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

FORM 20-F

(Mark One)

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

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

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

Date of event requiring this shell company report _____
Commission file number: 001-36222

Autohome Inc.

(Exact name of registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Persons)

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

Title of Each Class
Class A ordinary shares, par value US\$0.01 per share*

Name of Each Exchange on Which Registered
The New York Stock Exchange

* Not for trading, but only in connection with the listing on The New York Stock Exchange of the American depositary shares ("ADSs"). Currently, one

ADS represents one Class A ordinary share.

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

None
(Title of Class)

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

None
(Title of Class)

Indicate the number of outstanding shares of each of the Issuer's classes of capital or common stock as of the close of the period covered by the annual report. **51,230,242 Class A ordinary shares, par value US\$0.01 per share, and 61,824,328 Class B ordinary shares, par value US\$0.01 per share, were outstanding as of December 31, 2015.**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer

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

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the Registrant has elected to follow: Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

TABLE OF CONTENTS

INTRODUCTION	1
FORWARD-LOOKING STATEMENTS	1
PART I	2
ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS	2
ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE	2
ITEM 3. KEY INFORMATION	3
ITEM 4. INFORMATION ON THE COMPANY	37
ITEM 4A. UNRESOLVED STAFF COMMENTS	61
ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS	61
ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES	79
ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS	90
ITEM 8. FINANCIAL INFORMATION	95
ITEM 9. THE OFFER AND LISTING	96
ITEM 10. ADDITIONAL INFORMATION	96
ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	108
ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES	109
PART II	111
ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES	111
ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS	111
ITEM 15. CONTROLS AND PROCEDURES	112
ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT	113
ITEM 16B. CODE OF ETHICS	113
ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES	113
ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES	114
ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS	114
ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT	114
ITEM 16G. CORPORATE GOVERNANCE	114
ITEM 16H. MINE SAFETY DISCLOSURE	114
PART III	114
ITEM 17. FINANCIAL STATEMENTS	114
ITEM 18. FINANCIAL STATEMENTS	114
ITEM 19. EXHIBITS	115

INTRODUCTION

Unless otherwise indicated and except where the context otherwise requires, references in this annual report on Form 20-F to:

- “ADSs” are to our American depositary shares, each of which represents one Class A ordinary share;
- “CAGR” refers to compound annual growth rate;
- “China” or the “PRC” are to the People’s Republic of China, excluding, for the purpose of this annual report only, Hong Kong, Macau and Taiwan;
- “shares” or “ordinary shares” are our ordinary shares, par value US\$0.01 per share, before our initial public offering, or IPO, and our Class A and Class B ordinary shares, par value US\$0.01 per share, after our initial public offering;
- “RMB” and “Renminbi” are to the legal currency of China;
- “we,” “us,” “our,” “our company” and “the Company” are to Autohome Inc., its predecessors, subsidiaries and variable interest entities, or VIEs;
- “U.S. GAAP” refers to generally accepted accounting principles in the United States; and
- “\$,” “dollars,” “US\$” or “U.S. dollars” refers to the legal currency of the United States.

FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements that reflect our current expectations and views of future events. The forward-looking statements are contained principally in the sections entitled “Item 3. Key Information—D. Risk Factors,” “Item 4. Information on the Company—B. Business Overview” and “Item 5. Operating and Financial Review and Prospects.” These forward looking statements are made under the “safe-harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. Known and unknown risks, uncertainties and other factors, including those listed under “Item 3. Key Information—D. Risk Factors,” may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify some of these forward-looking statements by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “is/are likely to,” “potential,” “continue” or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include statements relating to:

- our ability to attract and retain users and customers;
- our business strategies and initiatives as well as our new business plans;
- our future business development, financial condition and results of operations;
- our ability to further enhance our brand recognition;
- our ability to attract, retain and motivate key personnel;
- competition in our industry in China; and
- relevant government policies and regulations relating to our industry.

[Table of Contents](#)

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Other sections of this annual report include additional factors that could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, 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 read thoroughly this annual report and the documents that we refer to with the understanding that our actual future results may be materially different from, or worse than, what we expect. We qualify all of our forward-looking statements by these cautionary statements.

This annual report contains certain data and information that we obtained from various government and private publications. Statistical data in these publications also include projections based on a number of assumptions. The online automotive advertising industry may not grow at the rate projected by market data, or at all. The failure of this market to grow at the projected rate may have a material adverse effect on our business and the market price of our ADSs. In addition, the rapidly changing nature of the online automotive advertising industry and the online automobile transaction industry results in significant uncertainties for any projections or estimates relating to the growth prospects or future condition of our market. Furthermore, if any one or more of the assumptions underlying the market data are later found to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

The forward-looking statements made in this annual report relate only to events or information as of the date on which the statements are made in this annual report. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this annual report and the documents that we refer to in this annual report and exhibits to this annual report completely and with the understanding that our actual future results may be materially different from what we expect.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION
A. Selected Financial Data

The following tables present the selected consolidated financial information for our company. Our selected consolidated statement of comprehensive income data presented below for the years ended December 31, 2013, 2014 and 2015 and our selected consolidated balance sheet data as of December 31, 2014 and 2015 have been derived from our consolidated financial statements, which are included in this annual report beginning on page F-1. Our selected consolidated balance sheet data as of December 31, 2011, 2012 and 2013 and the selected consolidated statement of comprehensive income data for 2011 and 2012 presented below have been derived from our consolidated financial statements not included in this annual report. Our historical results for any period are not necessarily indicative of results to be expected for any future period. You should read the following selected financial data in conjunction with the consolidated financial statements and related notes and the information under “Item 5. Operating and Financial Review and Prospects” in this annual report. Our audited consolidated financial statements are prepared and presented in accordance with U.S. GAAP.

	For the Year Ended December 31,					US\$
	(in thousands, except for number of shares and per share data)					
	2011	2012	2013	2014	2015	
	RMB	RMB	RMB	RMB	RMB	
Selected Consolidated Statement of Comprehensive Income Data:						
Net revenues						
Advertising services	379,666	592,622	894,937	1,499,516	2,400,023	370,500
Dealer subscription services	53,523	139,898	321,611	633,433	1,063,952	164,246
Total net revenues	433,189	732,520	1,216,548	2,132,949	3,463,975	534,746
Cost of revenues	(130,565)	(178,240)	(252,236)	(381,498)	(669,121)	(103,294)
Gross profit	302,624	554,280	964,312	1,751,451	2,794,854	431,452
Operating expenses						
Sales and marketing expenses	(67,500)	(129,796)	(245,228)	(559,070)	(1,127,484)	(174,054)
General and administrative expenses	(46,547)	(83,153)	(82,529)	(129,751)	(193,655)	(29,895)
Product development expenses	(16,459)	(42,865)	(81,651)	(158,395)	(273,908)	(42,284)
Operating profit	172,118	298,466	554,904	904,235	1,199,807	185,219
Interest income	1,167	5,093	11,082	34,682	63,218	9,759
Interest expense	—	—	(414)	—	—	—
Earnings from equity method investments	—	—	—	—	102	16
Other income, net	509	310	2,884	2,544	13,064	2,017
Income from continuing operations before income taxes	173,794	303,869	568,456	941,461	1,276,191	197,011
Income tax expense	(38,348)	(90,988)	(112,294)	(192,781)	(285,542)	(44,080)
Income from continuing operations	135,446	212,881	456,162	748,680	990,649	152,931
Loss from discontinued operations	(4,182)	—	—	—	—	—
Net income	131,264	212,881	456,162	748,680	990,649	152,931
Other comprehensive income, net of tax of nil						
Foreign currency translation adjustments	—	583	1,403	3,946	56,821	8,772
Comprehensive income	131,264	213,464	457,565	752,626	1,047,470	161,703
Earnings per share for ordinary shares – Basic						
Net income from continuing operations	1.35	2.13	4.57	7.01	8.83	1.36
Loss from discontinued operations	(0.04)	—	—	—	—	—
Net income	1.31	2.13	4.57	7.01	8.83	1.36

