

Renren Inc.
Form F-1/A
April 18, 2011
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As filed with the Securities and Exchange Commission on April 18, 2011

Registration No. 333-173548

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

AMENDMENT NO. 1

TO

FORM F-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Renren Inc.

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

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Cayman Islands (State or other jurisdiction of incorporation or organization)	8900 (Primary Standard Industrial Classification Code Number) 23/F, Jing An Center	Not Applicable (I.R.S. Employer Identification Number)
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8 North Third Ring Road East

Beijing, 100028

The People's Republic of China

+86 (10) 8448-1818

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

Law Debenture Corporate Services Inc.

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered⁽¹⁾⁽²⁾	Proposed maximum offering price per share⁽³⁾	Proposed maximum aggregate offering price⁽²⁾⁽³⁾	Amount of registration fee⁽⁴⁾
Class A Ordinary Shares, par value US\$0.001 per share ⁽¹⁾	183,195,000	US\$3.67	US\$671,715,000	US\$77,986.11

- (1) American depositary shares issuable upon deposit of the Class A ordinary shares registered hereby have been registered under a separate registration statement on Form F-6 (Registration No. 333-173515). Each American depositary share represents three Class A ordinary shares.
- (2) Includes 23,895,000 Class A ordinary shares that are issuable upon the exercise of the underwriters' option to purchase additional shares. Also includes Class A ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the shares are first bona fide offered to the public. These Class A ordinary shares are not being registered for the purpose of sales outside the United States.
- (3) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(a) under the Securities Act of 1933.
- (4) Previously paid.

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

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

PROSPECTUS (SUBJECT TO COMPLETION)**ISSUED APRIL 18, 2011****53,100,000 American Depositary Shares****Renren Inc.****Representing 159,300,000 Class A Ordinary Shares**

This is an initial public offering of American depositary shares, or ADSs, of Renren Inc. Each ADS represents three Class A ordinary shares of Renren Inc., par value US\$0.001 per share. We are offering 42,898,711 ADSs, and the selling shareholders identified in this prospectus are offering 10,201,289 ADSs. We will not receive any of the proceeds from the ADSs sold by the selling shareholders. Prior to this offering, there has been no public market for our shares or ADSs. We anticipate the initial public offering price will be between US\$9.00 and US\$11.00 per ADS.

We have applied to have our ADSs listed on the New York Stock Exchange, or the NYSE, under the symbol RENN.

Investing in our ADSs involves a high degree of risk. See Risk Factors beginning on page 14.

	PRICE US\$	PER ADS
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	Price to Public	Underwriting Discounts and Commissions	Proceeds to Us, Before Expenses	Proceeds to the Selling Shareholders
Per ADS	US\$	US\$	US\$	US\$
Total	US\$	US\$	US\$	US\$

The underwriters have an option to purchase up to 7,965,000 additional ADSs from us at the initial public offering price, less underwriting discounts and commissions, within 30 days from the date of this prospectus, to cover over-allotments.

Immediately prior to the completion of this offering, our outstanding share capital will consist of Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. Each Class A ordinary share is entitled to one vote, and each Class B ordinary share is entitled to ten votes and is convertible into one Class A ordinary

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share. Immediately after the completion of this offering, Mr. Joseph Chen, our founder, chairman and chief executive officer, and SB Pan Pacific Corporation, one of our existing major shareholders, will hold 270,258,970 and 135,129,480 Class B ordinary shares, respectively, which, together with the Class A ordinary shares they respectively hold, will represent 55.9% and 33.5%, respectively, of our aggregate voting power, assuming (i) the underwriters do not exercise their over-allotment option to purchase additional ADSs, and (ii) we will issue and sell a total of 33,000,000 Class A ordinary shares to a group of unrelated third-party investors through concurrent private placements, which number of shares has been calculated based on an initial public offering price of US\$10.00 per ADS, the midpoint of the estimated initial public offering price range set forth above.

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

The underwriters expect to deliver the ADSs to purchasers on or about _____, 2011.

Morgan Stanley

Deutsche Bank Securities

Credit Suisse

BofA Merrill Lynch

Jefferies

Pacific Crest Securities

Oppenheimer & Co.

The date of this prospectus is _____, 2011.

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

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

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before deciding whether to invest in our ADSs, you should carefully read this entire prospectus, especially the risks of investing in our ADSs discussed under the heading Risk Factors.

Overview

We operate the leading real name social networking internet platform in China as measured by total page views and total user time spent on social networking websites in February 2011, based on data issued in March 2011 by iResearch. Our platform enables our users to connect and communicate with each other, share information and user-generated content, play online games, listen to music, shop for deals and enjoy a wide range of other features and services. We had approximately 117 million activated users as of March 31, 2011. Our goal is to continue to lead and define the internet social networking industry in China. To achieve this goal, we are focused on providing a highly engaging and interactive platform that promotes connectivity, communication and sharing among our users.

We believe our users are attracted to our large and highly engaged real name community, the broad range of rich communication features and functions on our real name social networking internet platform, our information and content-sharing features, and our offering of a variety of online games and other applications and services. Our platform includes renren.com, our main social networking website, game.renren.com, our online games center, nuomi.com, our social commerce website, and jingwei.com, our newly launched professional and business social networking service website. Our renren.com website is one of the largest social networking websites in China as measured by monthly unique visitors in February 2011, based on data issued in March 2011 by iResearch.

