. For the specific calculation method and method of payment of the royalty, see Attachment 2 to this Agreement. At any time, Licensor shall have the right to relieve Licensee of the obligation to pay the royalty based on the actual use or make an adjustment to the amount set forth in Attachment 2.

3. Goodwill

Licensee acknowledges the value of the goodwill associated with the aforementioned License, acknowledges that aforementioned License and the rights relating thereto and the goodwill associated with the aforementioned License only belong to Licensor. The aforementioned License shall have an appurtenant meaning in public impression.

4. Confidentiality

4.1 Licensee shall maintain the confidentiality of any materials and information (hereinafter referred to as "Confidential Information") of Licensor that Licensee learns or has access to due to its acceptance of the aforementioned Trademark License; upon the termination of this Agreement, Licensee shall return any document, material or software that contains such Confidential Information to Licensor at Licensor's request, or shall destroy same, shall delete any Confidential Information from the relevant memory devices and shall not continue to use such Confidential Information. Without the written consent of Licensor, Licensee shall not disclose, give or transfer such Confidential Information to any third party.

4.2 The parties agree that Section 4.1 shall survive changes to, rescission or termination of this Agreement.

5. Representations and Warranties

5.1 Licensor represents and warrants as follows:

5.1.1 Licensor is a wholly foreign owned enterprise legally registered and validly existing in accordance with Chinese laws.

5.1.2 Licensor shall execute and perform this Agreement within the scope of its corporate authority and business; has taken necessary corporate actions to give appropriate authorization and to obtain the approval and permission from third parties and government authorities, and shall not violate restrictions by laws and contracts binding or having an effect thereon.

5.1.3 This Agreement shall constitute Licensor's legitimate, valid and binding obligations as soon as it is legally executed, and shall be enforceable against it.

5.1.4 Licensor has exclusive ownership of the Registered Trademark under this Agreement.

5.2 Licensee represents and warrants as follows:

5.2.1 Licensee is a company legally registered and validly existing in accordance with Chinese laws and may engage in agency business in the sales of air transportation upon approval by China Aviation Northern China Management Bureau;

5.2.2 Licensee shall execute and perform this Agreement within the scope of its corporate authority and business; has taken necessary corporate actions to give appropriate authorization and to obtain the approval and permission from third parties and government authorities, and shall not violate restrictions by laws and contracts binding or having an effect thereon.

5.2.3 This Agreement shall constitute Licensee's legitimate, valid and binding obligations as soon as it is legally executed, and shall be enforceable against it.

6. Ownership and Protections of Licensor's Rights

6.1 Licensee agrees that during the term of this Agreement and thereafter, it shall not challenge the ownership and other rights Licensor retains with respect to the aforementioned Trademark, shall not challenge the validity of this Agreement, and shall not engage in any actions or omission deemed harmful by Licensor to such rights and Trademark.

6.2 Licensee agrees to provide necessary assistance to Licensor to protect the rights owned by Licensor with respect to the aforementioned Trademark. As soon as any third party files a claim against the Trademark, Licensor may at its discretion, respond to the claim lawsuit in its own name, Licensee's name or the name of both parties. Upon the occurrence of any infringement by any third party with respect to the aforementioned Trademark, Licensee shall to the extent of its knowledge immediately inform Licensor in writing of the infringement with respect to the aforementioned Trademark; only Licensor shall have the right to decide whether to take action against such infringement.

6.3 Licensee agrees to use the aforementioned Trademark only in accordance with this Agreement, and shall not use the aforementioned Trademark in any manner deemed fraudulent or misleading by Licensor or any other manner harmful to the aforementioned Trademark or Licensor's reputation.

7. Best Efforts

Licensee shall use its best efforts to improve the quality of its business, so as to be able to protect and enhance the reputation represented by the aforementioned Trademark.

8. Publicity

In any event, in the event that Licensee needs to use publicity materials regarding the Trademark, the cost of preparing such publicity materials shall be borne by Licensee. Licensor shall have the exclusive right to all copyrights and other intellectual property rights relating to the publicity materials of the Trademark under this Agreement, regardless of whether such publicity materials have been prepared or used by Licensee. Licensee agrees that without the prior written consent of Licensor, there shall be no publicity or advertising about the Trademark under this Agreement on radio and television, in newspapers and magazines or on the Internet or other media.

9. Effectiveness and Term

9.1 This Agreement shall be executed as of the date first above written and shall take effect as of the even date therewith. Unless terminated early in accordance with this Agreement, this Agreement shall be valid for a term of ten years. After the

execution of this Agreement, Licensor and Licensee shall review the contents of this Agreement every three months, to determine whether to make corresponding amendments or supplements to this Agreement based on the circumstances then.

9.2 This Agreement may be renewed for one year upon written confirmation by Licensor prior to the expiration of the term thereof, provided that Licensee shall not have the right to confirm whether this Agreement shall be renewed.

10. Filing

Within three months of the execution of this Agreement, Licensor shall submit a copy of this Agreement to the competent trademark management authorities of China for filing.

11. Termination

11.1 Termination on the date of expiration

Unless renewed in accordance with this Agreement, this Agreement shall be terminated upon the date of expiration.

11.2 Early Termination

Upon the occurrence of any material breach by either party, including but not limited to violations of the obligations under Section 6.1, Section 6.2 and Section 6.3 of this Agreement and in the event that within 30 days after receipt of notice from the non-breaching party regarding the occurrence and existence of the breach, the breaching fail to cure its breach, this Agreement may be immediately terminated upon written notice to the other party, provided that the termination of this Agreement shall not compromise the rights or remedies that the terminating party is entitled to at law or for any other reasons.

During the term of this Agreement, Licensor may terminate this Agreement at any time upon written notice to Licensee, and such a notice of termination shall take effect 30 days after the issuance thereof.

11.3 Provisions After Termination

Articles 3, 5, 6 and 16 shall survive the termination of this Agreement.

12. Force Majeure

12.1 "Force majeure" shall refer to any event beyond the reasonable control of either party and that still cannot be avoided even if the party affected has exercised reasonable care, including but not limited government actions, acts of God, fire, explosions, storms, flood, earthquakes, tides, lightning or war. But a lack of credit, funds or financing shall not be deemed a circumstances beyond the reasonable control of either party. The party affected by a "force majeure event" shall notify the other party of such relief from liability as soon as possible.

12.2 In the event that the performance of this Agreement is delayed or impeded by the aforementioned "force majeure," the party affected by such force majeure shall not be liable in any way under this Agreement to the extent of such delay or impedance. The party affected shall take appropriate measures to mitigate or eliminate the impact of such "force majeure" and shall attempt to resume the performance of obligations delayed or impeded by such "force majeure." As soon

as the force majeure event is eliminated, the parties agree to use their best efforts to resume the performance of this Agreement.

13. Notices

Notices or other communications sent by either party as required by this Agreement shall be written in Chinese, and a notice shall be deemed served when it is delivered to the address of either party or the addresses of both parties below by personal delivery, registered mail, mail with prepaid postage or recognized express mail or facsimile.

To Licensor: Ctrip Computer Technology (Shanghai) Co., Ltd.
Address: 3rd fl., Building 63, Hong Cao Road, Shanghai
Facsimile: (021) 542651600
Phone: (021) 34064880

To Licensee: An affiliated Chinese entity of Licensor
Address: Room ___, ____ Building, _____ Street, Beijing
Facsimile:
Phone:

14. Reassignment and Sublicense

The rights and obligations granted to Licensee by this Agreement and by Licensor under this Agreement shall not be assigned, leased, pledged and sublicensed by Licensee to any third party without the written consent of Licensor, nor shall Licensee transfer to any third party in any other manner any portion of the economic benefits from the License or the rights under this Agreement.

15. Resolution of Disputes

In the event of any dispute with respect to the construction and performance of the provisions of this Agreement, the parties shall hold consultations in good faith to resolve same. Upon failure by the parties to reach an agreement on the resolution of such a dispute within 30 days after any party submits a request to resolve same through consultations, any party may submit the relevant dispute to the China International Economics and Foreign Trade Arbitration Commission Shanghai Chapter for resolution by arbitration, in accordance with its arbitration rules effective then. The arbitration shall be performed in Shanghai, and the language used during arbitration shall be Chinese. The arbitration ruling shall be final and binding on both parties.

16. Applicable Laws

The effectiveness, construction and enforcement of this Agreement shall be governed by Chinese laws.

17. Amendments and Supplements

The parties shall make amendments and supplements to this Agreement in writing. The amendment agreements and supplementary agreements that have been signed by the parties and that relate to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

18. Severability

In the event that any provisions of this Agreement are invalid or unenforceable due to inconsistency with law, then such provisions shall only be invalid or unenforceable to the extent of the jurisdiction of such law, and shall not affect the legal validity of the remaining provisions of this Agreement.

19. Attachments

Any attachment to this Agreement shall be an integral part thereof, and shall have the same legal validity as this Agreement.

IN WITNESS WHEREOF, the parties have caused their authorized representatives to execute this Agreement as of the date first above written.

Licensor: Ctrip Computer Technology (Shanghai) Co., Ltd.
Authorized representative:

Licensee:
Authorized representative:

EXHIBIT 10.11
TRANSLATION

Attachment 1

Trademark Registration Certificate

EXHIBIT 10.11
TRANSLATION

Attachment 2

Calculation Method and Method of Payment of Royalty

The royalty rate for the Trademark shall be RMB3,000 per year, and Licensee shall pay the trademark licensing fee for the current year to Licensor's designated account by April 1 each year. Licensor shall have the right to decide at its discretion whether to exempt Licensee's Trademark royalty.

EXHIBIT 10.12
TRANSLATION

Software License Agreement

This Software License Agreement (hereinafter referred to as "This Agreement") has been executed by and between the following parties on September 10, 2003 in Beijing.

Licensor: Ctrip Computer Technology (Shanghai) Co., Ltd.

Licensee: An affiliated Chinese entity of Licensor
Address: Room ___, Building ___, _____ Street, Beijing

Whereas:

(1) Licensor is a wholly foreign owned enterprise registered in Shanghai, the People's Republic of China (hereinafter referred to as "China"), and has the copyright to the software ("Software") shown in Attachment 1;

(2) Licensee is a company with exclusively domestic capital registered in China and may engage in the air-ticketing business as approved by China Aviation Northern China Management Bureau;

Wherefore, through mutual discussion, the parties have reached the following agreements:

1. The Grant of License

1.1 The Software

1.1.1 Licensor agrees to grant Licensee the right to use the Software in China upon the terms and conditions of this Agreement, and Licensee agrees to accept license upon the same terms and conditions.

1.1.2 Licensor has sole and exclusive rights to the Software, including its improvement, upgrades and derivative works, regardless of whether the aforementioned works have been created by Licensor or Licensee. The rights and obligations under this Section shall survive the termination of this Agreement.

1.2 Scope

1.2.1 The Software granted to Licensee by this Agreement shall only be used in by Licensee's designated systems in processing the Licensee's internal data. In the event that the designated systems are inoperable, such programs may be used by the backup systems. Licensee shall not sublicense the programs for use by others or use them in training third parties, commercial sharing and leasing, unless there are contrary provisions in this Agreement.

1.2.2 The right to use the Software granted by this Agreement to Licensee shall be valid in China only. Licensee agrees not to directly or indirectly use or authorize the use of said Software in any other region.

2. Method of Payment

Licensee agrees to pay a royalty to Licensor. For the calculation method and method of payment of the royalty, see Attachment 2 to this Agreement. At any time, Licensor shall

have the right to relieve Licensee of the obligation to pay the royalty based on the actual use or make an adjustment to the amount set forth in Attachment 2.

3. Licensor's Rights and Protection of Rights

3.1 Licensee agrees that during the term of this Agreement and thereafter, it shall not challenge the copyright and other rights Licensor retains with respect to the aforementioned Software, shall not challenge the validity of this Agreement, and shall not engage in any actions or omission deemed harmful by Licensor to its rights and the License.

3.2 Licensee agrees to provide necessary assistance to Licensor to protect the rights owned by Licensor with respect to the Software. As soon as any third party files an infringement claim against the Software, Licensor may, at its discretion, respond to the claim lawsuit in its own name, Licensee's name or the names of both parties. Upon the occurrence of any infringement by any third party with respect to the aforementioned Software, Licensee shall to the extent of its knowledge immediately inform Licensor in writing of the infringement with respect to the aforementioned Software; only Licensor shall have the right to decide whether to take action against such infringement.

3.3 Licensee agrees to use the aforementioned Software only in accordance with this Agreement, and shall not use the Software in any manner deemed fraudulent or misleading by Licensor or any other manner harmful to the Software or Licensor's reputation.

4. Confidentiality Clauses

4.1 Licensee shall maintain the confidentiality of any materials and information (hereinafter referred to as "Confidential Information") of Licensor that Licensee learns or has access to due to its acceptance of the Software License; upon the termination of this Agreement, Licensee shall return any document, material or software that contains such Confidential Information to Licensor at Licensor's request, or shall destroy same on its own, shall delete any Confidential Information from the relevant memory devices and shall not continue to use such Confidential Information. Without the written consent of Licensor, Licensee shall not disclose, give or transfer such Confidential Information to any third party.

4.2 The parties agree that this section shall survive changes to, rescission or termination of this Agreement.

5. Representations and Warranties

5.1 Licensor represents and warrants as follows:

5.1.1 Licensor is a wholly foreign owned enterprise legally registered and validly existing in accordance with Chinese laws.

5.1.2 Licensor shall execute and perform this Agreement within the scope of its corporate authority and business; has taken necessary corporate actions to give appropriate authorization and to obtain the approval and permission from third parties and government authorities, and shall not violate restrictions by laws and contracts binding or having an effect thereon.

5.1.3 This Agreement shall constitute Licensor's legitimate, valid and binding obligations as soon as it is legally executed, and shall be enforceable against it.

5.1.4 Licensor has the copyright to the Software.

5.2 Licensee represents and warrants as follows:

5.2.1 Licensee is a company legally registered and validly existing in accordance with Chinese laws and may engage in agency business in the sales of air transportation upon approval by China Aviation Northern China Management Bureau;

5.2.2 Licensee shall execute and perform this Agreement within the scope of its corporate authority and business; has taken necessary corporate actions to give appropriate authorization and to obtain the approval and permission from third parties and government authorities, and shall not violate restrictions by laws and contracts binding or having an effect thereon.

5.2.3 This Agreement shall constitute Licensee's legitimate, valid and binding obligations as soon as it is legally executed, and shall be enforceable against it.