[Table of Contents](#)

	For the Year Ended December 31,					
	(in thousands, except for number of shares and per share data)					
	2011	2012	2013	2014	2015	
RMB	RMB	RMB	RMB	RMB	US\$	
Earnings per share for ordinary shares – Diluted						
Net income from continuing operations	1.35	2.12	4.37	6.64	8.57	1.32
Loss from discontinued operations	(0.04)	—	—	—	—	—
Net income	1.31	2.12	4.37	6.64	8.57	1.32
Weighted average number of shares used to compute earnings per share⁽¹⁾						
Ordinary shares:						
Basic	100,000,000	100,000,000	—	—	—	—
Diluted	100,189,928	100,650,652	—	—	—	—
Class A and Class B ordinary shares ⁽²⁾ :						
Basic	—	—	99,898,154	106,735,303	112,227,405	112,227,405
Diluted	—	—	104,329,226	112,831,585	115,646,826	115,646,826
Dividend per share ⁽³⁾	—	—	—	—	—	—

- Earnings per share for ordinary shares (Diluted) for each year from 2011 to 2015 were computed after taking into account the dilutive effect of the shares underlying our employees' share-based awards.
- As holders of Class A and Class B ordinary shares have the same dividend right in our undistributed earnings, the basic and diluted net income per Class A ordinary share and Class B ordinary share are the same for all the periods presented during which there were two classes of ordinary shares. The weighted average number of shares represents the sum of the weighted average number of Class A and Class B ordinary shares. Please see "Earnings per Share" under Note 17 to our audited consolidated financial statements included in this annual report for additional information regarding the computation of the per share amounts and the weighted average numbers of Class A and Class B ordinary shares.
- Dividends distributed to our shareholders in the fiscal years ended 2012 and 2013 were one-time distributions due to special circumstances. See "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Policy."

	As of December 31,					
	2011	2012	2013	2014	2015	
	RMB	RMB	RMB	RMB	RMB	US\$
Selected Consolidated Balance Sheet Data:						
Cash and cash equivalents, restricted cash and term deposits	213,705	420,576	1,383,613	2,772,191	4,169,053	643,591
Accounts receivable, net	203,102	326,071	465,712	736,695	1,075,456	166,022
Total current assets	451,823	786,192	1,899,265	3,640,766	5,742,475	886,486
Total assets	2,043,005	2,379,673	3,512,950	5,278,515	7,530,076	1,162,445
Deferred revenue	41,461	94,392	213,240	438,797	872,487	134,689
Total current liabilities	203,805	336,292	789,818	1,080,657	2,156,534	332,913
Total liabilities	682,726	821,698	1,300,586	1,613,092	2,679,040	413,574
Total shareholders' equity	1,360,279	1,557,975	2,212,364	3,665,423	4,851,036	748,871

Exchange Rate Information

Substantially all of our operations are conducted in China and substantially all of our revenues are denominated in RMB. This annual report contains translations of RMB amounts into U.S. dollars at specific rates solely for the convenience of the reader. Unless otherwise noted, all translations from RMB to U.S. dollars and from U.S. dollars to RMB in this annual report were made at a rate of RMB6.4778 to US\$1.00, the 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 on December 31, 2015. We make no representation that any RMB or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or RMB, as the case may be, at any particular rate, at the rates stated below, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of RMB into foreign exchange and through restrictions on foreign trade. On February 29, 2016, the noon buying rate was RMB6.5525 to US\$1.00.

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

Period	Noon Buying Rate			
	Period End	Average (1)	Low	High
		(RMB per US\$1.00)		
2011	6.2939	6.4475	6.6364	6.2939
2012	6.2301	6.2990	6.3879	6.2221
2013	6.0537	6.1412	6.2438	6.0537
2014	6.2046	6.1704	6.2591	6.0402
2015	6.4778	6.2869	6.4896	6.1870
September	6.3556	6.3676	6.3836	6.3544
October	6.3180	6.3505	6.3591	6.3180
November	6.3883	6.3640	6.3945	6.3180
December	6.4778	6.4491	6.4896	6.3883
2016				
January	6.5752	6.5726	6.5932	6.5219
February	6.5525	6.5501	6.5795	6.5154

Source: Federal Reserve Statistical Release

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

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

An investment in our capital stock involves a high degree of risk. You should carefully consider the risks described below, together with all of the other information included in this annual report, before making an investment decision. If any of the following risks actually occurs, our business, financial condition or results of operations could suffer. In that case, the trading price of our capital stock could decline, and you may lose all or part of your investment.

Risks Related to Our Business and Industry

We rely on China's automotive industry for substantially all of our revenues and future growth, the prospects of which are subject to many uncertainties, including government regulations and policies.

We rely on China's automotive industry for substantially all of our revenues and future growth. We have greatly benefited from the growth of China's automotive industry during the past few years. However, China's automotive industry is still at an early stage of development and are subject to many uncertainties. We cannot predict how this industry will develop in the future. Further, the growth of China's automotive industry could be affected by many factors, including general economic conditions in China, the urbanization rate of China's population, the growth of disposable household income, the cost of new automobiles as well as tax and incentives related to automobile purchases. In addition, governmental policies may have a considerable impact on the growth of the automotive industry in China. For example, in an effort to alleviate traffic congestion and improve air quality, the Beijing municipal government issued a regulation in December 2010 to limit the number of new passenger vehicle plates issued in Beijing each year to 240,000 commencing in 2011, and the limitation was subsequently further reduced to 150,000 starting from 2014. There are similar policies that restrict the issuance of new passenger vehicle plates in several other cities, Shanghai, Guangzhou, Tianjin, Guiyang, Shijiazhuang, Hangzhou and Shenzhen. Other cities such as Chengdu, Chongqing and Wuhan may take measures to limit the number of purchases of automobiles. In September 2013, the PRC government released a plan for the prevention and remediation of air pollution, which requires large cities such as Beijing, Shanghai and Guangzhou to further restrict the ownership of motor vehicles. In October 2013, the Beijing municipal government issued an additional regulation to limit the total number of vehicles in Beijing to no more than six million by the end of 2017, compared to approximately 5.2 million vehicles in operation by the end of 2013. In 2015, the PRC government released high automobile emission standards and new tax benefits for electric cars. Since late 2014, the PRC government has released a series of incentive policies for new energy-efficient vehicles. Beginning from late 2011, the National Development and Reform Commission, one of China's antitrust regulatory authorities, initiated a series of investigations into the pricing practices of foreign automobile companies in China in connection with allegations of the lack of fair competition. These investigations may lead to price reductions due to enhanced competition. Such regulatory developments, as well as other uncertainties, may adversely affect the growth prospects of China's automotive industry, and in turn reduce demand for automobiles. If automakers and automobile dealers were to reduce their marketing expenditures as a result, our business, financial condition and results of operations could be materially and adversely affected.