The quality of our user experience is reflected in the continued growth of our user base and their high level of engagement and interactivity on our platform. From January 2011 through March 2011, we added an average of approximately two million new activated users per month. Our users' high level of engagement with our platform is reflected in the amount of time our users spend on our platform, as well as their interactions through it. For example, from January 2011 through March 2011, our unique log-in users spent a monthly average of approximately seven hours on our platform, and our users collectively produced a daily average of approximately 40 million pieces of user-generated content, including approximately three million photos and 13 million status updates.

Our market leadership stems from our track record of innovation and our pioneering role in China's social networking service industry. We believe many features and functions that we introduced to the China market have improved the quality of our user experience and have subsequently become standard throughout the industry. For example, we believe renren.com was the first major social networking website in China to offer services like our Renren Open Platform program and Renren Connect program. Our Renren Open Platform program allows users to access high quality applications from third-party developers through our open application programming interface. Our Renren Connect program allows our users to sign in and share information and content from over 600 Renren Connect partner websites. In addition, in order to meet Chinese users' needs and preferences for instant notification and real time communication, we created our Renren Desktop client application, which we believe is unique among major global social networking websites. This application provides real time news feed updates while also facilitating instant messaging among our users.

We believe a key driver of our long-term success is the continued rapid introduction of new services and features that can leverage our existing platform and large user base. For example, the size of our existing

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renren.com user base allowed us to launch and quickly expand our social commerce services on nuomi.com, whose first social commerce offer in June 2010 resulted in purchases of over 150,000 pairs of movie tickets for a single movie theater complex in Beijing. Over 60% of nuomi.com's users are renren.com users. Nuomi.com became a leading social commerce website in China for 2010 according to a report published in January 2011 by China e-Business Research Center. More recently, we launched jingwei.com, a professional and business social networking service website, to further leverage our existing user base.

We currently generate revenues from online advertising and internet value-added services, or IVAS. Our IVAS revenues are comprised of online games revenues and other IVAS revenues, which include revenues we earn from merchants who offer services and products on nuomi.com, paid applications on our Renren Open Platform program and VIP memberships. Our total net revenues increased from US\$13.8 million in 2008 to US\$46.7 million in 2009 and to US\$76.5 million in 2010, representing a compound annual growth rate, or CAGR of 135.7% from 2008 to 2010. We had net income from continuing operations of US\$51.9 million, a net loss from continuing operations of US\$68.3 million and a net loss from continuing operations of US\$61.2 million in 2008, 2009 and 2010, respectively. Our net income and net losses from our continuing operations reflect the aggregate impact of non-cash items relating to share-based compensation of US\$71.6 million in income in 2008, the change in fair value of our then outstanding series D warrants, amortization of intangible assets and impairment of intangible assets of US\$71.2 million in income in 2008, US\$71.3 million in expenses in 2009 and US\$78.6 million in expenses in 2010. All outstanding warrants to purchase series D preferred shares were exercised in December 2010.

Immediately prior to the completion of this offering, our ordinary shares will be divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A and Class B ordinary shares will have the same rights, including dividend rights, except that holders of Class A ordinary shares will be entitled to one vote per share, while holders of Class B ordinary shares will be entitled to ten votes per share, and Class B ordinary shares may be converted into the same number of Class A ordinary shares by the holders thereof at any time, while Class A ordinary shares cannot be converted into Class B ordinary shares under any circumstances. The ADSs being sold in this offering represent Class A ordinary shares. Immediately after the completion of this offering, Mr. Joseph Chen, our founder, chairman and chief executive officer, and SB Pan Pacific Corporation, one of our existing major shareholders, will hold 270,258,970 and 135,129,480 Class B ordinary shares, respectively, which, together with the Class A ordinary shares they respectively hold, will represent 55.9% and 33.5%, respectively, of our aggregate voting power, assuming (i) the underwriters do not exercise their over-allotment option to purchase additional ADSs, and (ii) we will issue and sell a total of 33,000,000 Class A ordinary shares to a group of unrelated third-party investors through concurrent private placements, which number of shares has been calculated based on an initial public offering price of US\$10.00 per ADS, the midpoint of the estimated initial public offering price range shown on the front cover page of this prospectus.

Due to PRC legal restrictions on foreign ownership and investment in value-added telecommunications services and advertising businesses in China, we operate our business primarily through Beijing Qianxiang Tiancheng Technology Development Co., Ltd., or Qianxiang Tiancheng, which is our consolidated affiliated entity in China, and its subsidiaries. We do not hold any equity interest in Qianxiang Tiancheng or its subsidiaries. However, through a series of contractual arrangements with Qianxiang Tiancheng and its shareholders, we effectively control, and are able to derive substantially all of the economic benefits from, Qianxiang Tiancheng and its subsidiaries.

Our Industry

Social networking internet services provide users with interactive platforms to share and consume various forms of media content. Earlier internet communities were based on anonymity, with users assuming aliases or virtual identities in their interactions with other users. However, we believe that as users have become more

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comfortable and trusting in their interactions with others over the internet, the real name model for social networking has become increasingly popular, both worldwide and, more recently, in China. By mirroring real life relationships, real name social networks provide benefits to users by facilitating personal communication and sharing among actual friends and to advertisers by facilitating word-of-mouth advertising among friends and offering targeted advertising based on user s preferences, personal traits and online activities. Social networking service providers can monetize their user base through multiple channels, including online advertising, online games, social commerce services and other IVAS.