6. Effectiveness and Term

6.1 This Agreement shall be executed as of the date first above written and shall take effect as of the even date therewith. Unless terminated early in accordance with this Agreement, this agreement shall be valid for a term of ten years, provided that after the execution of this Agreement, Licensor and Licensee shall review the contents of this Agreement every three months, to determine whether to make amendments or supplements to this Agreement based on the circumstances then.

6.2 This Agreement may be renewed for one year upon written confirmation by Licensor prior to the expiration of the term thereof, provided that Licensee shall have no right to decide whether this Agreement shall be renewed.

7. Termination

7.1 Early Termination

Without compromising the rights or remedies entitled to at law or for other reasons by the terminating party, upon the occurrence of any material breach by either party, including but not limited to violations of the obligations under Section 3.1, Section 3.2 and Section 3.3 of this Agreement and in the event that within 30 days after receipt of notice from the non-breaching party regarding the occurrence and existence of the breach, the breaching fails to cure its breach, this Agreement may be immediately terminated upon written notice to the other party. During the term of this Agreement, Licensor may terminate this Agreement at any time upon 30 days written notice to Licensee.

7.2 Provisions After Termination

The rights and obligations of the parties under Section 11.2, Article 3, Section 4.1 and Article 10 shall survive the termination of this Agreement.

8. The Effect of the Termination Or Expiration of Agreement

Upon termination or expiration of this Agreement, all rights granted to Licensee shall promptly revert to Licensor. Licensor may freely transfer the right to use the copyright to

said Software to others. Licensee shall not use the Software anymore or directly or indirectly use the Software.

9. Force Majeure

9.1 "Force majeure" shall refer to any event beyond the reasonable control of either party and that still cannot be avoided even if the party affected has exercised reasonable care, including but not limited government actions, acts of God, fire, explosions, storms, flood, earthquakes, tides, lightning or war. But a lack of credit, funds or financing shall not be deemed a circumstance beyond the reasonable control of either party. The party affected by a "force majeure event" shall notify the other party of such relief from liability as soon as possible.

9.2 In the event that the performance of this Agreement is delayed or impeded by the aforementioned "force majeure," the party affected by such force majeure shall not be liable in any way under this Agreement to the extent of such delay or impedance. The party affected shall take appropriate measures to mitigate or eliminate the impact of such "force majeure" and shall attempt to resume the performance of obligations delayed or impeded by such "force majeure." As soon as the force majeure event is eliminated, the parties agree to use their best efforts to resume the performance of this Agreement.

10. Resolution of Disputes

In the event of any dispute with respect to the construction and performance of the provisions of this Agreement, the parties shall hold consultations in good faith to resolve same. Upon failure by the parties to reach an agreement on the resolution of such a dispute within 30 days after any party submits a request to resolve same through consultations, any party may submit the relevant dispute to the China International Economics and Foreign Trade Arbitration Commission Shanghai Chapter for resolution by arbitration, in accordance with its arbitration rules effective then. The arbitration shall be performed in Shanghai, and the language used during arbitration shall be Chinese. The arbitration ruling shall be final and binding on both parties.

11. Notices

Notices or other communications sent by either party as required by this Agreement shall be written in Chinese, and a notice shall be deemed served when it is delivered to the address of either party or the addresses of both parties below by personal delivery, registered mail, mail with prepaid postage or recognized express mail or facsimile.

To Licensor: Ctrip Computer Technology (Shanghai) Co., Ltd.
Address: 3rd fl., Building 63, Hong Cao Road, Shanghai
Facsimile: (021) 542651600
Phone: (021) 34064880

Licensee: An affiliated Chinese entity of Licensor
Address: Room ___, _____ Building, _____ Street, Beijing
Facsimile:
Phone:

12. Reassignment and Sublicense

Licensee shall not transfer, mortgage and sublicense this Agreement and the rights and obligations of Licensee under this Agreement without the written consent of Licensor.

13. Applicable Laws

The effectiveness, construction and enforcement of this Agreement shall be governed by Chinese laws.

14. Amendments and Supplements

The parties shall make amendments and supplements to this Agreement in writing. The amendment agreements and supplementary agreements that have been signed by the parties and that relate to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

15. Severability

In the event that any provisions of this Agreement are invalid or unenforceable due to inconsistency with law, then such provisions shall only be invalid or unenforceable to the extent of the jurisdiction of such law, and shall not affect the legal validity of the remaining provisions of this Agreement.

16. Attachments

Any attachment to this Agreement shall be an integral part thereof, and shall have the same legal validity as this Agreement.

EXHIBIT 10.12
TRANSLATION

IN WITNESS WHEREOF, the parties have caused their authorized representatives to execute this Agreement as of the date first above written.

Licensor: Ctrip Computer Technology (Shanghai) Co., Ltd.
Authorized representative:

Licensee:
Authorized representative:

EXHIBIT 10.12
TRANSLATION

Attachment 1: Specific Contents of Software

Ctrip Online Reservation System
Ctrip Call-Center Reservation System
Ctrip Travel Website System

EXHIBIT 10.12
TRANSLATION

Attachment 2: The Calculation and Payment of the Software Royalty

The rate of the Software royalty shall be RMB3,000 per year, and Licensee shall pay the aforementioned Software royalty by the April 1 every year. Licensor shall have the right to decide at its discretion whether to waive Licensee's Software royalty.

EXHIBIT 10.13
TRANSLATION

Operating Agreement

This Agreement has been executed by and among the following parties on September 10, 2003 in Shanghai:

Party A: Ctrip Computer Technology (Shanghai) Co., Ltd.
Address: 3rd fl., Building 63, Hong Cao Road, Shanghai

Party B: An affiliated Chinese entity of Party A
Address:

Party C: One of the two shareholders of Party B
Home address:

Party D: Another shareholder of Party B
Home address:

Whereas:

(1) Party A is a wholly foreign owned entity set up in the People's Republic of China (hereinafter referred to as "China");

(2) Party B is a domestic company with exclusively domestic capital registered in China and has obtained approval from the Civil Aviation Administration of China - Northern Region Administration Bureau to engage in the air-ticketing business;

(3) Party A and Party B have set up a business relationship through the execution of agreements such as the Consulting Services Agreement;

(4) In accordance with the Consulting Services Agreement executed by and between Party A and Party B, Party B shall pay Party A certain service fees, but the relevant fees have not been paid as of now, whereas Party B's daily operations shall have a material effect on its ability to pay the service fees to Party A;

(5) Party C is a shareholder of Party B, and holds 20% of Party B's shares;

(6) Party D is a shareholder of Party B, and holds 80% of Party B's shares; and

(7) Party A and Party B agree to further clarify matters related to Party B's operations in accordance with the provisions of this Agreement.

Wherefore, through mutual promises and agreement, the parties have reached the following agreement:

1. To ensure the normal operations of Party B's business, Party A agrees that subject to Party B's satisfaction of the provisions of this Agreement described below, Party A shall guarantee the performance of contracts, agreements or transactions executed by Party B related to its business operations. Party A's guarantee obligations hereunder shall be secured by all of Party B's accounts receivable and assets. According to the aforementioned performance guarantee arrangements, Party A shall execute written

guarantee contracts separately with the other parties to Party B's contracts as Party B's performance guarantor, in order to undertake liabilities as a guarantor.

2. In view of the requirements in Article 1 of this Agreement and to ensure the performance of the various business agreements between Party A and Party B as well as Party B's payment of service fees due Party A, Party B and its shareholders - Party C and Party D hereby agree that unless Party A's prior written consent is obtained, Party B shall not engage in any transactions that may have a substantive impact on its assets, obligations, rights or the business operations, including but not limited to the following contents:

2.1 Borrowing money from or undertaking debts of any third parties;

2.2 Selling to or obtaining from any third parties any assets or rights, including but not limited to any intellectual property;

2.3 Providing any third parties with security interest on Party B's assets or intellectual property; and

2.4 Assign agreements related to its business to any third parties.

3. To ensure the performance of the various business agreements between Party A and Party B as well as Party B's payment of service fees due Party A, Party B and its shareholders - Party C and Party D, hereby agree to accept the corporate policies and guidance provided by Party A from time to time with respect to Party B's hiring and discharge of employees, daily operations and management, and the financial management system.

4. Party B and its shareholders - Party C and Party D, hereby agree Party B, Party C and Party D will appoint the candidates nominated by Party A as Party B's directors, and Party B shall appoint executives designated by Party A and hired by Party A as directors, general manager and other executives of Party B. In the event that the aforementioned Party A's directors and executives leave Party A, whether they leave voluntarily or are discharged by Party A, they will simultaneously lose the eligibility to serve in any position with Party B. In such a case, Party B shall appoint other executives hired by Party A and designated by Party A to such positions.

5. Party B and its shareholders - Party C and Party D, hereby agree and acknowledge that except for the relevant covenants in Article 1 of this Agreement, in the event that any performance guarantee or working capital loan guarantee is required during Party B's business operations, Party B shall first seek such a guarantee from Party A. In such a case, Party A shall have the right but not the obligation to provide appropriate guarantees for Party B at its discretion. In the event that Party A does not provide such a guarantee, Party A shall promptly notify Party B in writing, so that Party B may seek such a guarantee from a third party.

6. Upon the expiration or termination of any agreement between Party A and Party B, Party A shall have the right but not the obligation to terminate all agreements between Party A and Party B, including but not limited to the Consulting Service Agreement.

7. Any amendments and supplements to this Agreement shall be in writing. The amendments and supplementary agreements that have been signed by the parties and that relate to this Agreement shall be an integral part of this Agreement and shall have the same legal validity as this Agreement.

8. This Agreement shall be governed by laws of China and shall be construed in accordance therewith.

9. In the event of any dispute with respect to the construction and performance of the provisions of this Agreement, the parties shall negotiate in good faith to resolve same. Upon failure of such negotiations, any party may submit the relevant dispute to the China International Economics and Trade Arbitration Commission Shanghai Chapter for resolution by arbitration, in accordance with its current arbitration rules. The arbitration shall be conducted in Shanghai, and the language used during arbitration shall be Chinese. The arbitration ruling shall be final and binding on both parties.

10. This Agreement shall be executed by the authorized representatives of the parties as of the date first above written and shall take effect as of the even date therewith. During the valid existence of Party A and Party B to this Agreement, unless this Agreement is terminated early in accordance with the applicable provisions thereof, this Agreement shall be valid for 10 years. Prior to the expiration of this Agreement, this Agreement can only be renewed upon written confirmation by Party A. The term of the renewal shall be determined by Party A through its written notice.

IN WITNESS WHEREOF, the parties have caused their authorized representatives to execute this Agreement as of the date first above written.

Party A: Ctrip Computer Technology (Shanghai) Co., Ltd.
Authorized representative: /S/

Party B:
Authorized representative: /S/

Party C:
/S/

Party D:
/S/

EXHIBIT 10.14
TRANSLATION

STANDARD FACTORY BUILDING LEASE CONTRACT

Lessor: Yu Zhong (Shanghai) Consulting Co., Ltd. ("Party A")

Lessee: Ctrip Travel Information Technology (Shanghai) Co., Ltd. ("Party B")

THIS CONTRACT is entered into between Party A and Party B upon mutual agreement in accordance with the relevant laws and regulations of the People's Republic of China on the basis of equality, voluntariness and mutual benefit in connection with the arrangements under which Party A leases to Party B and Party B leases from Party A a factory building legally owned by Party A.

1. LOCATION, AREA, FIT-OUT AND FACILITIES OF THE FACTORY BUILDING

1.1 Party A leases to Party B the factory building it legally owns at Floor 2, Building No. 64, 421 Hongcao Road (the "Factory Building").

1.2 The Factory Building leased by Party A to Party B hereunder has a total construction area of 1,222.7 square meters.

2. LEASE TERM

2.1 The lease term for the Factory Building shall begin from May 1, 2003 and end on February 1, 2005.

2.2 Upon the expiry of the lease term, Party A shall have the right to repossess the whole of the Factory Building and Party B shall return the possession thereof on time. If Party B desires to continue to lease the Factory Building, it shall make a request to Party A two months before the expiry of the lease term and a new lease contract shall be entered into by the Parties upon mutual agreement.

3. RENT AND TERMS OF PAYMENT

3.1 The annual rent of the Factory Building shall be RMB 500,000 (in words: five hundred thousand).

3.2 Upon the execution of this Contract, Party B shall pay RMB 83,200 to Party A as the rent for the period from May 1, 2003 to June 30, 2003. As this amount has been paid to Shanghai Letong Telecommunications Equipment Co., Ltd., it shall be collected by Party A from Shanghai Letong Telecommunications Equipment Co., Ltd.

3.3 The rent for the period from July 1, 2003 to December 31, 2004 shall be paid by Party B in quarterly installments of RMB 125,000 (in words: one hundred twenty-five thousand). Party B shall pay the amount of the payable rent to the account of Party A within 10 working days of the beginning of each quarter; the rent for the period from January 1, 2005 to February 1, 2005, in the amount of RMB 41,600, shall be paid by Party B to the account of Party A within 10 working days of the beginning of the month: for each day payment is overdue, Party B shall pay to Party A a default fine at 5% of the RMB 125,000 (in words: one hundred twenty-five thousand) security deposit.

3.4 A security deposit in the amount of RMB 125,000 (in words: one hundred twenty-five thousand) paid by Party B to Shanghai Letong Telecommunications Equipment Co., Ltd. has now been transferred to Party A and such security deposit shall be returned by Party A to Party B within 5 working days after Party B has ended the lease and paid all of the amounts payable by Party B. For each day the return of the security deposit is overdue, Party A shall pay a default fine to Party B at 5% of the RMB 125,000 (in words: one hundred twenty-five thousand) security deposit.

4. OTHER COSTS

4.1 Party B shall be responsible for paying the property management fee and the water, electricity and telecommunications charges, etc. payable in respect of the Factory Building during the lease term. If any account shall be transferred, Party A shall cooperate. If any account shall be transferred back to Party A upon the expiry of the lease term, Party B shall cooperate.

4.2 If Party B needs to lay any telecommunication and computer networking wires between No. 63 Building and No. 64 Building, Party A shall at the cost of Party B cooperate with its application for permit.

4.3 If Party B needs to apply for increase in electricity supply, Party A shall at the cost of Party B cooperate with its application.