We face significant competition, and if we fail to compete effectively, we may lose market share and our business, prospects and results of operations may be materially and adversely affected.

The markets for our services are highly competitive. With respect to our advertising services, we face competition from China's automotive websites, such as *xcar.com.cn*, *pcauto.com.cn* and *bitauto.com*, from the automotive channels of major internet portals, such as Sina and Sohu, and from social media and online video websites. We may also face competition from other websites engaged in the online automobile transaction business, such as *bitauto.com* and *tmall.com*, as we develop our transaction platform. In addition, we also face competition from other used-automobile websites, such as *51auto.com*, *taoche.com*, *youxinpai.com*, *guazi.com* and *renrenche.com*. Competition with these and other websites is primarily centered on increasing user reach, user engagement and brand recognition, relationships with the suppliers, and attracting and retaining advertisers or customers, among other factors.

Some of our competitors or potential competitors have longer operating histories and may have greater financial, management, technological, development, sales, marketing and other resources than we do. They may use their experience and resources to compete with us in a variety of ways, including by competing more heavily for users, advertisers and dealers, investing more heavily in research and development and making acquisitions. Some of our competitors have entered or may enter into business cooperation agreements with search engines, which may impact our ability to obtain additional user traffic from the same sources. Our competitors may be acquired and consolidated by, or cooperate with, industry conglomerates who are able to further invest with significant resources into our operating space. We cannot assure you that any such large internet business will not in the future focus on the automotive sector. If we are unable to compete effectively and at a reasonable cost against our existing and future competitors, our business, prospects and results of operations could be materially and adversely affected.

For our advertising business and dealer subscription business, we also face competition from traditional advertising media, such as newspapers, magazines, yellow pages, television, radio and outdoor media. Advertisers in China generally allocate a significant portion of their marketing budgets to traditional advertising media. If we cannot effectively compete with traditional media for the marketing budgets of our existing and potential customers, our results of operations and growth prospects could be adversely affected. For our transaction business, as online automobile transaction is a relatively new business model and consumers in China might be accustomed to make automobile purchases with traditional dealerships, we cannot guarantee that the automobile consumers in China will accept such business model. If we cannot earn consumer recognition and trust in our transaction business, our results of operations and growth prospects could be adversely affected.

If we fail to attract and retain users and advertisers, our business and results of operations may be materially and adversely affected.

In order to maintain and strengthen our position as the leading online destination for automobile consumers in China, we must continue to attract and retain users to our websites, which requires us to continue to provide quality content throughout the automobile-ownership cycle. We must also innovate and introduce services and applications that enhance user experience. In addition, we must maintain and enhance our brand recognition among consumers. If we fail to provide high-quality content, offer a superior user experience or maintain and enhance our brand recognition, we may not be able to attract and retain users. If our user base decreases, our websites may be rendered less attractive to advertisers and our advertising services and dealer subscription services revenues may decline, which may have a material and adverse impact on our business, financial condition and results of operations.

We may not be able to successfully monetize and expand our mobile internet services.

We plan to continue to expand our mobile internet services and explore monetization strategies for our mobile internet services. We have made significant efforts in recent years to optimize the mobile version of our websites to display our content and develop new mobile applications to capture a greater number of users that access our services through mobile devices. For example, the number of our average daily unique users who access our websites via mobile devices and the number of our average daily unique users of our mobile applications amounted to approximately 7.7 million and 6.1 million, respectively, in December 2015. However, if we are unable to attract and retain a substantial number of mobile device users, or if we do not keep up with our competitors in developing attractive services that are adapted for such mobile devices, we may fail to capture a significant share of an increasingly important portion of the mobile internet market for our services or lose existing users.

Furthermore, we are still in the midst of experimenting with early monetization strategies for our mobile internet services. Advertisers currently spend less on advertising on mobile devices as compared to advertising on PCs, and may not increase their advertising spending on mobile devices in the future. If our users continue to allocate more time on our mobile services instead of our traditional PC services, mobile monetization may become increasingly important to our results of operations. Accordingly, if we are unable to successfully implement monetization strategies for our mobile internet users, our results of operations may be negatively affected.

A limited number of automaker advertisers have accounted for, and are expected to continue to account for, a significant portion of our revenues. The failure to maintain or to increase revenues from these advertisers could harm our prospects.

A limited number of automaker advertisers have accounted for, and are expected to continue to account for, a significant portion of our revenues. Our top five advertisers, all of whom were automakers, contributed 15.0%, 9.8% and 11.1% of our net revenues in 2013, 2014 and 2015, respectively. In each of 2013, 2014 and 2015, 75, 85 and 87 automakers operating in China used our advertising services. These automakers include independent Chinese automakers, joint ventures between Chinese and international automakers and international automakers that sell cars made outside of China. We believe that our major future revenue growth will be focused on deepening our existing commercial relationships with automakers to increase our share of each automaker's advertising budget. If we fail to do so, our growth prospects could be harmed.

Due to the limited number of automakers operating in China and our revenue concentration attributable to a small number of these companies, any of the following events, among others, may cause a material decline in our revenue and materially and adversely affect our results of operations and prospects:

- contract reduction, delay or cancellation by one or more significant advertisers and our failure to identify and acquire additional or replacement advertisers;
- a substantial reduction by one or more of our significant advertisers in the price they are willing to pay for our services; and
- financial difficulty of one or more of our significant advertisers who become unable to make timely payment for the advertisements placed on our websites.

[Table of Contents](#)

We may not be able to successfully monetize and expand our dealer network.

We had local sales and service representatives covering 202 cities across China as of December 31, 2015. We intend to increase our penetration in existing dealer advertising and subscription services markets and expand into new geographic markets. China is a large and diverse country and business practices and demands may vary significantly by region and by the level of development of the cities. Our experience in the markets in which we currently operate may not be applicable in other parts of China or in the lower tier cities in China. We may not be able to leverage our experience to expand into new geographic markets or in the lower tier cities in China. As a result, our monetization and expansion strategies, including our “share of wallet” approach, sales and marketing efforts designed to attract dealer advertisers and maximize the conversion of registered dealers using our free basic listing service into dealer subscribers, may be unsuccessful. Furthermore, expanding into new geographical markets or lower tier cities will require us to hire additional employees to cover these markets. We will incur additional compensation and benefit costs, office rental expenses and other costs, as well as additional strain on our managerial resources. In addition, we intend to further monetize our existing dealer network by converting dealers that currently use our free listing service into dealer subscribers, increasing the average spending of our existing dealer subscribers and upselling our premium packages with higher rates for our dealer subscription services. If we are unable to successfully monetize and expand our dealer network and to generate sufficient revenues to cover our increased costs and expenses, our business and results of operations may be materially and adversely affected.