In China, the popularity of social networking is driven by a massive addressable user base, the growing availability of internet access and favorable internet usage trends. China already has the largest internet user and mobile user populations in the world, and these user populations are forecasted to continue to grow rapidly. While social networking has already captured a considerable share of the time Chinese internet users spend online, there is still significant potential for future growth. Based on data issued in July 2010 by comScore Media Metrix, 38.4% of internet users in China engaged in online social networking as of April 2010, compared to 69.8% globally and 81.4% in the United States; and internet users in China spent 7.8% of their online time on social networking websites in April 2010, compared to 13.9% globally and 11.6% in the United States.

Our Competitive Strengths

We believe that the following strengths contribute to our success and differentiate us from our competitors:

largest real name social networking internet platform in China;

integrated platform consisting of multiple services and features;

highly engaged users;

rapid introduction of new features and services;

multiple established revenue sources;

large open platform that extends our reach; and

innovative and user-oriented culture.

Our Strategies

Our goal is to continue to lead and define the internet social networking industry in China. We intend to achieve our goal through implementing the following key strategies:

focusing on long-term success;

continually enhancing our user experience and engagement;

growing and broadening our user base;

leveraging our platform and brand to increase monetization;

growing mobile usage of our platform; and

pursuing strategic alliances and partnerships.

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Our Challenges

We expect to face risks and uncertainties related to our business and industry, including those relating to our ability to:

increase the size and level of engagement of our user base through innovation and provision of additional features, services and applications on our platform;

effectively respond to competition in all aspects of our business;

achieve and sustain operating profit, given our history of operating losses;

leverage our user base to expand into new services which we believe have synergies with our platform;

expand our nuomi.com social commerce services nationwide, which may result in significant financial losses to us;

increase our revenues from online advertising and IVAS;

capture and retain a significant portion of the growing number of users who accesses social networking and other internet services through mobile devices; and

maintain a strong brand image and avoid events that could cause negative publicity and harm our reputation.

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

risks associated with our control over our consolidated affiliated entity and its subsidiaries, which is based on contractual arrangements rather than equity ownership; and

uncertainties associated with our compliance with applicable PRC regulations and policies, including those relating to our platform and our online games and social commerce services.

See **Risk Factors** and other information included in this prospectus for a discussion of these and other risks and uncertainties associated with our business and investing in our ADSs.

Corporate History and Structure

We began our operations in China in 2002 through Beijing Qianxiang Tiancheng Technology Development Co., Ltd., or Qianxiang Tiancheng, which has subsequently become one of our consolidated affiliated entities through the contractual arrangements described below. CIAC/ChinaInterActiveCorp, or CIAC, was incorporated in August 2005 in the Cayman Islands. CIAC wholly owns Qianxiang Shiji Technology Development (Beijing) Co., Ltd., or Qianxiang Shiji, a company established in Beijing, China. Qianxiang Shiji operates our business in China through a series of contractual arrangements it has entered into with our consolidated affiliated entities.

Our current holding company, Renren Inc., was incorporated in February 2006 in the Cayman Islands under our prior name, Oak Pacific Interactive, or OPI. Through a corporate restructuring, in March 2006, CIAC's shareholders exchanged all of their outstanding ordinary and

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preferred shares of CIAC for ordinary and preferred shares of OPI on a pro rata basis. As a result, OPI acquired all of the equity interests in CIAC and CIAC became a wholly owned subsidiary of OPI. In December 2010, we changed our corporate name from Oak Pacific Interactive to Renren Inc.

On March 25, 2011, we implemented a ten-for-one share split. Except as otherwise indicated, all information in this prospectus concerning share and per share data gives retroactive effect to the ten-for-one share split.

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PRC laws and regulations currently limit foreign ownership of companies that provide value-added telecommunications services. To comply with these restrictions, we conduct our operations in China principally through our consolidated affiliated entity, Qianxiang Tiancheng, which was established in China in October 2002, and its three wholly owned subsidiaries, namely (i) Beijing Qianxiang Wangjing Technology Development Co., Ltd., or Qianxiang Wangjing, (ii) Shanghai Qianxiang Changda Internet Information Technology Development Co., Ltd., or Qianxiang Changda, and (iii) Beijing Nuomi Wang Technology Development Co., Ltd., or Beijing Nuomi. Qianxiang Wangjing is the operator of our renren.com website and holds the licenses and permits necessary to conduct our real name social networking services, online advertising and online game business in China. Beijing Nuomi is the operator of our nuomi.com website and holds the licenses and permits necessary to conduct our social commerce services in China. Qianxiang Changda is an online advertising company that plans to apply for the licenses and permits necessary to conduct our online games and real name social networking services.

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The following diagram illustrates our anticipated shareholding, voting and corporate structure immediately after the completion of this offering, assuming (i) the underwriters do not exercise their over-allotment option to purchase additional ADSs, and (ii) we will issue and sell a total of 33,000,000 Class A ordinary shares to a group of unrelated third-party investors through concurrent private placements, which number of shares has been calculated based on an initial public offering price of US\$10.00 per ADS, the midpoint of the estimated initial public offering price range shown on the front cover page of this prospectus:

- (1) Consists of 270,258,970 Class B ordinary shares. Class B ordinary shares have the same rights as Class A ordinary shares except (i) in all matters subject to shareholder vote, Class B ordinary shares are entitled to ten votes whereas Class A ordinary shares are entitled to one vote, and (ii) conversion rights. For a description of Class A ordinary shares and Class B ordinary shares, see Description of Share Capital.