5. MAINTENANCE RESPONSIBILITY

5.1 During the lease term, Party A shall warrant that the Factory Building is safe to use, and Party B shall take good care and make reasonable use of the leased building and its associated facilities. If any damage is caused to the building or the facilities due to improper use by Party B, Party B shall be responsible for the immediate repair thereof. If the building or the facilities are damaged through no fault on the part of Party B, Party A shall be responsible for the immediate repair thereof. During the lease term, Party B shall have the responsibility for the daily maintenance of the Factory Building and shall keep it tidy and clean.

5.2 The ownership to the Factory Building is vested in Party A, and Party B shall obtain the prior written consent of Party A if Party B wants to change the original structure or facilities of the Factory Building. Upon the expiry of the lease term, Party B shall restore the Factory Building to its original state upon Party A's demand. Party B shall not damage the structure of the building when removing the equipment or facilities which belong to Party B.

6. PARTY B'S LIABILITIES FOR BREACH OF CONTRACT

6.1 If Party B commits any of the following acts during the lease term, Party A has the right to terminate this Contract and demand from Party B a default fine of RMB 250,000 (in words: two hundred fifty thousand):

(1) Party B has failed to pay any rent for two months or longer from the date on which such rent is payable;

(2) Party B has put the Factory Building to any use that violates the relevant provisions of the law.

7. PARTY A'S LIABILITIES FOR BREACH OF CONTRACT

7.1 If Party A fails to deliver the possession of the Factory Building to Party B by the time agreed herein, Party A shall pay to Party B a default fine at 5% of the RMB 125,000 (in words: one hundred twenty-five thousand) security deposit for each day such failure continues.

7.2 If Party A unilaterally terminates this Contract and repossesses the Factory Building during the lease term under no such circumstances as provided in Clause 6 (Party B's Liabilities for Breach of Contract) hereof, Party A shall pay to Party B a default fine of RMB 250,000 (in words: two hundred fifty thousand). If such default fine is not sufficient to cover the losses incurred by Party B, Party A shall be responsible for compensating for the shortfall.

8. CONDITIONS FOR CHANGE OR DISSOLUTION OF CONTRACT

8.1 This Contract shall not be changed or dissolved during the lease term unless any of the following occurs:

(1) For special reasons on the part of Party A or Party B, the Parties have mutually agreed that the whole or a part of the Factory Building shall be repossessed by Party A or returned by Party B before the expiry of the lease term;

(2) It has become obvious that the performance under this Contract is impossible to continue as a result of the damages to the Factory Building and its associated facilities caused by a force majeure factor (war, earthquake, typhoon, flood, fire, etc.).

8.2 If this Contract shall be changed or dissolved, the Party requiring the change or termination shall make the request to the other Party.

9. DISPUTE RESOLUTION

All disputes arising from the performance of this Contract or in connection with this Contract shall be resolved by the Parties through amicable consultation; if such consultation fails, either Party may institute legal proceedings in a competent people's court in Shanghai.

10. REVISIONS, SUPPLEMENTS AND ATTACHMENTS TO CONTRACT

10.1 Matters not covered herein may be agreed upon by the Parties in written agreement as an integral part hereof, and such supplemental agreement shall have equal legal force as this Contract.

10.2 This Contract may be revised upon agreement by the Parties. Any revision to this Contract shall be in writing and shall come into effect only after it has been signed by the legal representatives or authorized representatives of the Parties. Before the revised contract comes into effect, the Parties shall continue to comply with the terms of this Contract.

10.3 Attachments hereto shall have equal legal force as this Contract.

11. MISCELLANEOUS

11.1 If there is a change in the ownership to the Factory Building during the lease term, this Contract shall continue to be in effect until the expiry of the lease term.

11.2 This Contract shall be written in four originals with each Party holding two of them. This Contract shall come into effect upon the signature and seals of the legal representatives or authorized representatives of the Parties.

Party A:	Party B:
Yu Zhong (Shanghai) Consulting Co., Ltd.	Ctrip Travel Information Technology (Shanghai) Co., Ltd.
(Seal)	(Seal)
Signature of legal representative or authorized representative:	Signature of legal representative or authorized representative:
Date: May 1, 2003	Date:
Account Bank:	Account Bank:
Account No.:	Account No.:

EXHIBIT 10.15
TRANSLATION

Power of Attorney

I, Qi Ji, a Chinese citizen with Chinese Identification Card No. _____, hereby irrevocably authorize Mr. Nan Peng Shen to exercise the following rights during the term of this Power of Attorney:

Mr. Nan Peng Shen is hereby authorized to exercise on my behalf at shareholders meetings of Beijing Chenhao Xinye Air-Ticketing Service Company Limited (the "Company"), all the shareholder's voting rights I am entitled to under Chinese laws and the Company's bylaws, including but not limited to the sale or transfer of the shares I hold in the Company in part or in whole, and designate and appoint on my behalf at the shareholders meetings of the Company, the chief executive officer of the Company.

The aforementioned authorization shall be subject to Mr. Nan Peng Shen being an employee of Ctrip Computer Technology (Shanghai) Co., Ltd. ("Ctrip"). As soon as Mr. Nan Peng Shen no longer holds any position with Ctrip, I shall withdraw the authorization granted thereto herein, and shall designate / authorize another employee of Ctrip to exercise all of my shareholders voting rights at shareholders meetings of the Company.

During the valid existence of the Company, unless the Operating Agreement jointly executed by and between Ctrip and the Company is terminated early due to any reason, the term of this Power of Attorney shall be 10 years from the date of execution of this Power of Attorney.

/s/ Qi Ji

September 10, 2003

EXHIBIT 10.16

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

This Confidentiality and Non-Competition Agreement (the "Agreement") is made as of this 10th day of September 2003 ("Effective Date") by and between Ctrip.com International, Ltd. (the "Company") and Qi Ji (the "Director"). The Company and the Director are hereinafter referred to individually as a "Party" and collectively as the "Parties."

WHEREAS, the Director is a member of the Company's Board of Directors, and also a principal shareholder of most of the related entities of the Company in China (excluding the Company's subsidiaries) (collectively, the "Related Chinese Entities");

WHEREAS, both the Director and the Company expressly acknowledge and agree that the sole purpose of the Related Chinese Entities is to further the business purposes of the Company; and

WHEREAS, in light of the Director's fiduciary relationship with the Company and in consideration for the Director's agreement to enter into this Agreement with the Company, the Company has assisted and will assist in the capitalization and operation of the Related Chinese Entities.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements set forth below, the Parties agree as follows:

I. CONFIDENTIALITY

1.1 The Director shall keep secret and shall not at any time use for Director's own or any third party's advantage, or reveal to any person, company, organization or any other entity, and shall use the Director's best endeavors to prevent the publication or disclosure of, any and all Confidential Information (as defined below).

1.2 If the Director breaches his obligation of confidentiality hereunder, the Director shall be liable to the Company for all damages (direct or consequential) incurred as a result of the Director's breach.

1.3 The restrictions in this Article I shall not apply to any disclosure or use authorized by the Company or required by law.

1.4 "Confidential Information" shall mean information relating to the business, customers, products and affairs of the Company (including without limitation, marketing information) deemed or treated confidential by the Company, or which the Director knows or ought reasonably to have known to be confidential, and trade secrets, including without limitation designs, processes, pricing policies, methods, inventions, technology, technical data, financial information and know-how relating to the business of the Company.

1.5 For purposes of Articles I and II of this Agreement, the Company shall include all subsidiaries of the Company as well as the Related Chinese Entities.

II. NON-COMPETITION

2.1 The Director agrees that he shall not engage in any business directly competitive with that carried on by the Company, provided that nothing in this clause shall preclude the Director from holding or being otherwise interested in any shares or other securities of any company, any part of which is listed or dealt in on any stock exchange or recognized securities market anywhere, and the Director shall notify the Company in writing of his interest in such shares or securities in a timely manner and with such details and particulars as the Company may reasonably require.

2.2 In consideration of the Company's assistance in the capitalization and operation of the Related Chinese Entities, the Director hereby agrees that during the period he is a shareholder of any of the Related Chinese Entities and for a period of five (5) years following the termination of this Agreement:

(a) Director shall not approach clients, customers, suppliers or contacts of the Company or other persons or entities introduced to Director in Director's capacity as a director or shareholder of the Company for the purposes of doing business with such persons or entities and will not interfere with the business relationship between the Company and such persons and/or entities;

(b) unless expressly consented to by the Company, Director will not provide services as a director or otherwise for any competitor of the Company in China, or engage, whether as principal, partner, licensor or otherwise, in any business which is in direct or indirect competition with the business of the Company; and

(c) unless expressly consented to by the Company, Director will not seek directly or indirectly, by the offer of alternative employment or other inducement whatsoever, to solicit the services of any employee of the Company employed as at the date of termination of this Agreement, or in the year preceding such termination.

2.3 The provisions provided in Article II shall be separate and severable and enforceable independently of each other and independent of any other provision of this Agreement. In the event that any provision of this Article II should be found to be void under applicable laws and regulations but would be valid if some part thereof were deleted or the period or area of application reduced, such provisions shall apply with such modification as may be necessary to make them valid and effective.

III. TERM. This Agreement shall remain in full force and effect until both Parties hereto agree to terminate it in writing.

IV. MISCELLANEOUS

4.1 Binding Effect. This Agreement will be binding upon and inure to the benefit of any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all

purposes. For this purpose, "successor" means any person, company, organization or other entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company.

4.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of New York, USA, without conflicts of laws principles thereof.

4.3 Severability. In the case that any one or more of the provisions contained in this Agreement shall be held invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

4.4 Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Parties and supersedes all other oral and written agreements between the Company and the Director regarding the subject matter hereof. The Director acknowledges that he has not entered into this Agreement in reliance upon any representation, warranty or undertaking which is not set forth in this Agreement.

4.5 Notice. Any notice to be given under this Agreement to the Director may be served by being handed to Director personally or by being sent by recorded delivery first class post to Director at Director's usual or last known address; and any notice to be given to the Company may be served by being left at or by being sent by recorded delivery first class post to its registered office. Any notice served by post shall be deemed to have been served on the day (excluding Sundays and statutory holidays) next following the date of posting and in proving such service it shall be sufficient proof that the envelope containing the notice was properly addressed and posted as a prepaid letter by recorded delivery first class post.

4.6 Headings. The headings in this Agreement are for the convenience of the Parties hereto and shall not be deemed a substantive part of this Agreement.

4.7 Amendment. No amendment to the terms of this Agreement shall be valid unless in writing and signed by both Parties hereto.

4.8 Counterparts. This Agreement may be signed in two (2) counterparts and each counterpart shall be deemed to be an original.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF this Agreement has been executed on the date first above written.

Ctrip.com International, Ltd.	DIRECTOR
Signature: /s/	Signature: /s/ Qi Ji
Name:	Name: Qi Ji

EXHIBIT 10.17

Execution Copy

Dated as of November ___, 2000

CTRIP COMPUTER TECHNOLOGY (SHANGHAI) CO., LTD.

AND

SHANGHAI CTRIP COMMERCE CO., LTD.

CONSULTING SERVICES AGREEMENT

EXHIBIT 10.17

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EXHIBIT 10.17

THIS AGREEMENT is made as of the November _____, 2000

BETWEEN:

(1) Shanghai Ctrip Commerce Co., Ltd., a company with limited liability organized under the laws of the PRC, with a business address at 22nd Floor, Gong Tai Plaza, 700 Yan An Road East, Shanghai, PRC ("Party A");

(2) Ctrip Computer Technology (Shanghai) Co., Ltd., a wholly foreign-owned enterprise organized under the laws of the PRC, with a business address at 22nd Floor, Gong Tai Plaza, 700 Yan An Road East, Shanghai, PRC ("Party B").

WHEREAS:

(1) Party A is licensed in the PRC to engage in the business of hotel booking services, conference services, business consulting, business information services and the wholesale and retail sale of travel necessities and handicrafts;

(2) Party B has been established under the laws of the PRC to engage in, inter alia, development of software and hardware technology and systems formation for computers; sale of self-manufactured goods; technology consultancy; marketing consultancy; investment consultancy; information services (including consultancy services relating to Internet traveling services); and

(3) Party A wishes to engage Party B to provide such services and Party B wishes to provide such services to Party A, upon the terms and conditions of this Agreement;

IT IS AGREED as follows:

1. DEFINITIONS

1.1 In this Agreement:

"Affiliate", with respect to any Person, shall mean any other Person that directly or indirectly controls, or is under common control with, or is controlled by, such Person. As used in this definition, "control" shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether ownership of securities or partnership or other ownership interests, by contract or otherwise);

"Consulting Services Fee" shall be as defined in Clause 3.1;

"Indebtedness" shall mean, as to any Person, without duplication, (i) all indebtedness (including principal, interest, fees and charges) of such Person for borrowed money for the deferred purchase price of property or services, (ii) the face amount of all letters of credit issued for the amount of such Person and all drafts drawn thereunder, (iii) all liabilities secured by any Lien on any property owned by such person, whether or not such liabilities have been assumed by such Person, (iv) the aggregate amount required to be capitalized under leases under which such Person is the lessee and (v) all contingent obligations (including, without limitation, all guarantees to third parties) of such Person;

"Lien" shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever (including. without limitation, any conditional sale or other title retention agreement, any financing or similar statement or notice filed under recording or notice statute, and any lease having substantially the same effect as any of the foregoing);

"Person" shall mean any individual, corporation, company, voluntary association, partnership, joint venture, trust, unincorporated organization, entity or other organization or any government body;

"PRC" means the People's Republic of China;

"Services" means the services to be provided under the Agreement by Party B to Party A, as more specifically described in Clause 2;

In this Agreement a reference to a Clause, unless the context otherwise requires, is a reference to a clause of this Agreement.

1.2 The headings in this Agreement shall not affect the interpretation of this Agreement.

2. RETENTION AND SCOPE OF SERVICES

2.1 Party A hereby agrees to retain the services of Party B, and Party B accepts such appointment, to provide to Party A services in relation to the current and proposed operations of Party A's business in the PRC upon the terms and conditions of this Agreement. The services subject to this Agreement shall include, without limitation:

General Business Operation

Advice and assistance relating to development of technology and provision of consultancy services, particularly as related to travel services.

Human Resources

2.1.1 Advice and assistance in relation to the staffing of Party A, including assistance in the recruitment, employment and secondment of management personnel, administrative personnel and staff of Party A;

2.1.2 Training of management, staff and administrative personnel;

2.1.3 Assistance in the development of sound payroll administrative controls in Party A;

2.1.4 Advice and assistance in the relocation of management and staff of Party A;

Systems/Networks

2.1.5 Advice and assistance in relation to information systems for the operations of Party A;

2.1.6 Advice and assistance in the establishment of local area networks and wide area networks for the centralized management of accounts and information; and

Others

2.1.7 Such other advice and assistance as may be agreed upon by the Parties.

2.2 Exclusive Services Provider

During the term of this Agreement, Party B shall be the exclusive provider of the Services. Party A shall not seek or accept similar services from other providers unless the prior written approval is obtained from Party B.