Our business depends on strong brand recognition, and failing to maintain or enhance our brands could adversely affect our business and prospects.

Maintaining and enhancing our “Autohome” and “Che168” brands is critical to our business and prospects. We believe that brand recognition will become increasingly important as the number of internet users in China grows and competition in our industry intensifies. A number of factors could prevent us from successfully promoting our brands, including user dissatisfaction with the content offered on our websites, negative publicity involving our business and the failure of our sales and marketing activities. If we fail to maintain and enhance our brands, or if we incur excessive expenses in this effort, our business, results of operations and financial condition will be materially and adversely affected.

If we are unable to conduct our marketing activities cost-effectively, our results of operations and financial condition may be materially and adversely affected.

We have incurred expenses on a variety of different marketing and brand promotion efforts designed to enhance our brand recognition and increase sales of our products and services. Our marketing and promotional activities may not be well received by customers and may not result in the levels of sales of products and services that we anticipate. We incurred RMB245.2 million, RMB559.1 million and RMB1,127.5 million (US\$174.1 million) in sales and marketing expenses in 2013, 2014 and 2015, respectively, representing 20.2%, 26.2% and 32.6%, respectively, of total net revenues in the corresponding years. Marketing approaches and tools in the consumer products market in China are evolving. This further requires us to enhance our marketing approaches and experiment with new marketing methods to keep pace with industry developments and consumer preferences, which may not be as cost-effective as our marketing activities in the past and may lead to significantly higher marketing expenses in the future. We conducted various sales and marketing initiatives to promote our brands through search engines, mobile platforms and navigation sites, a 10-year anniversary campaign, “Singles’ Day” event and various offline promotional activities such as the “Group Buy” initiative. For example, we have entered into an arrangement with Baidu for a 12-month period that started from July 1, 2014, for enhanced automotive-related content search results on PCs powered by “Aladdin,” Baidu’s open platform initiative, and we continued our cooperation with Baidu as an exclusive supplier for automotive-related content on PCs powered by “Aladdin” for a six-month period that started from August 25, 2015. We also cooperate with brands and dealers for promotions in target regions. We may not be able to continue or conduct these activities efficiently, and our marketing activities may not yield satisfactory results. Failure to refine our existing marketing approaches or to introduce new effective marketing approaches in a cost-effective manner could impact our net revenues and profitability.

Inaccuracy in pricing and listing information provided by our dealer customers may adversely affect our business and financial performance.

Our automobile listings and promotional information are provided and continuously updated by our dealer customers. Users interested in particular vehicle models can conveniently search for up-to-date information on such models without having to visit the local showrooms of relevant dealers. If such listings and promotional information provided by our dealer customers are frequently inaccurate or not reliable, our users may lose faith in our websites, resulting in reduced user traffic to our websites and diminished value to advertisers. We may receive more customer complaints, and we may need to allocate more resources in responding and handling such complaints. We cannot guarantee that such complaints will be resolved in satisfactory. Our reputation could be harmed, which could adversely affect our business and financial performance.

We may not be able to manage our expansion and new business initiatives effectively.

We have experienced rapid growth in our business in recent years. The number of our employees has grown rapidly from 1,191 as of December 31, 2013 to 1,771 as of December 31, 2014 and 3,292 as of December 31, 2015. Our net revenues increased from RMB1,216.5 million in 2013 to 2,132.9 million in 2014 and RMB3,464.0 million (US\$534.7 million) in 2015, representing a CAGR of 68.7%. We expect to continue to grow our user base and our business operations.

Our rapid expansion and new business initiatives may expose us to new challenges and risks. To manage the further expansion of our business, we need to continuously expand and enhance our infrastructure and technology, and improve our operational and financial systems, procedures and internal controls. We also need to train, manage and motivate our growing employee base. In addition, we need to maintain and expand our relationships with automaker and dealer advertisers, advertising agencies and other third parties. We cannot assure you that our current and planned personnel, infrastructure, systems, procedures and controls will be adequate to support our expanding operations. We may be required to increase our sales and marketing expenses in order to support any such expansion and our efforts may not be effective. If we fail to manage our expansion and new business initiatives effectively or efficiently, our business and results of operations may be materially and adversely affected.

If we are unable to maintain our relationships with advertising agencies or if we are unable to collect accounts receivable from advertising agencies in a timely manner, our results of operations and prospects may be materially and adversely affected.

Although we consider automakers and automobile dealers to be our end-customers for our advertising business and dealer subscription business, we sell our advertising services and solutions primarily to third-party advertising agencies that represent the automakers and automobile dealers, as is customary in China. Our top ten advertising agencies accounted for 44.0%, 38.7% and 39.2% of our total net revenues in 2013, 2014 and 2015, respectively. In 2013, 2014 and 2015, our largest agency accounted for 6.7%, 5.9% and 6.9% of our total net revenues, respectively. We do not have long-term cooperation agreements or exclusive arrangements with these agencies and they may elect to direct business to other advertising service providers, including our competitors. If we fail to retain and enhance our business relationships with third-party advertising agencies, we may suffer from a loss of advertisers and our business, financial condition, results of operations and prospects may be materially and adversely affected. In our agreements with certain major advertising agencies, we undertake to provide them with most favored pricing terms. Such most favored pricing terms may hinder our ability to acquire new customers using special pricing terms.

In addition, we rely on third-party advertising agencies for the collection of payment from our advertisers. As a result, the financial soundness of our advertising agencies may affect our collection of accounts receivables. We make a credit assessment of the advertising agency to evaluate the collectability of the advertising service fees before entering into an advertising contract. However, we cannot assure you that we will be able to accurately assess the creditworthiness of each advertising agency, and any failure of advertising agencies to pay us in a timely manner may adversely affect our liquidity and cash flows.

[Table of Contents](#)

If online advertising does not continue to grow in China, our ability to increase revenue and profitability could be materially and adversely affected.

The use of the internet as a marketing medium in China has been growing recently but remains in an early stage as compared to the developed markets. The expansion of China's internet population may be limited by a number of factors, including limitations on network infrastructure and social and political uncertainties, among others.

Many of our current and potential advertisers and dealer subscribers have limited experience with the internet as a marketing medium, and they have not devoted a significant portion of their marketing budgets to online marketing and promotion until recently. As a result, they may not consider the internet as the most effective medium to promote or sell automobiles as compared to traditional print and broadcast media. Our ability to increase revenue and profitability from online marketing may be adversely impacted by a number of factors, many of which are beyond our control, including:

- difficulties associated with developing a larger user base with demographic characteristics attractive to advertisers;
- increased competition and potential downward pressure on online advertising prices;
- difficulties in acquiring and retaining advertisers or dealer subscribers;
- failure to develop an independent and reliable means of verifying online traffic; and
- decreased use of the internet or online marketing in China.

If the internet does not become more widely accepted as an effective media platform for advertising and marketing by China's automotive industry, our business, financial condition and results of operations could be materially and adversely affected.

If we are unable to grow our transaction business, we may not be able to achieve our expected business growth and our results of operations may be adversely affected.