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- (2) Consists of 270,258,971 Class A ordinary shares and 135,129,480 Class B ordinary shares.
- (3) Qianxiang Tiancheng and its three wholly owned subsidiaries, Qianxiang Wangjing, Qianxiang Changda and Beijing Nuomi, are our consolidated affiliated entities in China. Qianxiang Tiancheng is 99% owned by Ms. Jing Yang, who is the wife of Mr. Joseph Chen, our founder, chairman and chief executive officer, and 1% owned by Mr. James Jian Liu, our director and chief operating officer. We effectively control Qianxiang Tiancheng and its three subsidiaries through contractual arrangements. See Corporate History and Structure.

Our wholly owned PRC subsidiary Qianxiang Shiji has entered into a series of contractual arrangements with Qianxiang Tiancheng and its shareholders, which enable us to:

exercise effective control over Qianxiang Tiancheng and its subsidiaries through powers of attorney and business operations agreements;

receive substantially all of the economic benefits of Qianxiang Tiancheng and its subsidiaries in the form of service and license fees in consideration for the technical services provided, and the intellectual property rights licensed, by Qianxiang Shiji; and

have an exclusive option to purchase all of the equity interests in Qianxiang Tiancheng when and to the extent permitted under PRC laws.

We do not have equity interest in Qianxiang Tiancheng or its subsidiaries. However, as a result of these contractual arrangements, we are considered the primary beneficiary of Qianxiang Tiancheng and its subsidiaries and we treat them as our consolidated affiliated entities under generally accepted accounting principles in the United States, or U.S. GAAP. We have consolidated the financial results of these companies in our consolidated financial statements in accordance with U.S. GAAP. For a description of these contractual arrangements, see Corporate History and Structure. For a detailed description of the regulatory environment that necessitates the adoption of our corporate structure, see Regulation. For a detailed description of the risks associated with our corporate structure and the contractual arrangements that support our corporate structure, see Risk Factors Risks Related to Our Corporate Structure.

Corporate Information

Our principal executive offices are located at 23/F, Jing An Center, 8 North Third Ring Road East, Chao Yang District, Beijing, 100028, the People's Republic of China. Our telephone number at this address is +86 (10) 8448-1818. Our registered office in the Cayman Islands is located at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108 Cayman Islands. Our telephone number at this address is +1 (345) 949-4900. We also have offices in over 30 cities in China, including Shanghai, Guangzhou and Wuhan.

Investors should submit any inquiries to the address and telephone number of our principal executive offices set forth above. Our corporate website is www.renren-inc.com and the information contained on this website is not a part of this prospectus. Our agent for service of process in the United States is Law Debenture Corporate Services Inc.

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

ADSs offered by us	42,898,711 ADSs.
ADSs offered by the selling shareholders	10,201,289 ADSs.
Total ADSs offered	53,100,000 ADSs.
Price per ADS	We currently expect that the initial public offering price will be between US\$9.00 and US\$11.00 per ADS.
ADSs to Class A ordinary share ratio	Each ADS represents three Class A ordinary shares.
ADSs outstanding immediately after this offering	53,100,000 ADSs (or 61,065,000 ADSs, if the underwriters exercise in full their over-allotment option to purchase additional ADSs).
Concurrent Private Placements	Concurrently with, and subject to, the completion of this offering, a group of unrelated third-party investors consisting of entities affiliated with Alibaba Group, China Media Capital and CITIC Securities, respectively, all of which are non-US entities, have agreed to purchase from us, severally but not jointly, an aggregate of US\$110 million in Class A ordinary shares at a price per share equal to the initial public offering price adjusted to reflect the ADS-to-ordinary share ratio. Assuming an initial offering price of US\$10.00 per ADS, the midpoint of the estimated initial public offering price range shown on the front cover page of this prospectus, these investors will purchase a total of 33,000,000 Class A ordinary shares from us. Our proposed issuance and sale of Class A ordinary shares to these investors are being made through private placements pursuant to an exemption from registration with the U.S. Securities and Exchange Commission under Regulation S of the Securities Act. All of these investors have agreed with the underwriters not to, directly or indirectly, sell, transfer or dispose of any Class A ordinary shares acquired in the private placements for a period of 180 days after the date of this prospectus, subject to certain exceptions.
Ordinary shares outstanding immediately after this offering	1,185,218,103 shares, comprised of (i) 779,829,653 Class A ordinary shares (including 33,000,000 Class A ordinary shares we will issue in private placements concurrently with this offering, which number of shares has been calculated based on an initial offering price of

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US\$10.00 per ADS, the midpoint of the estimated initial public offering price range shown on the front cover page of this prospectus) and (ii) 405,388,450 Class B ordinary shares.

The ADSs

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

We do not expect to pay dividends in the foreseeable future. If, however, we declare dividends on our ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our ordinary shares, after deducting its fees and expenses.

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

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

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

Ordinary shares

Immediately prior to the completion of this offering, our ordinary shares will consist of Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares and Class B ordinary shares have the same rights, including dividend rights, except for voting and conversion rights. In respect of matters requiring shareholder approval, each Class A ordinary share is entitled to one vote, and each Class B ordinary share is entitled to ten votes. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstance. Class B ordinary shares will automatically convert into the same number of Class A ordinary shares under certain circumstances. For a description of Class A ordinary shares and Class B ordinary shares, see Description of Share Capital.