2.3 Intellectual Properties Related to the Services

All patents, trademarks, trade name, copyrights and other intellectual properties developed or used by Party B for provision of the Services or derived from the provision of the Services shall belong to Party B.

3. PAYMENT

3.1 (a) In consideration of the Services provided by Party B hereunder, Party A shall pay to Party B during the term of this Agreement a consulting services fee (the "Consulting Services Fee"), payable in RMB each quarter, equal to all of its revenue for such quarter based on the quarterly financial statements provided under Clause 5.1 below. Such quarterly payment shall be made within 15 days after receipt by Party B of the financial statements referenced above.

(b) Party A will permit, from time to time during regular business hours as reasonably requested by Party B, or its agents or representatives (including independent public accountants, which may be Party A's independent public accountants), (i) to conduct periodic audits of books and records of Party A, (ii) to examine and make copies of and abstracts from all books, records and documents (including, without limitation, computer tapes and disks) in the possession or under the control of Party A (iii) to visit the offices and properties of Party A for the purpose of examining such materials described in clause (ii) above, and (iv) to discuss matters relating to the performance by Party A hereunder with any of the officers or employees of Party A having knowledge of such matters. Party B may exercise the audit rights provided in the preceding sentence at any time, provided that Party B provides ten days written notice to Party A specifying the scope, purpose and duration of such audit. All such audits shall be conducted in such a manner as not to interfere with Party A's normal operations.

3.2 Party A shall not be entitled to set off any amount it may claim is owed to it by Party B against any Consulting Services Fee payable by Party A to Party B unless Party A first obtains Party B's written consent.

3.3 The Consulting Services Fee shall be paid in RMB by telegraphic transfer to Party B Account No.044094-018252400017 at: Bank of China, Shanghai Branch, Huangpu

District Sub-Branch or to such other account or accounts as may be specified in writing from time to time by Party B.

3.4 Should Party A fail to pay all or any part of the Consulting Service's Fee due to Party B in RMB under this Clause 3 Within the time limits stipulated, Party A shall pay to Party B interest in RMB on the amount overdue based on the three (3) month lending rate for RMB announced by the Bank of China on the relevant due date.

3.5 All payments to be made by Party A hereunder shall be made free and clear of and without deduction for or on account of tax, unless Party A is required to make such payment subject to the deduction or withholding of tax.

4. FURTHER TERMS OF COOPERATION

4.1 All business revenue of Party A shall be directed in full by Party A into a bank account(s) nominated by Party B.

5. UNDERTAKINGS OF PARTY A

Party A hereby agrees that, during the term of the Agreement:

5.1 Information Covenants

Party A will furnish to Party B:

5.1.1 Preliminary Monthly Reports. Within five (5) days of the end of each calendar month the preliminary income statements and balance sheets of Party A made up to and as at the end of such calendar month, in each case prepared in accordance with the PRC generally accepted accounting principles, consistently applied;

5.1.2 Final Monthly Reports. Within ten (10) days after the end of each calendar month, a final report from Party A on the financial position and results of operations and affairs of Party A made up to and as at the end of such calendar month and for the elapsed portion of the relevant financial year, setting forth in each case in comparative form figures for the corresponding period in the preceding financial year, in each case prepared in accordance with the PRC generally accepted accounting principles, consistently applied;

5.1.3 Quarterly Reports. As soon as available and in any event within forty-five (45) days after each Quarterly Date (as defined below), unaudited consolidated and consolidating statements of income, retained earnings and changes in financial position of the Party A and its subsidiaries, if any, for such quarterly period and for the period from the beginning of the relevant fiscal year to such Quarterly Date and the related consolidated and consolidating balance sheets as at the end of such quarterly period, setting forth in each case actual versus budgeted comparisons and in comparative form the corresponding consolidated and consolidating figures for the corresponding period in the preceding fiscal year, accompanied by a certificate of the chief financial officer of the Party A, which certificate shall state that said financial statements fairly present the consolidated and consolidating financial

condition and results of operations, as the case may be, of the Party A and its subsidiaries, if any, in accordance with PRC general accepted accounting principles applied on a consistent basis as at the end of, and for, such period (subject to normal year-end audit adjustments and the preparation of notes for the audited financial statements);

5.1.4 Annual Audited Accounts. Within six (6) months of the end of the financial year, the annual audited accounts of Party A to which they relate (setting forth in each case in comparative form the corresponding figures for the preceding financial year), in each case prepared in accordance with, among others, the PRC generally accepted accounting principles, consistently applied;

5.1.5 Budgets. At least 90 days before the first day of each financial year of Party A, a budget in form satisfactory to Party B (including budgeted statements of income and sources and uses of cash and balance sheets) prepared by Party A for each of the four financial quarters of such financial year accompanied by the statement of the chief financial officer of Party A to the effect that, to the best of his knowledge, the budget is a reasonable estimate for the period covered thereby.

5.1.6 Notice of Litigation. Promptly, and in any event within one (1) business day after an officer of Party A obtains knowledge thereof, notice of (i) any litigation or governmental proceeding pending against Party A which could materially adversely affect the business, operations, property, assets, condition (financial or otherwise) or prospects of Party A and (ii) any other event which is likely to materially adversely affect the business, operations, property, assets, condition (financial or otherwise) or prospects of Party A.

5.1.7 Other Information. From time to time, such other information or documents (financial or otherwise) as Party B may reasonably request.

For purposes of this Agreement, "a Quarterly Date" shall mean the last day of March, June, September and December in each year, the first of which shall be the first such day following the date of this Agreement; provided that if any such day is not a business day in the PRC, then such Quarterly Date shall be the next succeeding business day in the PRC.

5.2 Books, Records and Inspections

Party A will keep proper books of record and account in which full, true and correct entries in conformity with generally accepted accounting principles in the PRC and all requirements of law shall be made of all dealings and transactions in relation to its business and activities. Party A will permit officers and designated representatives of Party B to visit and inspect, under guidance of officers of Party A, any of the properties of Party A, and to examine the books of record and account of Party A and discuss the affairs, finances and accounts of Party A with, and be advised as to the same by, its and their officers, all at such reasonable times and intervals and to such reasonable extent as Party B may request.

5.3 Corporate Franchises

Party A will do or cause to be done, all things necessary to preserve and keep in full force and effect its existence and its material rights, franchises and licenses.

5.4 Compliance with Statutes, etc.

Party A will comply with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental bodies, in respect of the conduct of its business arid the ownership of its property, including without limitation maintenance of valid and proper government approvals and licenses necessary to provide the services, except that such noncompliances could not, in the aggregate, have a material adverse effect on the business, operations, property, assets, condition (financial or otherwise) or prospects of Party A.

6. NEGATIVE COVENANTS

Party A covenants and agrees that, during the term of this Agreement, without the prior written consent of Party B.

6.1 Equity

Party A will not issue, purchase or redeem any equity or debt securities of Party A.

6.2 Liens

Party A will not create, incur, assume or suffer to exist any Lien upon or with respect to any property or assets (real or personal, tangible or intangible) of Party A whether now owned or hereafter acquired, provided that the provisions of this Clause 6.1 shall not prevent the creation, incurrence, assumption or existence of:

6.2.1 Liens for taxes not yet due, or Liens for taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established; and

6.2.2 Liens in respect of property or assets of Party A imposed by law, which were incurred in the ordinary course of business, and (x) which do not in the aggregate materially detract from the value of such property or assets or materially impair the use thereof in the operation of the business of Party A or (y) which are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the property of assets subject to any such Lien.

6.3 Consolidation, Merger, Sale of Assets, etc.

Party A will not wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation, or convey, sell, lease or otherwise dispose of (or agree to do any of the foregoing at any future time) all or any part of its property or assets, or purchase or otherwise acquire (in one or a series of related transactions) any part of the property or assets (other than purchases or other acquisitions of inventory, materials and equipment in the ordinary course of business) of any Person, except that (i) Party A may make sales of inventory in the ordinary course of business and (ii)

Party A may, in the ordinary course of business, sell equipment which is uneconomic or obsolete.

6.4 Dividends

Party A will not declare or pay any dividends, or return any capital, to its shareholders or authorize or make any other distribution, payment or delivery of property or cash to its shareholders as such, or redeem, retire, purchase or otherwise acquire, directly or indirectly, for a consideration, any shares of any class of its capital stock now or hereafter outstanding (or any options or warrants issued by Party A with respect to its capital stock), or set aside any funds for any of the foregoing purposes.

6.5 Leases

Party A will not permit the aggregate payments (including, without limitation, any property taxes paid as additional rent or lease payments) by Party A under agreements to rent or lease any real or personal property to exceed US$1 million in any fiscal year of Party A.

6.6 Indebtedness

Party A will not Contract, create, incur, assume or suffer to exist any indebtedness, except accrued expenses and current trade accounts payable incurred in the ordinary course of business, and obligations under trade letters of credit incurred by Party A in the ordinary course of business, which are to be repaid in full not more than one (1) year after the date on which such indebtedness is originally incurred to finance the purchase of goods by Party A.

6.7 Advances, Investment and Loans

Party A will not lend money or credit or make advances to any Person, or purchase or acquire any stock, obligations or securities of, or any other interest in, or make any capital contribution to, any other Person, except that Parry A may acquire and hold receivables owing to it, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with Customary trade terms.

6.8 Transactions with Affiliates

Party A will not enter into any transaction or series of related transactions, whether or not in the ordinary course of business, with any Affiliate of Party A, other than on terns and conditions substantially as favorable to Party A as would be obtainable by Party A at the time in a comparable arm's-length transaction with a Person other than an Affiliate and with the prior written consent of Party B.

6.9 Capital Expenditures

Party A will not make any expenditure for fixed or capital assets (including, without limitation, expenditures for maintenance and repairs which should be "capitalized in accordance with generally accepted accounting principles in the PRC and including capitalized lease obligations) during any period set forth below (taken as one accounting period) which exceeds in the aggregate for Party A the amount of RMB 500,000 commencing in the 2000 fiscal year.

6.10 Limitation on Voluntary Payments and Modifications of Indebtedness; Modifications of Articles of Association and Certain Other Agreements; etc.

Party A will not (i) make any voluntary or optional payment or prepayment on or redemption or acquisition for value of (including, without limitation, by way of depositing with the trustee with respect thereto money or securities before due for the purpose of paying when due) any Existing Indebtedness or (ii) amend or modify, or permit the amendment or modification of, any provision of any Existing Indebtedness or of any agreement (including, without limitation, any purchase agreement, indenture, loan agreement or security agreement) relating to any of the foregoing or (iii) amend, modify or change its Articles of Association or Business License, or any agreement entered into by it, with respect to its capital stock, or enter into any new agreement with respect to its capital stock.

6.11 Business

Party A will not engage (directly or indirectly) in any business other than those types of business prescribed within the business scope of Party A's business license except with the prior written consent of Party B.

7. TERM AND TERMINATION

7.1 This Agreement shall take effect on the date of execution of this Agreement and shall remain in full force and effect unless terminated pursuant to Clause 7.2.

7.2 This Agreement may be terminated:

7.2.1 by either Party giving written notice to the other Party if the other Party has committed a material breach of this Agreement (including but not limited to the failure by Party A to pay the Consulting Services Fee) and such breach, if capable of remedy, has not been so remedied within, in the case of breach of a non-financial obligation, 14 days, following receipt of such written notice;

7.2.2 either Party giving written notice to the other Party if the other Party becomes bankruptcy or insolvent or is the subject of proceedings or arrangements for liquidation or dissolution or ceases to carry on business or becomes unable to pay its debts as they come due;

7.2.3 by either Party giving written notice to the other Party if, for any reason, the operations of Party B are terminated;

7.2.4 by either Party giving written notice to the other Party if the business licence or any other license or approval material for the business operations of Party A is terminated, cancelled or revoked;

7.2.5 by either Party giving written notice to the other Party if circumstances arise which materially and adversely affect the performance or the objectives of this Agreement; or

7.2.6 by election of Party B with or without reason.

7.3 Any Party electing properly to terminate this Agreement pursuant to Clause 7.2 shall have no liability to the other Party for indemnity, compensation or damages arising solely from the exercise of such right. The expiration or termination of this Agreement shall not affect the continuing liability of Party A to pay any Consulting Services Fees already accrued or due and payable to Party B.

Upon expiration or termination of this Agreement, all amounts then due and unpaid to Party B by Party A hereunder, as well as all other amounts accrued but not yet payable to Party B by Party A, shall forthwith become due and payable by Party A to Party B.

8. PARTY B'S REMEDY UPON PARTY A'S BREACH

In addition to the remedies provided elsewhere under this Agreement, Party B shall be entitled to remedies permitted under PRC laws, including without limitation compensation for any direct and indirect losses arising from the breach and legal fees incurred to recover losses from such breach.

9. AGENCY

The Parties are independent Contractors, and nothing in this Agreement shall be construed to constitute either Party to be the agent, Partner, legal representative, attorney or employee of the other for any Purpose whatsoever. Neither Party shall have the power or authority to bind the other except as specifically set out in this Agreement.

10. GOVERNING LAW AND JURISDICTION

10.1 This Agreement shall be governed by, and construed in accordance with, the laws of the PRC.

10.2 Arbitration

Any dispute arising from, out of or in connection with this Agreement shall be settled through friendly consultations between the Parties. Such consultations shall begin immediately after one Party has delivered to the other Party a written request for such consultation. If within ninety (90) days following the date on which such notice is given, the dispute cannot be settled through consultations, the dispute shall, upon the request of any Shareholder with notice to the other Party, be submitted to arbitration in China under the auspices of China International Economic and Trade Arbitration Commission (the "CIETAC"). The Parties shall jointly appoint a qualified interpreter for the arbitration proceedings and shall be responsible for sharing in equal portions the expenses incurred by such appointment.

10.3 There shall be three (3) arbitrators. Party A shall select one (1) arbitrator and Party B shall select one (1) arbitrator, and both arbitrator shall be selected within thirty (30) days after giving or receiving the demand for arbitration. Such arbitrators shall be freely selected, and the Parties shall not be limited in their selection to any prescribed list. The chairman of the CIETAC shall select the third arbitrator. If a Party does not appoint an arbitrator who has consented to participate within thirty (30) days after the

selection of the first arbitrator, the relevant appointment shall be made by the chairman of the CIETAC.