We started to develop our transaction business in 2014 and has expanded to include direct vehicle sales and commission-based services facilitating transactions through our transaction platform. In June 2014, we launched Autohome Mall, an online transaction platform that we believe will allow us to be a transaction facilitator as we develop our transaction business. The success of our transaction business depends, in part, on third parties and factors over which we have limited control. We may incur more investment on inventory. We will need to react quickly to meet the changing consumer preferences and buying trends relating to our transaction business. We will also face competition from other websites engaged in the online automobile transaction business as well as from traditional dealerships. In addition, we also rely on our dealership partners to perform order fulfillments for vehicles sold on our platform. We may not be able to cooperate with dealership partners on commercially reasonable terms, or at all. We may not have full control over the order fulfillment procedures, and any dissatisfaction from the consumers might harm our reputation.

Furthermore, we must keep up to date with competitive technology trends, including the use of new or improved technology, creative user interfaces and other transaction marketing tools, such as paid search and mobile applications among others, which may increase our costs and which may not succeed in increasing sales or attracting consumers. Developing the transaction business may require significant investment in product development, sales and marketing and working capital, and we may not be able to get the expected return on our investment. As online automobile transaction is a relatively new business model, we cannot guarantee that the automobile consumers in China will accept such business model. Due to the limited operating history of our transaction business, we cannot predict that whether the consumers will trust our platform or view us as an option for purchasing automobile. Finally, developing the transaction business may take up our management's time and allow them less time to focus on our existing core business. Our transaction business is substantially dependent on the new vehicle sales level in China, which is sensitive to changing economic conditions. Our failure to successfully mitigate these risks and uncertainties might adversely affect the sales or margins in our transaction business, as well as damage our reputation and brand.

Our ability to meet the consumers' demand for vehicles depend in part on our ability to maintain a reasonable level of inventory.

We must maintain a reasonable level of inventory of new vehicles in terms of their quantity and selection to satisfy the consumers' needs in a timely manner. Our inventories was RMB111.7 million (US\$17.2 million) as of December 31, 2015 as we expanded our transaction business. As we plan to continue expanding our transaction business, we expect to include more vehicles in our inventory, which will make it more challenging for us to manage our inventory effectively and will put more pressure on our inventory system. If we fail to manage our inventory effectively, we may be subject to a heightened risk of inventory obsolescence, a decline in inventory values, and significant inventory write-downs or write-offs. We may misjudge customer demand and result in unexpected inventory build-up or possible inventory write-downs. In addition, we may be required to lower sale prices in order to reduce inventory level, which may lead to lower or even negative gross margins. High inventory levels may also require us to commit substantial capital resources, preventing us from using that capital for other important purposes. If our inventory is too low, our ability to satisfy the consumers' needs may be compromised, which may harm our reputation and result in lost revenues. Any of the above may materially and adversely affect our results of operations and financial condition.

If we fail to manage and maintain our relationships with automakers, our ability to obtain a desirable mix of popular vehicles for our transaction platform will be adversely affected. If we are unable to offer vehicles that attract new consumers and new purchases from existing consumers on our transaction platform, our business, financial condition and results of operations may be materially and adversely affected.

Our future growth depends on our ability to continue to attract new consumers as well as new purchases from existing consumers. Constantly changing consumer preferences have affected and will continue to affect the online automobile retail industry. We must stay abreast of emerging consumer preferences and anticipate product trends that will appeal to existing and potential consumers. Our new automobile sales are influenced by the automakers' abilities to anticipate changes in consumer tastes, preferences and requirements, including those driven by environmental or popular trends, and to manufacture and deliver to us in sufficient quantities and on a timely basis, a desirable, high quality and price-competitive mix of new vehicles to sell to our consumers. The most popular vehicles usually generate the highest profit margins and are frequently difficult to obtain from the automakers. If we cannot obtain sufficient quantities of the most popular models, our profitability may be adversely affected. Sales of less desirable models may reduce our profit margins.

We source vehicles from automakers for our online transaction platforms. Maintaining strong relationships with these automakers is important to the growth of our business. We cannot assure you that our current automaker suppliers will continue to sell vehicles to us on commercially acceptable terms, or at all. Even if we maintain good relations with the automakers, their ability to supply products to us in sufficient quantity and at competitive prices may be adversely affected by economic conditions, labor actions, regulatory or legal decisions, natural disasters or other causes. Furthermore, some automakers may limit the number of vehicle sales maintained by a certain platform or dealership. Automakers may also prefer to offer vehicles to their franchise dealerships instead of us. Some automakers may not approve our applications as a sales partner for its certain vehicles or may require certain purchase commitments from us, which could materially compromise our growth strategies and business prospects. Any adverse developments in our relationships with suppliers could materially and adversely affect our business and growth prospects. In addition, as part of our growth strategy, we plan to further expand our product offerings. If we fail to attract new suppliers to sell their vehicles to us or on our platform due to any reason, our business and growth prospects may be materially and adversely affected.

If we are unable to grow our used automobile-related business through our repositioned che168.com website, we may not be able to achieve our expected business growth and our results of operations may be adversely affected.

Historically, we have delivered content related to new and used automobiles through both *autohome.com.cn* and *che168.com* websites whose user bases overlap to some extent. We redesigned our *che168.com* website in October 2011 to focus on used automobile information and content. Through this website, we offer used automobile listing services to dealers and individual car owners through a user interface that allows potential used car buyers to identify listings that meet their specific requirements and contact the dealer or individual selling the selected car. In 2015, we started to trial used car transaction business in selected cities in China and completed and facilitated used car transaction between sellers and buyers.

[Table of Contents](#)

We may not be able to successfully grow our used automobile-related business through our repositioned *che168.com* website and our used car transaction platforms. Although the used automobile market in China is growing due to the increased number of consumer-owned automobiles, there is still significant uncertainty regarding the extent to which our used automobile- business may benefit from such growth. We may not be able to attract a broad user base to our *che168.com* website. Even if we are able to grow our user base, we may not be able to establish a business model that allows us to successfully monetize the user traffic. We may not be able to successfully facilitate used car transactions and our services might not be satisfactory to the used car buyers or sellers. In such cases, we may not be able to achieve our expected business growth and our results of operations may be adversely affected.

Our business is subject to fluctuations, which makes our results of operations difficult to predict and may cause our quarterly results of operations to fall short of expectations.

Our quarterly revenues and other operating results have fluctuated in the past and may continue to fluctuate depending upon a number of factors, many of which are beyond our control. For these reasons, comparing our operating results on a period-to-period basis may not be meaningful, and you should not rely on our historical results as an indication of our future performance. For instance, our advertising services revenues typically increase in the second quarter as automakers increase marketing activities in connection with China's major auto shows, and in the fourth quarter as advertisers seek to complete year-end marketing campaigns. Demand for our advertising services is generally lowest in the first quarter of each year, primarily due to a general slowdown in business activities and a reduced number of working days during the Chinese New Year holiday period. Our transaction business has not experienced similar trends due to its limited operating history and rapid growth but seasonality may increase in the future.