Option to purchase additional ADSs

We have granted to the underwriters an option, exercisable within 30 days from the date of this prospectus, to purchase up to an additional 7,965,000 ADSs to cover over-allotments.

Reserved ADSs

At our request, the underwriters have reserved for sale, at the initial public offering price, up to an aggregate of 3,717,000 ADSs offered in this offering to some of our directors, officers, employees, business associates and related persons through a directed share program.

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Use of proceeds

We expect that we will receive net proceeds of approximately US\$507.9 million from this offering and the concurrent private placements, or US\$582.7 million if the underwriters exercise in full their over-allotment option to purchase additional ADSs, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, assuming an initial public offering price of US\$10.00 per ADS, the midpoint of the estimated initial public offering price range shown on the front cover page of this prospectus. We intend to use the net proceeds from this offering and the concurrent private placements as follows: (i) approximately US\$180 million for investing in our technology and research and development activities; (ii) approximately US\$180 million for expanding our sales and marketing activities; and (iii) the balance for other general corporate purposes, including potential strategic acquisitions and investments. See [Use of Proceeds](#) for more information.

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

NYSE symbol

RENN

Depository

Citibank, N.A.

Lock-up

We, our directors and executive officers, and our principal existing shareholders have agreed with the underwriters not to sell, transfer or dispose of any ADSs, ordinary shares or similar securities for a period of 180 days after the date of this prospectus. In addition, we have instructed Citibank, N.A., as depository, not to accept any deposit of ordinary shares or issue any ADSs for 180 days after the date of this prospectus (other than in connection with this offering), unless we otherwise instruct the depository with the prior written consent of the representatives of the underwriters. See [Underwriting](#).

Risk factors

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

The number of ordinary shares that will be outstanding immediately after this offering:

is based upon 1,023,521,970 ordinary shares outstanding as of the date of this prospectus, assuming the conversion of all outstanding preferred shares into 725,668,320 ordinary shares immediately upon the completion of this offering;

excludes 48,337,290 ordinary shares issuable upon the exercise of share options outstanding as of the date of this prospectus, at a weighted average exercise price of US\$0.42 per share;

excludes 27,690,530 restricted ordinary shares (i.e. ordinary shares issued but unvested) as of the date of this prospectus; and

excludes 71,129,128 ordinary shares reserved for future issuances under our equity incentive plans.

Table of Contents**SUMMARY CONSOLIDATED FINANCIAL DATA**

The following summary consolidated statement of operations data for the years ended December 31, 2008, 2009 and 2010 and the summary consolidated balance sheet data as of December 31, 2009 and 2010 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our balance sheet data as of December 31, 2008 has been derived from our audited financial statements not included elsewhere in this prospectus. You should read this summary consolidated financial data together with our consolidated financial statements and the related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP.

	Year ended December 31,		
	2008	2009	2010
	(in thousands of US\$, except for share, per share and per ADS data)		
Summary Consolidated Statement of Operations Data:			
Net revenues	\$ 13,782	\$ 46,684	\$76,535
Cost of revenues	5,667	10,379	16,624
Gross profit	8,115	36,305	59,911
Operating expenses⁽¹⁾:			
Selling and marketing	7,111	19,375	20,281
Research and development	4,921	12,937	23,699
General and administrative	4,045	6,510	7,511
Impairment of intangible assets		211	739
Total operating expenses	16,077	39,033	52,230
(Loss) gain from operations	(7,962)	(2,728)	7,681
Change in fair value of warrants	72,875	(68,184)	(74,364)
Exchange (loss) gain on dual currency deposit	(12,908)	1,673	3,781
Interest income	801	288	335
Realized gain on marketable securities		755	
Gain on disposal of cost of method investment			40
Impairment of cost method investment	(350)		
Income (loss) before provision for income tax and loss in equity method investment, net of income taxes	52,456	(68,196)	(62,527)
Income tax (expenses) benefit	(523)	31	1,332
Income (loss) before loss in equity method investment, net of income taxes	51,933	(68,165)	(61,195)
Losses in equity method investment, net of income taxes	(41)	(102)	
Income (loss) from continuing operations	51,892	(68,267)	(61,195)
Discontinued operations:			
Loss from discontinued operations, net of tax	(2,740)	(2,481)	(4,301)
Gain on disposal of discontinued operations, net of tax		633	1,341
Loss on discontinued operations, net of tax	(2,740)	(1,848)	(2,960)
Net income (loss)	49,152	(70,115)	(64,155)
Add: Net loss attributable to the noncontrolling interest	185		
Net income (loss) attributable to Renren Inc.	\$ 49,337	\$ (70,115)	\$(64,155)
Net income (loss) per share:			
Income (loss) from continuing operations per share attributable to Renren Inc. shareholders:			
Basic	\$ 0.00	\$ (0.34)	\$ (0.30)

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Diluted	\$ 0.00	\$ (0.34)	\$ (0.30)
Loss from discontinued operations per share attributable to Renren Inc. shareholders:			
Basic	\$ (0.01)	\$ (0.01)	\$ (0.01)
Diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)
Net loss per share attributable to Renren Inc. shareholders:			
Basic	\$ (0.01)	\$ (0.35)	\$ (0.31)
Diluted	\$ (0.01)	\$ (0.35)	\$ (0.31)
Net loss per ADS ⁽²⁾ :			
Basic	\$ (0.02)	\$ (1.03)	\$ (0.94)
Diluted	\$ (0.02)	\$ (1.03)	\$ (0.94)
Weighted average number of shares used in calculating net income (loss) per ordinary share:			
Basic	247,587,070	250,730,367	244,613,530
Diluted	251,533,130	250,730,367	244,613,530