10.4 Unless otherwise provided by the arbitration rules of CIETAC, the arbitration proceeding shall be conducted in English. The arbitration tribunal shall apply the arbitration rules of the CIETAC in effect on the date of the signing of this Agreement. However, if such rules are in conflict with the provisions of this Clause, including the provisions concerning the appointment of arbitrators, the provisions of this Clause shall prevail.

10.5 Each Party shall cooperate with the other Party in making full disclosure of and providing complete access to all information and documents requested by the other Party in connection with such proceedings, subject only to any confidentiality obligations binding on such Parties.

10.6 Judgement upon the award rendered by the arbitration may be entered into by any court having jurisdiction, or application may be made to such court for a judicial recognition of the award or any order of enforcement thereof.

10.7 During the period when a dispute is being resolved, the Parties shall in all other respects continue their implementation of this Agreement.

11. ASSIGNMENT

11.1 No part of this Agreement shall be assigned or transferred by either Party without the prior written consent of the other Party. Any such assignment or transfer shall be void. Party B, however, may assign its rights and obligations hereunder to an Affiliate.

12. NOTICES

Any notice or other communication provided for in this Agreement shall be in writing in the English and Chinese languages and shall be delivered personally or sent by telefax and confirmed by registered mail as follows:

12.1.1 if a Party B, to:

Address: 22nd Floor, Gong Tai Plaza
700 Yan An Road East
Shanghai
People's Republic of China

Telefax: (8621) 5385 0923

12.1.2 if a Party A, to:

Address: 22nd Floor, Gong Tai Plaza
700 Yan An Road East
Shanghai
People's Republic of China

Telefax: (8621) 5385 0923

to such other person, address or telefax number as either Party may specify by notice in writing to the other.

12.2 In the absence of evidence or earlier receipt, any notice or other communication shall be deemed to have been duly given:

12.2.1 if delivered personally, when left at the address referred to in Clause 11.1 and a receipt of acknowledgement is obtained; or

12.2.2 if sent by telefax, when confirmed by registered mail.

13. GENERAL

13.1 The failure to exercise or de]ay in exercising a right or remedy under this Agreement shall not constitute a waiver of the right or remedy or waiver of any other rights or remedies and no single or partial exercise of any right or remedy under this Agreement shall prevent any further exercise of the right or remedy or the exercise of any other right or remedy.

13.2 Should any Clause or any part of any Clause contained in this Agreement be declared invalid or unenforceable for any reason Whatsoever, all other Clauses or parts of Clauses contained in this Agreement shall remain in full force and effect.

13.3 This Agreement constitutes the entire agreement between the Parties relating to the subject matter of this Agreement and supersedes all previous agreements.

13.4 No amendment or variation of this Agreement shall be valid unless it is in writing and signed by or on behalf of each of the Parties.

13.5 This Agreement shall be executed in two originals in English.

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

CTRIP COMPUTER TECHNOLOGY (SHANGHAI) CO., LTD.	SHANGHAI CTRIP COMMERCE CO., LTD.
By: ----------	By: ----------
Name:	Name:
Title:	Title:

EXHIBIT 10.18
TRANSLATION

CONSULTING SERVICES CONTRACT

Party A: Ctrip Computer Technology (Shanghai) Co., Ltd.

Party B: Beijing Chenhao Xinye Air-Ticketing Service Co., Ltd.

THIS CONSULTING SERVICES CONTRACT is entered into on July 15, 2002 in Shanghai between Party A and Party B upon mutual agreement in connection with the consulting services to be provided by Party A in respect of the ticketing business of Party B:

Chapter 1 Scope of Services

Article 1: Party A agrees that upon the entry of this Contract it will use its strength in respect of human resources and information to provide consulting services to Party B in relation to the ticketing business of Party B.

Article 2: The forms in which Party A will provide the aforesaid services include provision of the personnel training, management and associated network platform and information services required by Party B in operating its business and provision of consulting advice in respect of the ticketing business of Party B, and may include such other forms of services as agreed upon by the Parties.

Article 3: During the term of this Contract, Party B shall not receive similar consulting services from other companies, organizations or individuals without the consent of Party A.

Article 4: The use by Party A of its intellectual property rights in providing the aforesaid consulting services to Party B shall not operate to contract such intellectual property rights to Party B, and Party B shall not, without Party A's consent, make unauthorized disclosure of the trade secret of Party A that it may have obtained in the performance of this Contract, otherwise Party A has the right to pursue Party B's liabilities for infringement in accordance with law.

Chapter 2 Fee Payment

Article 5: After receiving the aforesaid services from Party A, Party B shall pay to Party A a service fee in an amount to be determined on the basis of the specific contents of Party A's services.

Article 6: Party A will issue an invoice to Party B by the 15th day of each month for the service fee of the preceding month, and Party B shall pay the full amount of the invoice within 10 days of its receipt of the invoice.

Article 7: Party B shall make the aforesaid payment in Renminbi by remittance to the following bank account of Party A:

Ctrip Computer Technology (Shanghai) Co., Ltd.

1001266309200013724

Business Department, ICBC Caohejing Subbranch

Article 8: Party B shall pay the taxes that may arise from such payment except for those payable by Party A under the laws and regulations of the People's Republic of China.

Chapter 3 Responsibilities of Party B

Article 9: To facilitate the full cooperation between the Parties and to help Party A more effectively provide consulting services to Party B, Party B shall, following the entry of this Contract, keep Party A informed of all of its commercial activities and periodically provide its operation, accounting and financial books and information to Party A.

Article 10: Party B shall timely provide to Party A its accounting statements, including monthly statements, quarterly statements, annual statements and the financial budget and business plan for the subsequent period.

Article 11: If Party B is involved in any litigation or arbitration cases, or is subject to punishment by the relevant government authorities, or there is a likelihood for any of the aforesaid events to arise, Party B shall timely report the relevant details to Party A.

Article 12: Party B shall properly keep its accounting books, records, documents and other information. Party A has the right to request at any time to inspect such information and Party B shall actively cooperate with Party A in respect of such inspection and shall not obstruct, sabotage or interfere with such inspection in any way.

Chapter 4 Prohibitions

Article 13: Without Party A's permission, Party B shall not transfer, sell, lease or otherwise dispose of its assets.

Article 14: Without Party A's permission, Party B shall not provide guarantee for another party or create mortgage, pledge or other security over its assets.

Article 15: Without Party A's permission, Party B shall not distribute dividends or make other profit distributions to its shareholders.

Article 16: Without Party A's permission, Party B shall not contract the whole or a part of its operation and management to another individual, company or economic organization.

Article 17: Without Party A's permission, Party B shall not invest in another party or waive or reduce its credit rights and other economic rights and interests in respect of any individual, company or economic organization.

EXHIBIT 10.18
TRANSLATION

Chapter 5 Miscellaneous Provisions

Article 18: Any dispute arising from the performance of this Contract shall be first of all resolved by the Parties through consultation, and the Parties agree that if such consultation fails the dispute may be submitted to and resolved by the people's court at the place in which Party A is located.

Article 19: This Contract shall come into effect upon the signature and seals of the Parties, and this Contract shall have a term of 2 years from July 1, 2002 to June 30, 2004 .

Article 20: Matters not covered herein may be agreed upon by the Parties in supplemental agreement in writing. If a date agreed on herein falls on a day that is not a business day for Party A, that date shall be deemed to fall on the next working day. The words filled in the blanks in this Contract and its appendix shall have equal effect as the words in print.

Article 21: This Contract (and its appendix) has a total of 5 page and is written in 2 originals of equal legal effect with each Party holding 1 of them.

Party A:	Party B:
Ctrip Computer Technology (Shanghai) Co., Ltd. (Seal)	Beijing Chenhao Xinye Air-Ticketing Service Co., Ltd. (Seal)
Representative: (Signature)	Representative: (Signature)
Tel:	Tel:
Account Bank:	Account Bank:
Account No.:	Account No.:
Date of Signature:	Date of Signature:

EXHIBIT 10.19
TRANSLATION

CONTRACT

Party A: Ctrip Computer Technology (Shanghai) Co., Ltd.

Party B: Shanghai Huacheng Southwest Travel Agency Co., Ltd.

THIS CONTRACT is entered into between Party A and Party B upon mutual agreement in connection with the services to be provided by Party A to Party B:

1. Party A agrees that upon the entry of this Contract it will use its strength in respect of human resources and information to provide services to Party B in relation to the tourist business of Party B.

2. The forms in which Party A will provide the aforesaid services include provision of the human resources required by Party B in operating its business and the associated network information services.

3. After receiving the aforesaid services from Party A, Party B shall pay to Party A a service fee in an amount to be determined on the basis of the specific contents of Party A's services.

4. Party A will issue an invoice to Party B by the 15th day of each month for the service fee of the preceding month, and Party B shall pay the full amount of the invoice within 10 days of its receipt of the invoice.

5. Any dispute arising from the performance of this Contract shall be first of all resolved by the Parties through consultation, and the Parties agree that if such consultation fails the dispute may be submitted to and resolved by the people's court at the place in which Party A is located.

6. This Contract shall come into effect upon the signature and seals of the Parties, and this Contract shall have a term of 2 years from May 1, 2002 to April 31, 2004.

7. Matters not covered herein may be agreed upon by the Parties in supplemental agreement in writing. If a date agreed on herein falls on a day that is not a business day for Party A, that date shall be deemed to fall on the next working day. The words filled in the blanks in this Contract and its appendix shall have equal effect as the words in print.

8. This Contract (and its appendix) has a total of 1 page and is written in 2 originals of equal legal effect with each Party holding one of them.

Party A:	Party B:
Ctrip Computer Technology (Shanghai) Co., Ltd. (Seal)	Shanghai Huacheng Southwest Travel Agency Co., Ltd. (Seal)
Representative:	Representative: (Signature)
Tel: 34064880 Account Bank: ICBC Caohejing Subbranch	Tel: Account Bank: ICBC Caohejing Subbranch
Account No.: 1001266309200013724	Account No.: 100126630920001695302 2663
Date of Signature: May 1, 2002	Date of Signature: May 1, 2002

EXHIBIT 21.1

SUBSIDIARIES OF CTRIP.COM INTERNATIONAL, LTD.

Ctrip.com (Hong Kong) Limited, a Hong Kong company

Ctrip Computer Technology (Shanghai) Co., Ltd., a PRC company

Ctrip Travel Information Technology (Shanghai) Co., Ltd., a PRC company

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Registration Statement on Form F-1 of our reports dated September 19, 2003 and October 30, 2003 relating to the financial statements of Ctrip.com International Ltd., which appears in such Registration Statement. We also consent to the reference to us under the headings "Summary Consolidated Financial Data", "Selected Consolidated Financial Data" and "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers
Shanghai, People's Republic of China
November 11, 2003

EXHIBIT 99.1

[LOGO]

COMMERCE & FINANCE LAW OFFICES
714 Huapu International Plaza 19 Chaowai Avenue,
Chaoyang District, Beijing, PRC; Postcode: 100020
Tel: (8610) 65802255 Fax: (8610) 65802538, 65802678, 65802679, 65802203
E-mail Address: beijing@tongshang.com Website: www.tongshang.com.cn

12 November, 2003

To: Ctrip.com International, Ltd.
3F, Building 63-64
No. 421 Hong Cao Road
Shanghai 200233, PRC

RE: SHARE PLEDGE AGREEMENT

Ladies and Gentlemen,

We are lawyers qualified in the People's Republic of China ("PRC") and are qualified to issue an opinion on the laws of the PRC.

We have acted as PRC counsel for Ctrip.com International, Ltd. (the "Company"), a company incorporated under the laws of the Cayman Islands, in relation to the Company's proposed initial public offering of American depositary shares ("ADSs") representing its ordinary shares and listing of ADSs on the NASDAQ. We have been requested to give this opinion on the legality and enforceability of the following Share Pledge Agreements:

1. Share pledge agreements entered into by and between Individual Shareholders of Shanghai Ctrip Commerce Co., Ltd. ("Ctrip Commerce") and Ctrip Computer Technology (Shanghai) Co., Ltd. ("Ctrip Computer"). According to the agreements, the Shareholders of Ctrip Commerce have created pledge over their equity interest in Ctrip Commerce in favor of Ctrip Computer to guarantee the performance of Ctrip Commerce's obligation under the Exclusive Technology Consulting and Services Agreement entered into by and between Ctrip Commerce and Ctrip Computer. The equity pledge can be enforced by Ctrip Computer in the event of any breach or non-payment by the Ctrip Commerce.

2. Share pledge agreements entered into by and between Individual Shareholders of Beijing Chenhao Xinye Air Ticketing Service Co., Ltd. ("Beijing Chen Hao") and Ctrip Computer. According to the agreements, the Shareholders of Beijing Chen Hao have created pledge over their equity interest in Beijing Chen Hao in favor of Ctrip Computer to guarantee the performance of Beijing Chen Hao's obligation under the

Exclusive Technical Consulting and Services Agreement
entered into by and between Beijing Chen Hao and Ctrip Computer. The equity pledge can be enforced by Ctrip Computer in the event of any breach or non-payment by the Beijing Chen Hao.

3. Share pledge agreements entered into by and between Individual Shareholders of Guangzhou Guangcheng Commercial Service Co., Ltd. ("Guangzhou Guang Cheng") and Ctrip Computer. According to the agreements, the Shareholders of Guangzhou Guang Cheng have created pledge over their equity interest in Guangzhou Guang Cheng in favor of Ctrip Computer to guarantee the performance of Guangzhou Guang Cheng' s obligation under the Exclusive Technology Services Agreement entered into by and between Guangzhou Guang Cheng and Ctrip Computer. The equity pledge can be enforced by Ctrip Computer in the event of any breach or non-payment by the Guangzhou Guang Cheng.

4. Share pledge agreement entered into by and between Ctrip Commerce and Ctrip Computer. According to the agreement, Ctrip Commerce has created pledge over its equity interest in Shanghai Huacheng Southwest Travel Agency Co., Ltd. ("Shanghai Huacheng") in favor of Ctrip Computer to guarantee the performance of Shanghai Huacheng's obligation under the Exclusive Technical Consulting and Services Agreement entered into by and between Shanghai Huacheng and Ctrip Computer. The equity pledge can be enforced by Ctrip Computer in the event of any breach or non-payment by the Shanghai Huacheng.