In addition, because a significant portion of our advertising services revenues is attributable to new model promotion campaigns, the timing of new car releases of our major automaker advertisers can have a significant impact on our results of operations. The timing of such releases, however, is subject to uncertainty due to various factors, such as automakers' design or manufacturing issues, marketing conditions and government incentives or restrictions. These factors may make our results of operations difficult to predict and cause our quarterly results of operations to fall short of expectations.

Problems with our network infrastructure or information technology systems could impair our ability to provide services.

Our ability to provide our users with a high quality online experience depends on the continuing operation and scalability of our network infrastructure and information technology systems. Our systems are potentially vulnerable to damage or interruption as a result of earthquakes, floods, fires, extreme temperatures, power loss, telecommunications failures, technical error, computer viruses, hacking or similar events. We may encounter problems when upgrading our systems or services and undetected programming errors could adversely affect the performance of the software we use to provide our services. The development and implementation of software upgrades and other improvements to our internet services is a complex process, and issues not identified during pre-launch testing of new services may only become evident when such services are made available to our entire user base.

In addition, we rely on content delivery networks, data centers and other network facilities provided by third parties. Any disruption to these network facilities may result in service interruptions, decreases in connection speed, degradation of our services or the permanent loss of user data and uploaded content. If we experience frequent or persistent service disruptions, whether caused by failures of our own systems or those of third-party service providers, our reputation or relationships with our users or advertisers may be damaged and our users and advertisers may switch to our competitors, which may have a material adverse effect on our business, financial condition and results of operations.

Computer viruses and “hacking” may cause delays or interruptions on our systems and may reduce use of our services and damage our reputation and brand.

Computer viruses and “hacking” may cause delays or other service interruptions on our systems. “Hacking” involves efforts to gain unauthorized access to information or systems or to cause intentional malfunctions, loss or corruption of data, including user identity data, software, hardware or other computer equipment. In addition, the inadvertent transmission of computer viruses could result in significant damage to our hardware and software systems and databases, disruptions to our business activities, including our e-mail and other communications systems, breaches of security and inadvertent disclosure of confidential or sensitive information, interruptions in access to our website through the use of “denial of service” or similar attacks and other material adverse effects on our operations. We have experienced hacking attacks in the past, and although such attacks in the past have not had a material adverse effect on our operations, there is no assurance that there will be no serious computer viruses or hacking attacks in the future. We may incur significant costs to protect our systems and equipment against the threat of, and to repair any damage caused by, computer viruses and hacking. Moreover, if a computer virus or hacking affects our systems and is highly publicized, our reputation and brand could be materially damaged and use of our services may decrease.

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

Ensuring secured transmission of confidential information through public networks is essential to maintaining the confidence of our customers and users. Our existing security measures may not be adequate to protect such confidential information. In addition, computer and network systems are susceptible to breaches by computer hackers. Security breaches could expose us to litigation and potential liability for failing to secure confidential customer information and could harm our reputation and reduce our ability to attract customers and users. Future security breaches, if any, may result in a material adverse effect on our business, financial condition and results of operations.

Practices regarding the collection, use, storage, transmission and security of personal information by companies operating over the internet and mobile platforms have recently come under increased public scrutiny. As e-commerce continues to evolve, we believe that increased regulation by the PRC government of data privacy on the internet is likely. We may become subject to new laws and regulations applying to the solicitation, collection, processing or use of personal or consumer information that could affect how we store, process and share data with our customers. We generally comply with industry standards and are subject to the terms of our own privacy policies. Compliance with any additional laws could be expensive and may place restrictions on the conduct of our business and the manner in which we interact with our customers. Any failure to comply with applicable regulations could also result in regulatory enforcement actions against us.

Significant capital and other resources may be required to protect against information security breaches or to alleviate problems caused by such breaches or to comply with our privacy policies or privacy-related legal obligations. The resources required may increase over time as the methods used by hackers and others engaged in online criminal activities are increasingly sophisticated, well-funded and constantly evolving. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, could cause our customers to lose trust in us and could expose us to legal claims. Any perception by the public that online transactions or the privacy of user information is becoming increasingly unsafe or vulnerable to attacks could inhibit the growth of online retail and other online services generally, which may reduce the number of orders we receive.

The continuing and collaborative efforts of our senior management, key employees and highly skilled personnel are crucial to our success, and our business may be harmed if we were to lose their services.

Our success depends on the continuous effort and services of our senior management team and other key personnel. If one or more of our executive officers or other key personnel are unable or unwilling to continue to provide us with their services, we might not be able to replace them within a short period of time or at all. Our business could be severely disrupted, our financial condition and results of operations could be materially and adversely affected, and we might incur additional expenses to recruit, train and retain personnel. If any of our executive officers joins a competitor or forms a competing company, we may lose advertisers, know-how and key professionals and staff members. Each of our executive officers has entered into an employment agreement with Beijing Cheerbright Technologies Co., Ltd., or Autohome WFOE, which contains non-competition provisions. However, if any dispute arises between us and our executive officers, we may have to incur substantial costs and expenses in order to enforce these agreements in China.

[Table of Contents](#)

Our performance and future success also depend on our ability to identify, hire, develop, motivate and retain skilled personnel for all areas of our organization. Competition in the automotive and internet advertising industries and the online automobile transaction industry for qualified employees is intense, and if competition in these industries further intensifies, it may be more difficult for us to hire, motivate and retain highly skilled personnel. If we do not succeed in attracting additional highly skilled personnel or retaining or motivating our existing personnel, we may be unable to grow effectively or at all.

If we fail to protect our intellectual property rights, our brand and business may suffer.

We rely on a combination of trademark, patent, copyright and trade secret protection laws in the PRC and other jurisdictions, as well as through confidentiality agreements and other measures, to protect our intellectual property rights. Our major brand names and logos are registered trademarks in China. Most of our professionally produced content available on our websites and proprietary software are protected by copyright laws. Despite our precautions, third parties may obtain and use our intellectual property without our authorization. Historically, the legal system and courts of the PRC have not protected intellectual property rights to the same extent as the legal system and courts of the United States, and companies operating in the PRC continue to face an increased risk of intellectual property infringement. Furthermore, the validity, application, enforceability and scope of protection of intellectual property rights for many internet-related activities, such as internet commercial methods patents, are uncertain and still evolving in China and abroad, which may make it more difficult for us to protect our intellectual property. From time to time, other websites may use our articles, photos or other content without our proper authorization. Although such use has not in the past caused any material damage to our business, it is possible that there may be misappropriation on a much larger scale with a material adverse impact to our business. If we are unable to adequately protect our intellectual property rights in the future, our brand and business may suffer.

We may be vulnerable to intellectual property infringement claims brought against us by others.

Internet, technology and media companies are frequently involved in litigation based on allegations of infringement of intellectual property rights, unfair competition, invasion of privacy, defamation and other violation of other parties' rights. We have never experienced any material claims on these issues against us in the past, but as we face increasing competition and as litigation becomes more common in China in resolving commercial disputes, we face a higher risk of being the subject of intellectual property infringement claims. We may be subject to legal proceedings and claims from time to time relating to the intellectual property of others in the ordinary course of our business. We could also be subject to claims based upon the content that is displayed on our websites or accessible from our websites through links to other websites or information on our websites supplied by third parties. Intellectual property claims and litigation are expensive and time-consuming to investigate and defend and may divert resources and management attention from the operation of our websites. Such claims, even if they do not result in liability, may harm our reputation. Any resulting liability or expenses, or changes required to our websites to reduce the risk of future liability, may have a material adverse effect on our business, financial condition and results of operations.