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(1) Including share-based compensation expenses as set forth below:

	Year ended December 31,		
	2008	2009	2010
(in thousands of US\$)			
Allocation of Share-based Compensation Expenses:			
Selling and marketing	\$ 79	\$ 78	\$ 121
Research and development	176	232	572
General and administrative	977	1,946	2,105
Total share-based compensation expenses	\$ 1,232	\$ 2,256	\$ 2,798

(2) Each ADS represents three Class A ordinary shares.

			As of December 31,		Pro forma as adjusted ⁽²⁾
	2008	2009	2010		
			Actual	Pro forma ⁽¹⁾	
(in thousands of US\$)					
Summary Consolidated Balance Sheet Data:					
Cash and cash equivalents	\$ 51,424	\$ 90,376	\$ 136,063	\$ 136,063	\$ 643,940
Short-term investments	14,369	36,369	62,318	62,318	62,318
Accounts receivable, net	5,991	14,362	12,815	12,815	12,815
Warrants-asset	63,710				
Total current assets	138,011	147,409	437,519	437,519	945,396
Total assets	165,244	179,122	456,474	456,474	964,351
Warrants-liability		21,481			
Total current liabilities	9,640	40,769	25,391	25,391	25,391
Total liabilities	10,881	41,706	25,907	25,907	25,907
Series C convertible redeemable preferred shares	36,764	28,520	28,520		
Series D convertible redeemable preferred shares	130,000	193,398	571,439		
Total equity (deficit)	\$ (12,401)	\$ (84,502)	\$ (169,392)	\$ 430,567	\$ 938,444

Notes:

- (1) Our consolidated balance sheet data as of December 31, 2010 on a pro forma basis reflects the automatic conversion of all of our issued and outstanding preferred shares into ordinary shares upon the closing of this offering.
- (2) Our consolidated balance sheet data as of December 31, 2010 on a pro forma as adjusted basis reflects (a) the automatic conversion of all of our issued and outstanding preferred shares into ordinary shares upon the closing of this offering; (b) the net proceeds we will receive in this offering, and (c) the net proceeds we will receive from our issuance and sale of Class A ordinary shares to a group of third-party investors through concurrent private placements, in each of (b) and (c) above, assuming an initial offering price of US\$10.00 per ADS (equivalent to US\$3.33 per Class A ordinary share), the midpoint of the estimated initial public offering price range shown on the front cover page of this prospectus.

Non-GAAP Financial Measure

To supplement income (loss) from continuing operations presented in accordance with U.S. GAAP, we use adjusted net income (loss) as a non-GAAP financial measure. We define adjusted net income (loss) as income (loss) from continuing operations excluding share-based compensation expenses, change in fair value of warrants, amortization of intangible assets and impairment of intangible assets. We present this non-GAAP financial measure because it is used by our management to evaluate our operating performance, in addition to income (loss) from continuing operations prepared in accordance with U.S. GAAP. We also believe it is useful supplemental information for investors and analysts to assess our operating performance without the effect of

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non-cash share-based compensation expenses, change in fair value of warrants, amortization of intangible assets and impairment of intangible assets. Pursuant to U.S. GAAP, we recognized the change in fair value of the then outstanding series D warrants in the statement of operations for the periods presented. All outstanding warrants to purchase series D preferred shares were exercised in December 2010.

The use of adjusted net income (loss) has material limitations as an analytical tool. One of the limitations of using this non-GAAP financial measure is that it does not include share-based compensation expenses, which have been and will continue to be significant recurring factors in our business. In addition, although amortization is a non-cash charge, the assets being amortized often will have to be replaced in the future, and adjusted net income (loss) does not reflect any cash requirements for such replacements. Furthermore, because adjusted net income (loss) is not calculated in the same manner by all companies, it may not be comparable to other similar titled measures used by other companies. In light of the foregoing limitations, you should not consider adjusted net income (loss) as a substitute for or superior to income (loss) from continuing operations prepared in accordance with U.S. GAAP. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

The following table sets forth the calculation of our adjusted net income (loss), which is determined by adding back to our income (loss) from continuing operations presented in accordance with U.S. GAAP (i) share-based compensation expenses, (ii) change in fair value of warrants, (iii) amortization of intangible assets and (iv) impairment of intangible assets.

	2008	Year ended December 31, 2009 (in thousands of US\$)	2010
Income (loss) from continuing operations	\$ 51,892	\$ (68,267)	\$ (61,195)
Add back: share-based compensation expenses	1,232	2,256	2,798
Add back: change in fair value of warrants	(72,875)	68,184	74,364
Add back: amortization of intangible assets	412	608	673
Add back: impairment of intangible assets		211	739
Adjusted net income/(loss)	\$ (19,339)	\$ 2,992	\$ 17,379

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RISK FACTORS

An investment in our ADSs involves significant risks. You should consider carefully all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our ADSs. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our ADSs could decline, and you may lose all or part of your investment.

Risks Related to Our Business and Industry

If we fail to continuously anticipate user preferences and provide attractive services and applications on our platform, we may not be able to increase the size and level of engagement of our user base.