5. Share pledge agreement entered into by and between Mr. Fan Min and Ctrip Computer. According to the agreement, Mr. Fan Min has created pledge over his equity interest in Shanghai Cuiming International Travel Agency Co., Ltd. ("Shanghai Cuiming") in favor of Ctrip Computer to guarantee the performance of Shanghai Cuiming' s obligation under the Exclusive Technical Consulting and Services Agreement entered into by and between Shanghai Cuiming and Ctrip Computer. The equity pledge can be enforced by Ctrip Computer in the event of any breach or non-payment by the Shanghai Cuiming.

Based on the provisions of the said equity pledge agreements and relevant laws and regulations, we are of the opinion that:

1. Each of the share pledge agreements has been signed by the relevant parties and is valid and enforceable under the laws of the PRC;

2. According to PRC Security Law, pledge can be created over the shares which are transferable. If the debtor fails to perform his obligation, the pledgee shall be entitled to priority in receiving payment by converting the pledged shares into value or proceeds from the auction or sale of such shares in accordance with the law and agreement;

3. In the event that pledge is triggered, under the laws of the PRC the shares under the pledge can be converted into value or sold in order for the pledgee to be entitled to priority in receiving proceeds from the auction or sale of such shares.

Accordingly, when the pledge is enforced, the pledgee can (i) sell the shares and retain the proceeds form such sale, or (ii) require the pledgor to transfer the shares without consideration to the Chinese citizen(s) appointed by the pledgee. The Chinese citizen(s) receiving the shares will be required to enter into same kind of arrangement with the pledgee and Company.

This opinion relates to the laws of the PRC (other than the laws of the Hong Kong Special Administrative Region) in effect on the date hereof.

Yours faithfully,

Commerce & Finance Law Offices

EXHIBIT 99.2

[LOGO]

COMMERCE & FINANCE LAW OFFICES
714 Huapu International Plaza 19 Chaowai Avenue,
Chaoyang District, Beijing, PRC; Postcode: 100020
Tel: (8610) 65802255 Fax: (8610) 65802538, 65802678, 65802679, 65802203
E-mail Address: beijing@tongshang.com Website: www.tongshang.com.cn

[ ] November, 2003

To: Ctrip.com International, Ltd.
3F, Building 63-64
No. 421 Hong Cao Road
Shanghai 200233, PRC

RE: SHANGHAI CTRIP COMMERCE CO., LTD.

Ladies and Gentlemen,

We are lawyers qualified in the People's Republic of China ("PRC") and are qualified to issue an opinion on the laws of the PRC.

We have acted as PRC counsel for Ctrip.com International, Ltd. (the "Company"), a company incorporated under the laws of the Cayman Islands, in relation to the Company's proposed initial public offering of American depositary shares ("ADSs") representing its ordinary shares and listing of ADSs on the NASDAQ. We have been requested to give this opinion on the legality and validity of the following arrangement ("Arrangement") under the relevant agreements ("Agreements") among Ctrip.com (Hong Kong) Limited, shareholders of Shanghai Ctrip Commerce Co., Ltd. and Ctrip Computer Technology (Shanghai) Co., Ltd. ("WOFE"):

1. Loans ("Loan Arrangement") respectively to Fan Min and Ji Qi, two ultimate shareholders ("Ultimate Shareholders") of Shanghai Ctrip Commerce Co., Ltd. ("Service Company").

1.1 Under the loan agreements entered into respectively by and between Ctrip.com (Hong Kong) Limited, an affiliate ("Affiliate") of the Company, and each of the Ultimate Shareholders, the Affiliate advanced necessary funds to each of the Ultimate Shareholders for investment into the Service Company.

1.2 The term of such Loan Agreements is 10 years and can be extended with both parties' consents. The Ultimate Shareholders can only repay the loan by the way of transferring their ownership in the Service Company to the entity or entities agreed by the Affiliate.

1.3 The loans provided to each of the Ultimate Shareholders shall respectively become due wholly and all of the equity interest must be transferred by such Ultimate

Shareholders to the entity or entities agreed by the Affiliate when one of the following events occur:

- Such Ultimate Shareholders dies or becomes mentally disable;
- Fan Min is no long employed by the Affiliate or an affiliate of the Affiliate, or Ji Qi is no long a director of the Affiliate or an affiliate of the Affiliate;
- Any one of the Ultimate Shareholders is involved in criminal activities;
- Any one of the Ultimate Shareholders is subject to a claim by any third party for an amount in excess of RMB500,000; or
- Foreign investors are permitted to invest in the business of value-added telecommunication, and the relevant authorities start to approve such business in accordance with the applicable laws of PRC, and Affiliate decides to execute the option.

1.4 No interest will accrue on these loans. However, the Affiliate will be entitled to any proceeds resulting from the sale by these Ultimate Shareholders of their equity interests in the Service Company.

2. Exclusive purchase arrangement respectively to the Ultimate Shareholders of Service Company.

2.1 Under the said exclusive purchase agreements entered into respectively by and among the Affiliate, each of the Ultimate Shareholders and the Service Company, the Affiliate have an exclusive option to purchase from each of the Ultimate Shareholders all of his or her interest in the Service Company when permitted by PRC law.

2.2 Under the option agreements, the Service Company agree not to take any of the following actions without prior written consent from the Affiliate or WOFE:

- alter its articles of association or registered capital;
- sell or in any way transfer its assets, business, receivables or rights or to create any encumbrances thereon;
- take up or assume any debt (except those arising in the normal course of business or having been disclosed to the Affiliate);
- enter in to any transaction or contract of value exceeding RMB [ ] (except those executed in the normal course of business);
- grant any loan;
- enter into any merger, consolidation, acquisition or investment agreement; or
- distribute any dividend to shareholders unless requested by the Affiliate.

2.3 Under the option agreements, the Ultimate Shareholders agree not to take any of the following actions without prior written consent from the Affiliate or WOFE:

- sell or in any way dispose of or create any encumbrances on his or her interest in the Service Company (except for the pledge of shares in favor of WOFE);

- pass any resolution relating to the sale, transfer or pledge of their shares of the Service Company (except for the pledge of shares in favor of WOFE); or

- pass any resolution relating to a merger or consolidation of the Service Company or any acquisition by, or investment in, any business by the Service Company.

3. Economic relationships and contractual arrangements between WOFE, the Service Company and the Ultimate Shareholders

WOFE wholly owned by the Affiliate enters into following agreements and arrangements ("Contractual Arrangements") with the Service Company/ the Ultimate Shareholders:

3.1 Exclusive technology consulting and services agreement ("Exclusive Technology Services Agreement") entered into by and between WOFE and the Service Company. According to the Exclusive Technology Services Agreement, WOFE will provide technology-consulting services to the Service Company for a fixed fee.

3.2 Share pledge agreement ("Share Pledge Agreement") entered into by and between WOFE and the Ultimate Shareholders. According to the Share Pledge Agreement, the Ultimate Shareholder will pledge their equity interest in the Service Company to WOFE to guarantee the performance of the Service Company under the Exclusive Technology Services Agreement. The share pledge may be enforced by WOFE in the event of any breach or non-payment by the Service Company.

3.3 Trademark license agreement ("Trademark Agreement") entered into by and between WOFE and the Service Company. According to the Trademark License Agreement, WOFE license to Service Company a non-exclusive right to use certain trademarks in return for a license fee, and WOFE has the exclusive right to exempt the obligation of the Service Company to pay the license fee at its own discretion

3.4 Domain name license agreement ("Domain Name License Agreement") entered into by and between WOFE and the Service Company. According to the Domain Name License Agreement, WOFE license to the Service Company a non-exclusive right to use ctrip.com.cn domain names in return for a license fee, and WOFE has the exclusive right to exempt the obligation of the Service Company to pay the license fee at its own discretion.

3.5 Software license agreement ("Software License Agreement") entered into by and between WOFE and the Service Company. According to the Software License Agreement, WOFE license to the Service Company a non-exclusive right to use certain

softwares in return for a license fee, and WOFE has the exclusive right to exempt the obligation of the Service Company to pay the license fee at its own discretion.

3.6 Webpage copyright license agreement ("Webpage Copyright License Agreement") entered into by and between WOFE and the Service Company. According to the Webpage Copyright License Agreement, WOFE license to the Service Company a non-exclusive right to use the WOFE' s webpages copyright in return for a license fee, and WOFE has the exclusive right to exempt the obligation of the Service Company to pay the license fee at its own discretion.

3.7 Business operating agreement ("Business Operating Agreement") entered into by and among WOFE, the Service Company and the Ultimate Shareholders. According to the Business Operating Agreement,

- in order for the Service Company to obtain bank financing, WOFE agrees to provide a guarantee for the payment obligations of the Service Company when it is required by any of third party.

- the Service Company must appoint as Chief Executive Officer, Chief Financial Officer and other high-ranking officers, individuals that are recommended by the WOFE.

- the Service Company cannot engage in any activity that could substantially affect its assets, liabilities, equity or operations, such as incurring any debt, purchasing or selling any assets, granting any third party a security interest in its property or assigning any of its contracts to a third party, without the prior written approval of the WOFE.

3.8 Power of Attorney ("Power of Attorney") issued by the Ultimate Shareholders. According to the Power of Attorney, the Ultimate Shareholders have given irrevocable proxies to Neil Shen, an employee of the WOFE, to vote on all corporate matters of Service Company, including the sale and transfer of the shareholders' interest in Service Company. WOFE can replace this employee at any time with any other employee of WOFE.

3.9 Co-operation agreement ("Co-operation agreement") entered into by and between WOFE and the Service Company. According to the Co-operation Agreement, the Service Company will provide all Internet content providing services required by WOFE for a fixed fee.

Based on the foregoing and our review of the relevant documents, we are of the opinion that:

1. WOFE has been duly incorporated and is validly existing as a wholly foreign owned enterprise with legal person status in good standing under the laws of the PRC. All of the registered capital of WOFE has been fully paid and is owned by the Affiliate directly, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity.

2. The Service Company has been duly incorporated and is validly existing as a privately owned enterprise with legal person status in good standing under the laws of the PRC. All of the registered capital of the Service Company has been fully paid and, to the best of our knowledge after due inquiry, 49% and 51% equity interest in the Service Company are respectively owned by Mr. Fan Min and Mr. Ji Oi, each directly, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity, except the pledge created under the Contractual Arrangements.

3. Each of WOFE and the Service Company has legal right, power and authority (corporate and other) to own, lease and operate its properties and to conduct its business as described in their business licenses and to enter into and perform its obligations under the Contractual Arrangements.

4. Each agreement related to the Contractual Arrangements, to which WOFE and Service Company are the parties has been duly authorized, executed and delivered by such WOFE and Service Company, and on the performance of which will not require any approvals, consents, etc other than the ones that are clearly obtained or waived, is in proper legal form under the laws of the PRC for the enforcement thereof against the parties thereto with no conflict or violation with PRC laws or regulations, and constitutes a valid and legally binding obligation of the parties thereto, enforceable in accordance with its terms, subject as to enforcement to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights generally and to general equity principles.

5. Each of agreements related to the Loan Arrangement is in proper legal form under the laws of the PRC for the enforcement thereof against each of Ultimate Shareholders and the Affiliate with no conflict or violation with PRC laws or regulations and, assuming due authorization, execution and delivery by the Affiliate, and due approval, consent for the performance of agreements obtained or waived, constitutes a valid and legally binding obligation of each of Ultimate Shareholders and the Affiliate under the PRC law, enforceable in accordance with its terms, subject as to enforcement to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights generally and to general equity principles.

This opinion relates to the laws of the PRC (other than the laws of the Hong Kong Special Administrative Region) in effect on the date hereof.

Yours faithfully,

Commerce & Finance Law Offices

EXHIBIT 99.3

[LOGO]

COMMERCE & FINANCE LAW OFFICES
714 Huapu International Plaza 19 Chaowai Avenue,
Chaoyang District, Beijing, PRC; Postcode: 100020
Tel: (8610) 65802255 Fax: (8610) 65802538, 65802678, 65802679, 65802203
E-mail Address: beijing@tongshang.com Website: www.tongshang.com.cn

[ ] November, 2003

To: Ctrip.com International, Ltd.
3F, Building 63-64
No. 421 Hong Cao Road
Shanghai 200233, PRC

RE: SHANGHAI HUACHENG SOUTHWEST TRAVEL AGENCY CO., LTD.

Ladies and Gentlemen,

We are lawyers qualified in the People's Republic of China ("PRC") and are qualified to issue an opinion on the laws of the PRC.

We have acted as PRC counsel for Ctrip.com International, Ltd. (the "Company"), a company incorporated under the laws of the Cayman Islands, in relation to the Company's proposed initial public offering of American depositary shares ("ADSs") representing its ordinary shares and listing of ADSs on the NASDAQ. We have been requested to give this opinion on the legality and validity of the following arrangement ("Arrangement") under the relevant agreements ("Agreements") among Shanghai Huacheng Southwest Travel Agency Co., Ltd. ("Service Company"), Shanghai Ctrip Commerce Co., Ltd. ("Holding Shareholder") and Ctrip Computer Technology (Shanghai) Co., Ltd. ("WOFE"):

WOFE wholly owned by an affiliate of the Company, enters into following agreements and arrangements ("Contractual Arrangements") with the Service Company and the Holding Shareholder, which is holding controlling interests in the Service Company:

1. Exclusive technology consulting and services agreement ("Exclusive Technology Services Agreement") entered into by and between WOFE and the Service Company. According to the Exclusive Technology Services Agreement, WOFE will provide technology-consulting services to the Service Company for a fee calculated on the basis of actual number of tours arranged and actual number of air tickets issued by the Service Company at the relevant time.

2. Share pledge agreement ("Share Pledge Agreement") entered into by and between WOFE and the Holding Shareholder. According to the Share Pledge Agreement, the Holding Shareholder will pledge its equity interests in the Service Company to WOFE to guarantee the performance of the Service Company under the Exclusive Technology Services Agreement. The share pledge may be enforced by WOFE in the event of any breach or non-payment by the Service Company.

3. Trademark license agreement ("Trademark Agreement") entered into by and between WOFE and the Service Company. According to the Trademark License Agreement, WOFE license to Service Company a non-exclusive right to use certain trademarks in return for a license fee, and WOFE has the exclusive right to exempt the obligation of the Service Company to pay the license fee at its own discretion.