We may be subject to liability for advertisements and other content placed on our websites.

The PRC government has adopted regulations governing advertising content as well as internet access and the distribution of information over the internet. Under PRC advertising laws and regulations, we are obligated to monitor the advertising content shown on our websites to ensure that such content is true and accurate and in full compliance with applicable laws and regulations. See "Item 4. Information on the Company—B. Business Overview—PRC Regulation—Regulations on Advertisements." Under the internet information regulations, internet content providers and internet publishers are prohibited from posting or displaying over the internet content that, among other things, compromises national security, harms the dignity or interests of the state, incites ethnic hatred or racial discrimination, undermines the PRC's religious policy, disturbs social order, disseminates obscenity or pornography, encourages gambling, violence, murder or fear, incites the commission of a crime, infringes upon the lawful rights and interests of a third party, or is otherwise prohibited by law or administrative regulations. See "Item 4. Information on the Company—B. Business Overview—PRC Regulation—Regulations on Internet Content Services."

[Table of Contents](#)

We display advertisements on our websites. In addition, through our websites and user forums, we allow users to upload written materials, images, pictures and other content on our websites, and also allow users to share and link to content from other websites through our websites. Failure to identify and prevent illegal or inappropriate content from being displayed on or through our websites may subject us to liability. We cannot assure you that all of the advertisements and content shown or posted on our websites adhere to the advertising and internet content laws and regulations, especially given the uncertainty in the interpretation of these PRC laws and regulations.

If PRC regulatory authorities determine that any advertisements or content displayed on our websites do not adhere to applicable laws and regulations, they may require us to limit or eliminate the dissemination or availability of such advertisements and other content on our websites in the form of take-down orders or otherwise. Such regulatory authorities may also impose penalties on us, including fines, confiscation of advertising income or, in circumstances involving more serious violations by us, the termination of our advertising or internet content license, any of which would materially and adversely affect our business and results of operations.

In addition, we may be subject to claims by consumers asserting that the information on our websites is misleading, and we may not be able to recover our losses from advertisers. As a result, our business, financial condition and results of operations could be materially and adversely affected.

We may undertake acquisitions, investments, joint ventures or other alliances that could prove difficult to integrate, disrupt our business or otherwise negatively impact our operating results and the value of your investment.

As part of our business strategy, we regularly evaluate potential acquisitions, investments and alliances, including joint ventures and minority equity investments. These transactions involve numerous risks, including:

- the failure to achieve the expected benefits of the acquisition, investment or alliance;
- difficulties in, and the cost of, integrating operations, technologies, services and personnel;
- write-offs of investments or acquired assets;
- non-performance by, or conflicts of interest with, the parties with whom we enter into investments or alliances;
- limited ability to monitor or control the actions of other parties with whom we enter into investments or alliances;
- misuse of proprietary information shared in connection with an acquisition, investment or alliance; and
- depending on the nature of the acquisition, investment or alliance, exposure to new regulatory risks.

The realization of any of these risks could materially adversely affect our business. To the extent any of our directors or officers also invests in a capacity other than as our director or officer, his or her interest may not be aligned with ours.

In addition, if we finance acquisitions by issuing equity or convertible debt securities, our existing shareholders may be diluted, which could affect the market price of our ADSs.

Furthermore, we may fail to identify or secure suitable acquisition, investment and other strategic opportunities, or our competitors may capitalize on such opportunities before we do, which could impair our ability to compete with our competitors and adversely affect our growth prospects and results of operations.

[Table of Contents](#)

Any financial or economic crisis, or perceived threat of such a crisis, including a significant decrease in consumer confidence, may materially and adversely affect our business, financial condition and results of operations.

The global financial markets experienced significant disruptions in 2008 and the United States, European and other economies went into recession. The recovery from the lows of 2008 and 2009 was uneven and the global financial markets are facing new challenges, including the escalation of the European sovereign debt crisis since 2011, the hostilities in the Ukraine, the end of quantitative easing by the U.S. Federal Reserve and the economic slowdown in the Eurozone in 2014. It is unclear whether these challenges will be contained and what effects they each may have. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies that have been adopted by the central banks and financial authorities of some of the world's leading economies, including China's. Economic conditions in China are sensitive to global economic conditions. Recently there have been signs that the rate of China's economic growth is declining. Any prolonged slowdown in China's economic development might lead to tighter credit markets, increased market volatility, sudden drops in business and consumer confidence and dramatic changes in business and consumer behaviors. In response to their perceived uncertainty in economic conditions, consumers might delay, reduce or cancel purchases of automobiles, which are still considered luxury items in China, and our advertisers may also defer, reduce or cancel purchasing our services. To the extent any fluctuations in the Chinese economy significantly affect automakers' and dealers' demand for our services or change their spending habits, our results of operations may be materially and adversely affected.

Our third-party vendors may raise prices and as a result increase our operating expenses.

We rely on third parties for certain essential services, such as internet services and we may not have any control over the costs of the services they provide. Any third-party service provider may raise their prices, which might not be commercially reasonable to us. If we are forced to seek other providers, there is no assurance that we will be able to find alternative providers willing or able to provide comparable high-quality services and there is no assurance that such providers will not charge us higher prices for their services. If the prices that we are required to pay third-party vendors for services rise significantly, our results of operations could be adversely affected.

We are a "controlled company" within the meaning of the NYSE corporate governance requirements, which may result in public investors not having as much protection as they would if we were not a controlled company.

As of February 29, 2016, Telstra Holdings Pty Limited, a wholly owned subsidiary of Telstra Corporation Limited, or Telstra, owned 54.6% of the total voting rights in our company, and we are a "controlled company" under Section 303A of the NYSE Listed Company Manual. As a controlled company, we rely on certain exemptions that are available to controlled companies from the NYSE corporate governance requirements, including the requirements that:

- a majority of our board of directors consists of independent directors;
- our compensation committee be composed entirely of independent directors; and
- our corporate governance and nominating committee be composed entirely of independent directors.

We are not required to and will not voluntarily meet these requirements. As a result of our use of the "controlled company" exemption, our investors will not have the same protection as they would if we were not a controlled company.

In addition, because Telstra beneficially owns 54.6% of the voting rights in our company, it has decisive influence in determining the outcome of any corporate transaction or other matter submitted to the shareholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions. Without the consent of Telstra, we may be prevented from entering into transactions that could be beneficial to us. The interests of Telstra may differ from the interests of our other shareholders. Furthermore, Telstra's business activities, although not related to our operations, may adversely impact reputation.

[Table of Contents](#)

If we fail to maintain an effective system of internal control over financial reporting, our ability to accurately and timely report our financial results or prevent fraud may be adversely affected, and investor confidence and the market price of our ADSs may be adversely impacted.