Our success depends on our ability to grow our user base and keep our users highly engaged on our platform, which we refer to as our SNS platform. In order to attract and retain users and compete against our direct competitors and other channels for communication, sharing and entertainment over the internet, we must continue to innovate and introduce services and applications that our users find enjoyable and cause them to return to our SNS platform more frequently and for longer durations. For example, we must continue to develop new functions and features on our SNS platform that appeal to users, develop or acquire licenses to popular online games, and offer social commerce deals that are attractive to our users. The popularity of social networking websites, online games, social commerce and other internet services is difficult to predict, and we cannot be certain that the services we offer will continue to be popular with our users or sufficiently successful to offset the costs incurred to offer these services. Given that we operate in the emerging and rapidly evolving social networking industry in China, we need to continuously anticipate user preferences and industry changes and respond to such changes in a timely and effective manner. If we fail to anticipate and meet the needs of our users, the size and engagement level of our user base may decrease. Furthermore, because of the viral nature of social networking, users may leave our website for competitor websites more quickly than in other online sectors, despite the fact that it would be time-consuming for them to restart the process of establishing connections with friends and post photos and other content on another website. A decrease in the number of our users would render our platform less attractive to advertisers and users and may decrease our advertising and IVAS revenues, which may have a material and adverse effect on our business, financial condition and results of operations.

In addition, we believe the new services we may pursue will depend upon our ability to maintain and increase the user base for our SNS platform, the level of user engagement on our platform and the stickiness of our platform. For example, over 60% of the users of our nuomi.com social commerce website are users of renren.com. Similarly, revenues from our online games depend on the continued success of our SNS platform, as many of our game players access our games from renren.com. If we are unable to maintain or increase the size and level of engagement of our user base for our SNS platform, the performance of our new services may be materially and adversely affected.

We face significant competition in almost every aspect of our business. If we fail to compete effectively, we may lose users to competitors, which could materially and adversely affect our ability to maintain and increase revenues from online advertising and IVAS.

We face significant competition in almost every aspect of our business, particularly from companies that provide social networking, internet communication, online games, search functions and/or other products and services, such as Tencent, Inc., kaixin001.com and SINA Corporation. We also compete for online advertising revenues with other websites that sell online advertising services in China. In addition, we indirectly compete for advertising budgets with traditional advertising media in China, such as television and radio stations, newspapers and magazines, and major out-of-home media. Some of our competitors may have longer operating histories and significantly greater financial, technical and marketing resources than we do, and in turn may have an advantage in attracting and retaining users and advertisers. In addition, some of our competitors have significantly larger

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user bases and more established brand names and may be able to effectively leverage their user bases and brand names to provide integrated internet communication, online games, social networking and other products and services, and increase their respective market shares.

We may also face potential competition from global social networking service providers that seek to enter the China market. We believe that PRC social networking websites, including us, are likely to have a competitive advantage over international competitors entering the China market, as these companies, so far, are likely to lack operational infrastructure in China and content localization experience, and the websites of some global social networking service providers, such as Facebook, are currently not accessible in the PRC. We cannot assure you, however, that this competitive advantage will continue to exist, particularly if international competitors such as Facebook form alliances with or acquire PRC domestic internet companies, or otherwise enter the China market.

Our social commerce services face intense competition from the rapidly growing number of social commerce service providers in China, including lashou.com, meituan.com and dianping.com. Leading international social commerce service providers, such as Groupon, Inc., are also expanding into the China market. In addition, some other leading Chinese internet companies have announced the launch of social commerce offerings. The social commerce industry in China has become extremely competitive, and some of our competitors are adopting aggressive measures to increase their market share. We may not be able to compete effectively to maintain or increase our market share.

If we are not able to effectively compete, our user base and level of user engagement may decrease, which could make us less attractive to advertisers and materially and adversely affect our ability to maintain and increase revenues from online advertising, and which may also reduce the number of paying users that purchase our IVAS. Similarly, we may be required to spend additional resources to further increase our brand recognition and promote our services in order to compete effectively, especially with respect to marketing of our social commerce and other new services to capture market share, which could adversely affect our profitability. Furthermore, if we are involved in disputes with any of our competitors that result in negative publicity regarding our services, such disputes, regardless of their veracity or outcome, may harm our brand image and in turn result in a decreased number of users. In addition, any legal proceedings or measures we take in response to such disputes may be expensive, time-consuming and disruptive to our operations and divert our management's attention.

If we do not successfully expand into new services for our platform, our future results of operations and growth prospects may be materially and adversely affected.

The core of our business has been providing a real name SNS platform and deriving advertising revenues from advertisements displayed on our platform. In recent years, in an effort to meet the expanding needs of our users while diversifying our revenue sources, we have leveraged our large and growing user base to launch new services which we believe have synergies with our SNS platform, such as online games, social commerce and our newly launched professional and business social networking service website. However, the social commerce business model is new and unproven and the online games industry may not grow at the same rate as in the past. Furthermore, expansions into new services may present operating and marketing challenges that are different from those that we currently encounter. For each new service we offer, we face competition from many large and established market participants, and in the case of social commerce service, from many other players who are investing significantly in this business. If we cannot successfully address the new challenges and compete effectively in our new services, we may not be able to develop a sufficiently large user base, recover costs incurred for developing and marketing new services, or achieve profitability from these services, and our future results of operations and growth prospects may be materially and adversely affected.