4. Software license agreement ("Software License Agreement") entered into by and between WOFE and the Service Company. According to the Software License Agreement, WOFE license to the Service Company a non-exclusive right to use certain softwares in return for a license fee, and WOFE has the exclusive right to exempt the obligation of the Service Company to pay the license fee at its own discretion.

5. Business operating agreement ("Business Operating Agreement") entered into by and among WOFE, the Service Company and the Holding Shareholder. According to the Business Operating Agreement,

- in order for the Service Company to obtain bank financing, WOFE agrees to provide a guarantee for the payment obligations of the Service Company when it is required by any of third party.
- the Service Company must appoint as Chief Executive Officer, Chief Financial Officer and other high-ranking officers, individuals that are recommended by the WOFE.
- the Service Company cannot engage in any activity that could substantially affect its assets, liabilities, equity or operations, such as incurring any debt, purchasing or selling any assets, granting any third party a security interest in its property or assigning any of its contracts to a third party, without the prior written approval of the WOFE.

6. Power of Attorney ("Power of Attorney") issued by the Holding Shareholder. According to the Power of Attorney, the Holding Shareholder has given irrevocable proxies to Neil Shen, an employee of the WOFE, to vote on all corporate matters of the Service Company, including the sale and transfer of the Holding Shareholder' s interests in the Service Company. WOFE can replace this employee at any time with any other employee of WOFE.

Based on the foregoing and our review of the relevant documents, we are of the opinion that:

1. WOFE has been duly incorporated and is validly existing as a wholly foreign owned enterprise with legal person status in good standing under the laws of the PRC. All of the registered capital of WOFE has been fully paid and is owned by the Affiliate directly, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity.

2. The Service Company has been duly incorporated and is validly existing as a privately owned enterprise with legal person status in good standing under the laws of the PRC. All of the registered capital of the Service Company has been fully paid and, to the best of our knowledge after due inquiry, 90% equity interest in the Service Company is owned by Shanghai Ctrip Commerce Limited directly, and is free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity, except the pledge created under the Contractual Arrangements.

3. Each of WOFE and the Service Company has legal right, power and authority (corporate and other) to own, lease and operate its properties and to conduct its business as described in their business licenses and to enter into and perform its obligations under the Contractual Arrangements.

4. Each agreement related to the Contractual Arrangements, to which WOFE and Service Company are the parties has been duly authorized, executed and delivered by such WOFE and Service Company, and on the performance of which will not require any approvals, consents, etc other than the ones that are clearly obtained or waived, is in proper legal form under the laws of the PRC for the enforcement thereof against the parties thereto with no conflict or violation with PRC laws or regulations, and constitutes a valid and legally binding obligation of the parties thereto, enforceable in accordance with its terms, subject as to enforcement to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights generally and to general equity principles.

This opinion relates to the laws of the PRC (other than the laws of the Hong Kong Special Administrative Region) in effect on the date hereof.

Yours faithfully,

Commerce & Finance Law Offices

EXHIBIT 99.4

[LOGO]

COMMERCE & FINANCE LAW OFFICES
714 Huapu International Plaza 19 Chaowai Avenue,
Chaoyang District, Beijing, PRC; Postcode: 100020
Tel: (8610) 65802255 Fax: (8610) 65802538, 65802678, 65802679, 65802203
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[ ] November, 2003

To: Ctrip.com International, Ltd.
3F, Building 63-64
No. 421 Hong Cao Road
Shanghai 200233, PRC

RE: BEIJING CHENHAO XINYE AIR- TICKETING SERVICE CO., LTD.

Ladies and Gentlemen,

We are lawyers qualified in the People's Republic of China ("PRC") and are qualified to issue an opinion on the laws of the PRC.

We have acted as PRC counsel for Ctrip.com International, Ltd. (the "Company"), a company incorporated under the laws of the Cayman Islands, in relation to the Company's proposed initial public offering of American depositary shares ("ADSs") representing its ordinary shares and listing of ADSs on the NASDAQ. We have been requested to give this opinion on the legality and validity of the following arrangement ("Arrangement") under the relevant agreements ("Agreements") among Ctrip.com (Hong Kong) Limited, Beijing Chenhao Xinye Air- Ticketing Service Co., Ltd. ("Service Company"), shareholders of the Service Company and Ctrip Computer Technology (Shanghai) Co., Ltd. ("WOFE"):

1. Loans ("Loan Arrangement") respectively to Fan Min and Ji Qi, two ultimate shareholders ("Ultimate Shareholders") of the Service Company.

1.1 Under the loan agreements entered into respectively by and between Ctrip.com (Hong Kong) Limited, an affiliate ("Affiliate") of the Company, and each of the Ultimate Shareholders, the Affiliate advanced necessary funds to each of the Ultimate Shareholders for the purchase of the equity interests in the Service Company.

1.2 The term of such Loan Agreements is 10 years and can be extended with both parties' consents. The Ultimate Shareholders can only repay the loan by the way of transferring their ownership in the Service Company to the entity or entities agreed by the Affiliate.

1.3 The loan provided to each of the Ultimate Shareholders shall respectively become due wholly and all of the equity interest must be transferred by each of such Ultimate Shareholders to the entity or entities agreed by the Affiliate when one of the following events occur:

- The Ultimate Shareholders dies or becomes mentally disable;
- Fan Min is no long employed by the Affiliate or an affiliate of the Affiliate, or Ji Qi is no long a director of the Affiliate or an affiliate of the Affiliate;
- Any one of the Ultimate Shareholders is involved in criminal activities;
- Any one of the Ultimate Shareholders is subject to a claim by any third party for an amount in excess of RMB500,000; or
- Foreign investors are permitted to invest in the business of air ticketing, and the relevant authorities start to approve such business in accordance with the applicable laws of PRC, and Affiliate decides to execute the option.

1.4 No interest will accrue on these loans. However, the Affiliate will be entitled to any proceeds resulting from the sale by these Ultimate Shareholders of their equity interests in the Service Company.

2. Exclusive purchase arrangement respectively to the Ultimate Shareholders of Service Company.

2.1 Under the said exclusive purchase agreements entered into respectively by and among the Affiliate, each of the Ultimate Shareholders and the Service Company, the Affiliate have an exclusive option to purchase from each of the Ultimate Shareholders all of his or her interest in the Service Company when permitted by PRC law.

2.2 Under the option agreements, the Service Company agree not to take any of the following actions without prior written consent from the Affiliate or WOFE:

- alter its articles of association or registered capital;
- sell or in any way transfer its assets, business, receivables or rights or to create any encumbrances thereon;
- take up or assume any debt (except those arising in the normal course of business or having been disclosed to the Affiliate);
- enter in to any transaction or contract of value exceeding RMB [ ] (except those executed in the normal course of business);
- grant any loan;
- enter into any merger, consolidation, acquisition or investment agreement; or
- distribute any dividend to shareholders unless requested by the Affiliate.

2.3 Under the option agreements, the Ultimate Shareholders agree not to take any of the following actions without prior written consent from the Affiliate or WOFE:

- sell or in any way dispose of or create any encumbrances on his or her interest in the Service Company (except for the pledge of shares in favor of WOFE);
- pass any resolution relating to the sale, transfer or pledge of their shares of the Service Company (except for the pledge of shares in favor of WOFE); or
- pass any resolution relating to a merger or consolidation of the Service Company or any acquisition by, or investment in, any business by the Service Company.

3. Economic relationships and contractual arrangements between WOFE, the Service Company and the Ultimate Shareholders

WOFE wholly owned by the Affiliate enters into following agreements and arrangements ("Contractual Arrangements") with the Service Company/ the Ultimate Shareholders:

3.1 Exclusive technology consulting and services agreement ("Exclusive Technology Services Agreement") entered into by and between WOFE and the Service Company. According to the Exclusive Technology Services Agreement, WOFE will provide technology-consulting services to the Service Company for a fee calculated on the basis of actual number of air tickets issued by the Service Company at the relevant time.

3.2 Share pledge agreement ("Share Pledge Agreement") entered into by and between WOFE and the Ultimate Shareholders. According to the Share Pledge Agreement, the Ultimate Shareholder will pledge their equity interest in the Service Company to WOFE to guarantee the performance of the Service Company under the Exclusive Technology Services Agreement. The share pledge may be enforced by WOFE in the event of any breach or non-payment by the Service Company.

3.3 Trademark license agreement ("Trademark Agreement") entered into by and between WOFE and the Service Company. According to the Trademark License Agreement, WOFE license to Service Company a non-exclusive right to use certain trademark in return for a license fee, and WOFE has the exclusive right to exempt the obligation of the Service Company to pay the license fee at its own discretion.

3.4 Software license agreement ("Software License Agreement") entered into by and between WOFE and the Service Company. According to the Software License Agreement, WOFE license to the Service Company a non-exclusive right to use certain softwares in return for a license fee, and WOFE has the exclusive right to exempt the obligation of the Service Company to pay the license fee at its own discretion.

3.5 Business operating agreement ("Business Operating Agreement") entered into by and among WOFE, the Service Company and the Ultimate Shareholders. According to the Business Operating Agreement,

- in order for the Service Company to obtain bank financing, WOFE agrees to provide a guarantee for the payment obligations of the Service Company when it is required by any of third party.

- the Service Company must appoint as Chief Executive Officer, Chief Financial Officer and other high-ranking officers, individuals that are recommended by the WOFE.

- the Service Company cannot engage in any activity that could substantially affect its assets, liabilities, equity or operations, such as incurring any debt, purchasing or selling any assets, granting any third party a security interest in its property or assigning any of its contracts to a third party, without the prior written approval of the WOFE.

3.6 Power of Attorney ("Power of Attorney") issued by the Ultimate Shareholders. According to the Power of Attorney, the Ultimate Shareholders have given irrevocable proxies to Neil Shen, an employee of the WOFE, to vote on all corporate matters of Service Company, including the sale and transfer of the shareholders' interest in Service Company. WOFE can replace this employee at any time with any other employee of WOFE.

Based on the foregoing and our review of the relevant documents, we are of the opinion that:

1. WOFE has been duly incorporated and validly exists as a wholly foreign owned enterprise with legal person status in good standing under the laws of the PRC. All of the registered capital of WOFE has been fully paid and is owned by the Affiliate directly, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity.

2. The Service Company has been duly incorporated and validly exists as a privately owned enterprise with legal person status in good standing under the laws of the PRC. All of the registered capital of the Service Company has been fully paid and, to the best of our knowledge after due inquiry, 20% and 80% equity interest in the Service Company are respectively owned by Mr. Fan Min and Mr. Ji Oi directly, and such equity interest are each free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity, except the pledge created under the Contractual Arrangements.

3. Each of WOFE and the Service Company has legal right, power and authority (corporate and other) to own, lease and operate its properties and to conduct its business as described in their business licenses and to enter into and perform its obligations under the Contractual Arrangements.

4. Each agreement related to the Contractual Arrangements, to which WOFE and Service Company are the parties has been duly authorized, executed and delivered by

such WOFE and Service Company, and on the performance of which will not require any approvals, consents, etc other than the ones that are clearly obtained or waived, is in proper legal form under the laws of the PRC for the enforcement thereof against the parties thereto with no conflict or violation with PRC laws or regulations, and constitutes a valid and legally binding obligation of the parties thereto, enforceable in accordance with its terms, subject as to enforcement to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights generally and to general equity principles.

5. Each of agreements related to the Loan Arrangement is in proper legal form under the laws of the PRC for the enforcement thereof against each of Ultimate Shareholders and the Affiliate with no conflict or violation with PRC laws or regulations and, assuming due authorization, execution and delivery by the Affiliate, and due approval, consent for the performance of agreements obtained or waived, constitutes a valid and legally binding obligation of each of Ultimate Shareholders and the Affiliate under the PRC law, enforceable in accordance with its terms, subject as to enforcement to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights generally and to general equity principles.

This opinion relates to the laws of the PRC (other than the laws of the Hong Kong Special Administrative Region) in effect on the date hereof.

Yours faithfully,

Commerce & Finance Law Offices

EXHIBIT 99.5

[LOGO]

COMMERCE & FINANCE LAW OFFICES
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[ ] November, 2003

To: Ctrip.com International, Ltd.
3F, Building 63-64
No. 421 Hong Cao Road
Shanghai 200233, PRC

RE: GUANGZHOU GUANGCHENG COMMERCIAL SERVICE CO., LTD.

Ladies and Gentlemen,

We are lawyers qualified in the People's Republic of China ("PRC") and are qualified to issue an opinion on the laws of the PRC.

We have acted as PRC counsel for Ctrip.com International, Ltd. (the "Company"), a company incorporated under the laws of the Cayman Islands, in relation to the Company's proposed initial public offering of American depositary shares ("ADSs") representing its ordinary shares and listing of ADSs on the NASDAQ. We have been requested to give this opinion on the legality and validity of the following arrangement ("Arrangement") under the relevant agreements ("Agreements") among Ctrip.com (Hong Kong) Limited, shareholders of Guangzhou Guangcheng Commercial Service Co., Ltd. and Ctrip Computer Technology (Shanghai) Co., Ltd. ("WOFE"):

1. Loans ("Loan Arrangement") respectively to Fan Min and Zheng Nanyan, two ultimate shareholders ("Ultimate Shareholders") of Guangzhou Guangcheng Commercial Service Co., Ltd. ("Service Company").

1.1 Under the loan agreements entered into respectively by and between Ctrip.com (Hong Kong) Limited, an affiliate ("Affiliate") of the Company, and each of the Ultimate Shareholders, the Affiliate advanced necessary funds to each of the Ultimate Shareholders for the purchase of the equity interests in the Service Company.

1.2 The term of such Loan Agreements is 10 years and can be extended with both parties' consents. The Ultimate Shareholders can only repay the loan by the way of transferring their ownership in the Service Company to the entity or entities agreed by the Affiliate.

1.3 The loan provided to each of the Ultimate Shareholders shall respectively become due wholly and all of the equity interest must be transferred by such Ultimate Shareholders to the entity or entities agreed by the Affiliate when one of the following events occur:

- Such Ultimate Shareholders dies or becomes mentally disable;
- Any one of the Ultimate Shareholders is no long employed by the Affiliate or an affiliate of the Affiliate;
- Any one of the Ultimate Shareholders is involved in criminal activities;
- Any one of the Ultimate Shareholders is subject to a claim by any third party for an amount in excess of RMB500,000; or
- Foreign investors are permitted to invest in the business of air ticketing, and the relevant authorities start to approve such business in accordance with the applicable laws of PRC, and Affiliate decides to execute the option.