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Our social commerce services entail many aspects that are not a part of our other services and with which we have little or no experience.

Our social commerce services require us to engage in activities that have not been a substantial part of our other services, and with which we have little or no experience. For example, in order to arrange high quality social commerce deals for each day in each location covered by nuomi.com, we have introduced local sales teams, who work directly with local merchants or event organizers seeking to target users in a specific city or region, and we may not be able to effectively manage these local sales teams. If we fail to perform in these aspects of our social commerce services with which we have little or no experience, our social commerce services and its prospects may be materially and adversely affected.

We plan to invest significantly in the nationwide expansion of our social commerce services and we may not be successful in this new endeavor, which could adversely affect our results of operations and financial condition.

Since June 2010, we have provided social commerce services through nuomi.com. We plan to invest significantly in the nationwide expansion of our social commerce services. As a result of the short history of the social commerce industry in China, its potentially volatile growth, and the various measures being implemented by social commerce service providers attempting to establish themselves in the industry, our ability to successfully implement our nationwide expansion strategy is subject to various risks and uncertainties, including:

our ability to compete effectively with the increasing number of social commerce service providers;

the significant investments required to promote and improve our services to users;

the significant investments required to market and demonstrate the value of our social commerce services to merchants;

our ability to maintain our reputation and brand in the social commerce service industry; and

uncertainties regarding the evolution of the PRC laws and regulations applicable to the social commerce industry, including with respect to business tax obligations.

If we are unable to manage these risks and successfully implement our expansion plans, our future results of operations and financial condition may be adversely affected.

The business opportunities for SNS, online games, social commerce and other internet services in China are continuously evolving and may not grow as quickly as expected, in ways that are consistent with other markets, or at all.

Our business and prospects depend on the continuous development of emerging internet business models in China, including those for social networking, online games and social commerce. Our main internet services have distinct business models which may differ from models for these businesses in other markets, such as the United States, and that are in varying stages of development and monetization. We cannot assure you that the social networking, online games and social commerce industries in China will continue to grow as rapidly as they have in the past, in ways that are consistent with other markets, or at all. With the development of technology, new internet services may emerge which are not a part of our service offerings and which may render social networking services, online games or social commerce less attractive to users. The growth and development of the social networking, online games and social commerce industries is affected by numerous factors, such as the macroeconomic environment, regulatory changes, technological innovations, development of internet and internet-based services, users' general online experience, cultural influences and changes in tastes and preferences. If the social networking, online games and social commerce industries in China do not grow as quickly as expected or at all, or if we fail to benefit from such growth by successfully implementing our business strategies, our business and prospects may be adversely affected.

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If we fail to keep up with the technological developments and users' changing requirements, our business and prospects may be materially and adversely affected.

The social networking, online games and social commerce industries are subject to rapid and continuous changes in technology, user preferences, the nature of services offered and business models. Our success will depend on our ability to keep up with the changes in technology and user behavior resulting from technological developments. If we do not adapt our services to such changes in an effective and timely manner, we may suffer from decreased user traffic, which may result in a reduced number of advertisers for our online advertising services or a decrease in their advertising spending. Furthermore, changes in technologies may require substantial capital expenditures in product development as well as in modification of products, services or infrastructure. We may not successfully execute our business strategies due to a variety of reasons such as technical hurdles, misunderstanding or erroneous prediction of market demand or lack of necessary resources. Failure in keeping up with technological development may result in our platform being less attractive, which in turn, may materially and adversely affect our business and prospects.

We have experienced net losses in the past, and you should consider our prospects in light of the risks and uncertainties fast-growing companies in evolving industries with limited operating histories, such as ours, may be exposed to or encounter.

We had net income from continuing operations of US\$51.9 million, a net loss from continuing operations of US\$68.3 million and a net loss from continuing operations of US\$61.2 million in 2008, 2009 and 2010, respectively. Our net income and net losses from our continuing operations reflect the aggregate impact of non-cash items relating to the change in fair value of our then outstanding series D warrants, share-based compensation, amortization of intangible assets and impairment of intangible assets of US\$71.2 million in income in 2008, US\$71.3 million in expenses in 2009 and US\$78.6 million in expenses in 2010. All outstanding warrants to purchase series D preferred shares were exercised in December 2010. In addition to the aggregate impact of these non-cash items, our results of operations for the past three years were affected by costs and expenses required to build, operate and expand our SNS platform, grow our user base, promote our Renren brand, develop our own products and services, license third-party products and applications, and make strategic investments. We expect that we will continue to incur research and development, marketing and other costs to launch new services and grow our user and advertiser bases.

Our ability to achieve profitability is affected by various factors, some of which are beyond our control. For example, our revenues and profitability depend on the continuous development of the online advertising industry in China and advertisers' allocation of more of their budgets to SNS websites. We cannot assure you that online advertising will become more widely accepted in China or that advertisers will increase their spending on SNS websites. In addition, the success of our online games depends on our ability to internally develop or license from third parties games that are attractive to our user base. Furthermore, the success of our social commerce services depends on our ability to maintain and grow our user and merchant base while earning commissions from merchants that offer attractive discounts to the users of our nuomi.com website, and as competition in China's social commerce intensifies, we may choose to invest heavily in our nuomi.com services to gain market share, which may result in substantial losses for us. We may continue to incur net losses in the future and you should consider our future prospects in light of the risks and uncertainties experienced by early stage companies in evolving industries such as the SN