1.4 No interest will accrue on these loans. However, the Affiliate will be entitled to any proceeds resulting from the sale by these Ultimate Shareholders of their equity interests in the Service Company.

2. Exclusive purchase arrangement respectively to the Ultimate Shareholders of Service Company.

2.1 Under the said exclusive purchase agreements entered into respectively by and among the Affiliate, each of the Ultimate Shareholders and the Service Company, the Affiliate have an exclusive option to purchase from each of the Ultimate Shareholders all of his or her interest in the Service Company when permitted by PRC law.

2.2 Under the option agreements, the Service Company agree not to take any of the following actions without prior written consent from the Affiliate or WOFE:

- alter its articles of association or registered capital;
- sell or in any way transfer its assets, business, receivables or rights or to create any encumbrances thereon;
- take up or assume any debt (except those arising in the normal course of business or having been disclosed to the Affiliate);
- enter in to any transaction or contract of value exceeding RMB [ ] (except those executed in the normal course of business);
- grant any loan;
- enter into any merger, consolidation, acquisition or investment agreement; or
- distribute any dividend to shareholders unless requested by the Affiliate.

2.3 Under the option agreements, the Ultimate Shareholders agree not to take any of the following actions without prior written consent from the Affiliate or WOFE:

- sell or in any way dispose of or create any encumbrances on his or her interest in the Service Company (except for the pledge of shares in favor of WOFE);

- pass any resolution relating to the sale, transfer or pledge of their shares of the Service Company (except for the pledge of shares in favor of WOFE); or

- pass any resolution relating to a merger or consolidation of the Service Company or any acquisition by, or investment in, any business by the Service Company.

3. Economic relationships and contractual arrangements between WOFE, the Service Company and the Ultimate Shareholders

WOFE wholly owned by the Affiliate enters into following agreements and arrangements ("Contractual Arrangements") with the Service Company/ the Ultimate Shareholders:

3.1 Exclusive technology consulting and services agreement ("Exclusive Technology Services Agreement") entered into by and between WOFE and the Service Company. According to the Exclusive Technology Services Agreement, WOFE will provide technology-consulting services to the Service Company for a fee calculated on the basis of actual number of air tickets issued by the Service Company at the relevant time.

3.2 Share pledge agreement ("Share Pledge Agreement") entered into by and between WOFE and the Ultimate Shareholders. According to the Share Pledge Agreement, the Ultimate Shareholder will pledge their equity interest in the Service Company to WOFE to guarantee the performance of the Service Company under the Exclusive Technology Services Agreement. The share pledge may be enforced by WOFE in the event of any breach or non-payment by the Service Company.

3.3 Trademark license agreement ("Trademark Agreement") entered into by and between WOFE and the Service Company. According to the Trademark License Agreement, WOFE license to Service Company a non-exclusive right to use the trademarks in return for a license fee, and WOFE has the exclusive right to exempt the obligation of the Service Company to pay the license fee at its own discretion.

3.4 Software license agreement ("Software License Agreement") entered into by and between WOFE and the Service Company. According to the Software License Agreement, WOFE license to the Service Company a non-exclusive right to use the softwares in return for a license fee, and WOFE has the exclusive right to exempt the obligation of the Service Company to pay the license fee at its own discretion.

3.5 Business operating agreement ("Business Operating Agreement") entered into by and among WOFE, the Service Company and the Ultimate Shareholders. According to the Business Operating Agreement,

- in order for the Service Company to obtain bank financing, WOFE agrees to provide a guarantee for the payment obligations of the Service Company when it is required by any of third party.

- the Service Company must appoint as Chief Executive Officer, Chief Financial Officer and other high-ranking officers, individuals that are recommended by the WOFE.

- the Service Company cannot engage in any activity that could substantially affect its assets, liabilities, equity or operations, such as incurring any debt, purchasing or selling any assets, granting any third party a security interest in its property or assigning any of its contracts to a third party, without the prior written approval of the WOFE.

3.6 Power of Attorney ("Power of Attorney") issued by the Ultimate Shareholders. According to the Power of Attorney, the Ultimate Shareholders have given irrevocable proxies to Neil Shen, an employee of the WOFE, to vote on all corporate matters of Service Company, including the sale and transfer of the shareholders' interest in Service Company. WOFE can replace this employee at any time with any other employee of WOFE.

Based on the foregoing and our review of the relevant documents, we are of the opinion that:

1. WOFE has been duly incorporated and is validly existing as a wholly foreign owned enterprise with legal person status in good standing under the laws of the PRC. All of the registered capital of WOFE has been fully paid and is owned by the Affiliate directly, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity.

2. The Service Company has been duly incorporated and is validly existing as a privately owned enterprise with legal person status in good standing under the laws of the PRC. All of the registered capital of the Service Company has been fully paid and, to the best of our knowledge after due inquiry, 90% and 10% equity interest in the Service Company are respectively owned by Mr. Fan Min and Mr. Zheng Nanyan directly, and such equity interest are each free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity, except the pledge created under the Contractual Arrangements.

3. Each of WOFE and the Service Company has legal right, power and authority (corporate and other) to own, lease and operate its properties and to conduct its business as described in their business licenses and to enter into and perform its obligations under the Contractual Arrangements.

4. Each agreement related to the Contractual Arrangements, to which WOFE and Service Company are the parties has been duly authorized, executed and delivered by such WOFE and Service Company, and on the performance of which will not require any approvals, consents, etc other than the ones that are clearly obtained or waived, is in proper legal form under the laws of the PRC for the enforcement thereof against the parties thereto with no conflict or violation with PRC laws or regulations, and constitutes a valid and legally binding obligation of the parties thereto, enforceable in accordance with its terms, subject as to enforcement to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights generally and to general equity principles.

5. Each of agreements related to the Loan Arrangement is in proper legal form under the laws of the PRC for the enforcement thereof against each of Ultimate Shareholders and the Affiliate with no conflict or violation with PRC laws or regulations and, assuming due authorization, execution and delivery by the Affiliate, and due approval, consent for the performance of agreements obtained or waived, constitutes a valid and legally binding obligation of each of Ultimate Shareholders and the Affiliate under the PRC law, enforceable in accordance with its terms, subject as to enforcement to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights generally and to general equity principles.

This opinion relates to the laws of the PRC (other than the laws of the Hong Kong Special Administrative Region) in effect on the date hereof.

Yours faithfully,

Commerce & Finance Law Offices

EXHIBIT 99.6

[LOGO]

COMMERCE & FINANCE LAW OFFICES
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[ ] November, 2003

To: Ctrip.com International, Ltd.
3F, Building 63-64
No. 421 Hong Cao Road
Shanghai 200233, PRC

RE: SHANGHAI CUIMING INTERNATIONAL TRAVEL AGENCY CO., LTD.

Ladies and Gentlemen,

We are lawyers qualified in the People's Republic of China ("PRC") and are qualified to issue an opinion on the laws of the PRC.

We have acted as PRC counsel for Ctrip.com International, Ltd. (the "Company"), a company incorporated under the laws of the Cayman Islands, in relation to the Company's proposed initial public offering of American depositary shares ("ADSs") representing its ordinary shares and listing of ADSs on the NASDAQ. We have been requested to give this opinion on the legality and validity of the following arrangement ("Arrangement") under the relevant agreements ("Agreements") among Ctrip.com (Hong Kong) Limited, shareholders of Shanghai Cuiming International Travel Agency Co., Ltd. and Ctrip Computer Technology (Shanghai) Co., Ltd. ("WOFE"):

1. Loans ("Loan Arrangement") to Mr. Fan Min, a shareholder who owns 66% of the equity interests in Shanghai Cuiming International Travel Agency Co., Ltd. ("Service Company").

1.1 Under the loan agreement entered into by and between Ctrip.com (Hong Kong) Limited, an affiliate ("Affiliate") of the Company, and Fan Min, the Affiliate advanced necessary funds to Fan Min for investment into the Service Company.

1.2 The term of such Loan Agreement is 10 years and can be extended with both parties' consents. Fan Min can only repay the loan by the way of transferring his ownership in the Service Company to the entity or entities agreed by the Affiliate.

1.3 The loans provided to Fan Min shall become due wholly and all of the equity interest must be transferred by him to the entity or entities agreed by the Affiliate when one of the following events occur:

- Fan Min dies or becomes mentally disable;
- Fan Min is no long employed by the Affiliate or an affiliate of the Affiliate;
- Fan Min is involved in criminal activities;
- Fan Min is subject to a claim by any third party for an amount in excess of RMB500,000; or
- Foreign investors are permitted to invest in the business of international agency and the relevant authorities start to approve such business in accordance with the applicable laws of PRC, and Affiliate decides to execute the option.

1.4 No interest will accrue on these loans. However, the Affiliate will be entitled to any proceeds resulting from the sale by Fan Min of his equity interests in the Service Company.

2. Exclusive purchase arrangement to Fan Min.

2.1 Under the said exclusive purchase agreements entered into respectively by and among the Affiliate, Fan Min and the Service Company, the Affiliate have an exclusive option to purchase from Fan Min all of his interest in the Service Company when permitted by PRC law.

2.2 Under the option agreements, the Service Company agree not to take any of the following actions without prior written consent from the Affiliate or WOFE:

- alter its articles of association or registered capital;
- sell or in any way transfer its assets, business, receivables or rights or to create any encumbrances thereon;
- take up or assume any debt (except those arising in the normal course of business or having been disclosed to the Affiliate);
- enter in to any transaction or contract of value exceeding RMB 50,000 (except those executed in the normal course of business);
- grant any loan;
- enter into any merger, consolidation, acquisition or investment agreement; or
- distribute any dividend to shareholders unless requested by the Affiliate.

2.3 Under the option agreements, Fan Min agree not to take any of the following actions without prior written consent from the Affiliate or WOFE:

- sell or in any way dispose of or create any encumbrances on his or

her interest in the Service Company (except for the pledge of shares in favor of WOFE);

- pass any resolution relating to the sale, transfer or pledge of their shares of the Service Company (except for the pledge of shares in favor of WOFE); or

- pass any resolution relating to a merger or consolidation of the Service Company or any acquisition by, or investment in, any business by the Service Company.

3. Economic relationships and contractual arrangements between WOFE, the Service Company and the Shareholders of the Service Company.

WOFE wholly owned by the Affiliate enters into following agreements and arrangements ("Contractual Arrangements") with the Service Company/ the Shareholders:

3.1 Technology services consulting and agreement ("Technology Services Agreement") entered into by and between WOFE and the Service Company. According to the Technology Services Agreement, WOFE will provide technology-consulting services to the Service Company for a fixed fee.

3.2 Share pledge agreement ("Share Pledge Agreement") entered into by and between WOFE and Fan Min. According to the Share Pledge Agreement, Fan Min will pledge his equity interest in the Service Company to WOFE to guarantee the performance of the Service Company under the Exclusive Technology Services Agreement. The share pledge may be enforced by WOFE in the event of any breach or non-payment by the Service Company.

3.3 Trademark license agreement ("Trademark Agreement") entered into by and between WOFE and the Service Company. According to the Trademark License Agreement, WOFE license to Service Company a non-exclusive right to use certain trademarks in return for a license fee, and WOFE has the exclusive right to exempt the obligation of the Service Company to pay the license fee at its own discretion.

3.4 Software license agreement ("Software License Agreement") entered into by and between WOFE and the Service Company. According to the Software License Agreement, WOFE license to the Service Company a non-exclusive right to use certain softwares in return for a license fee, and WOFE has the exclusive right to exempt the obligation of the Service Company to pay the license fee at its own discretion.

3.5 Business operating agreement ("Business Operating Agreement") entered into by and among WOFE, the Service Company and all shareholders of the service company. According to the Business Operating Agreement,

- in order for the Service Company to obtain bank financing, WOFE agrees to provide a guarantee for the payment obligations of the Service Company when it is required by any of third party.

- the Service Company must appoint as Chief Executive Officer, Chief Financial Officer and other high-ranking officers, individuals that are recommended by the WOFE.

- the Service Company cannot engage in any activity that could substantially affect its assets, liabilities, equity or operations, such as incurring any debt, purchasing or selling any assets, granting any third party a security interest in its property or assigning any of its contracts to a third party, without the prior written approval of the WOFE.

3.6 Power of Attorney ("Power of Attorney") issued by Fan Min. According to the Power of Attorney, Fan Min have given irrevocable proxies to Neil Shen, an employee of the WOFE, to vote on all corporate matters of Service Company, including the sale and transfer of Fan Min' s interest in Service Company. WOFE can replace this employee at any time with any other employee of WOFE.

Based on the foregoing and our review of the relevant documents, we are of the opinion that:

1. WOFE has been duly incorporated and is validly existing as a wholly foreign owned enterprise with legal person status in good standing under the laws of the PRC. All of the registered capital of WOFE has been fully paid and is owned by the Affiliate directly, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity.

2. The Service Company has been duly incorporated and is validly existing as an enterprise with legal person status in good standing under the laws of the PRC. All of the registered capital of the Service Company has been fully paid and, to the best of our knowledge after due inquiry, 66% equity interest in the Service Company is owned by Fan Min directly, and is free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity, except the pledge created under the Contractual Arrangements.

3. Each of WOFE and the Service Company has legal right, power and authority (corporate and other) to own, lease and operate its properties and to conduct its business as described in their business licenses and to enter into and perform its obligations under the Contractual Arrangements.

4. Each agreement related to the Contractual Arrangements, to which WOFE and Service Company are the parties has been duly authorized, executed and delivered by such WOFE and Service Company, and on the performance of which will not require any approvals, consents, etc other than the ones that are clearly obtained or waived, is in proper legal form under the laws of the PRC for the enforcement thereof against the parties thereto with no conflict or violation with PRC laws or regulations, and constitutes a valid and legally binding obligation of the parties thereto, enforceable in accordance

with its terms, subject as to enforcement to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights generally and to general equity principles.

5. Each of agreements related to the Loan Arrangement is in proper legal form under the laws of the PRC for the enforcement thereof against each of Ultimate Shareholders and the Affiliate with no conflict or violation with PRC laws or regulations and, assuming due authorization, execution and delivery by the Affiliate, and due approval, consent for the performance of agreements obtained or waived, constitutes a valid and legally binding obligation of each of Ultimate Shareholders and the Affiliate under the PRC law, enforceable in accordance with its terms, subject as to enforcement to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights generally and to general equity principles.

This opinion relates to the laws of the PRC (other than the laws of the Hong Kong Special Administrative Region) in effect on the date hereof.

Yours faithfully,

Commerce & Finance Law Offices