The Securities and Exchange Commission, or the SEC, as required by Section 404 of the Sarbanes-Oxley Act of 2002, adopted rules requiring every public company to include a management report on the company's internal control over financial reporting in its annual report, which contains management's assessment of the effectiveness of the company's internal control over financial reporting. Our management has concluded that our internal control over financial reporting was effective as of December 31, 2015. See "Item 15. Controls and Procedures—Management's Annual Report on Internal Control over Financial Reporting." Our independent registered public accounting firm has issued an attestation report, which has concluded that our internal control over financial reporting was effective in all material aspects as of December 31, 2015. However, if we fail to maintain effective internal control over financial reporting in the future, our management and our independent registered public accounting firm may not be able to conclude that we have effective internal control over financial reporting at a reasonable assurance level. This could in turn result in loss of investor confidence in the reliability of our financial statements and negatively impact the trading price of our ADSs. Furthermore, we have incurred and anticipate that we will continue to incur considerable costs, management time and other resources in an effort to comply with Section 404 and other requirements of the Sarbanes-Oxley Act.

We have a limited operating history, which makes it difficult to evaluate our business.

We have a limited operating history. *Autohome.com.cn* and *che168.com* were launched in 2005 and 2004, respectively. Our company was incorporated in June 2008 and acquired the entities that operated these two websites soon thereafter. Although we have achieved profitability in recent periods, our limited operating history makes the prediction of future results of operations difficult. Historical results of operations achieved by us should not be taken as indicative of the rate of growth, if any, that can be expected in the future. You should consider our future prospects in light of the risks and uncertainties fast-growing companies with limited operating histories may encounter.

We have limited business insurance coverage.

Insurance companies in China currently do not offer as extensive an array of insurance products as insurance companies do in more developed economies. We do not have any business liability or disruption insurance to cover our operations. We have determined that the costs of insuring for these risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Any uninsured occurrence of business disruption may result in our incurring substantial costs and the diversion of resources, which could have an adverse effect on our results of operations and financial condition.

We face risks related to health epidemics and natural disasters.

Our business could be adversely affected by the effects of H1N1 flu, avian flu, Severe Acute Respiratory Syndrome, or SARS, or another epidemic. China reported a number of cases of SARS in 2003, which resulted in the closure of many businesses by the PRC government to prevent the transmission of SARS. In recent years, there have been reports of occurrences of avian flu in various parts of China, including a few confirmed human cases and deaths. In 2009, the global spread of H1N1 flu resulted in several confirmed infections and deaths in China. Restrictions on travel resulting from any prolonged outbreak of H1N1 flu, avian flu, SARS or another epidemic could adversely affect our ability to market our services to users, automakers and automobile dealers throughout China. Our business operations could be disrupted if one of our employees is suspected of having H1N1 flu, avian flu, SARS or another epidemic, which could require that a certain number of our employees be quarantined and/or our offices be disinfected. In addition, our results of operations could be adversely affected to the extent that H1N1 flu, avian flu, SARS or another outbreak harms the Chinese economy in general.

We are also vulnerable to natural disasters and other calamities. Although our servers are hosted in an offsite location, our backup system does not capture data on a real-time basis and we may be unable to recover certain data in the event of a server failure. We cannot assure you that any backup systems will be adequate to protect us from the effects of fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks or similar events. Any of the foregoing events may give rise to server interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide services. In addition, a severe disaster could affect the operations or financial condition of our customers and suppliers, which could harm our results of operations. For example, certain Japanese automakers or their joint ventures in China delayed or cancelled advertising campaigns following the earthquake and tsunami in Japan in March 2011.

Risks Related to Our Corporate Structure

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

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

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

The VIE structure has been adopted by many PRC-based companies, including us, to obtain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions in China. See “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions — Contractual Agreements with our Variable Interest Entities” and “—If the PRC government finds that the agreements that establish the structure for operating our services in China do not comply with PRC governmental restrictions on foreign investment in internet businesses, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations” below. Under the draft Foreign Investment Law, VIEs that are controlled via contractual arrangement would also be deemed as FIEs, if they are ultimately “controlled” by foreign investors. Therefore, for any companies with a VIE structure in an industry category that is on the “negative list,” the VIE structure may be deemed legitimate only if the ultimate controlling person(s) is/are of PRC nationality (either PRC companies or PRC citizens). Conversely, if the actual controlling person(s) is/are of foreign nationalities, the VIEs will be treated as FIEs and any operation in the industry category on the “negative list” without market entry clearance may be considered as illegal.

[Table of Contents](#)

The draft Foreign Investment Law has not taken a position on what actions will be taken with respect to existing companies with a VIE structure, whether or not these companies are controlled by Chinese parties, while it is soliciting comments from the public on this point. The provision of internet content services, which we conduct through our VIEs, is subject to foreign investment restrictions set forth in the Catalogue for the Guidance of Foreign Investment Industries, or the Catalogue, issued by the National Development and Reform Commission and the Ministry of Commerce in March 2015. It is unclear whether the new “negative list” will be different from the Catalogue. If the enacted version of the Foreign Investment Law and the final “negative list” mandate further actions, such as Ministry of Commerce market entry clearance or certain restructuring of our corporate structure and operations, to be completed by companies with existing VIE structure like us, we face substantial uncertainties as to whether these actions can be timely completed, or at all, and our business and financial condition may be materially and adversely affected.

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

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

Current PRC laws and regulations place certain restrictions on foreign ownership of companies that provide internet content services in China. Specifically, foreign ownership of internet service providers or other value-added telecommunication service providers may not exceed 50%. In addition, according to the Several Opinions on the Introduction of Foreign Investment in the Cultural Industry promulgated by the Ministry of Culture, the State Administration of Radio, Film and Television, or the SARFT, the General Administration of Press and Publication, or the GAPP, the National Development and Reform Commission and the Ministry of Commerce in June 2005, foreign investors are prohibited from investing in or operating “internet cultural activities.” We are a Cayman Islands company and foreign legal person under PRC laws. Accordingly, neither we nor our wholly foreign-invested PRC subsidiaries are currently eligible to apply for the required licenses for providing internet content services in China.

As such, we conduct our business through contractual arrangements in China. In particular, we operate our internet content business through Autohome Information and Shengtuo Hongyuan. Autohome Information and Shengtuo Hongyuan are currently owned by individual shareholders who are PRC citizens and hold the requisite licenses or permits to provide internet content and advertising services in China. We do not have an equity interest in Autohome Information or Shengtuo Hongyuan but substantially control their operations and receive the economic benefits through a series of contractual arrangements. We have been and are expected to continue to be dependent upon Autohome Information and its subsidiaries and Shengtuo Hongyuan and its subsidiaries to operate our businesses in the near future. For more information regarding these contractual arrangements, see “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions— Contractual Agreements with our Variable Interest Entities.”

Based on the advice of our PRC legal counsel, TransAsia Lawyers, the corporate structure of our VIEs and our subsidiaries in China are in compliance with all existing PRC laws and regulations. However, as there are substantial uncertainties regarding the interpretation and application of PRC laws and regulations, we cannot assure you that the PRC government would agree that our corporate structure or any of the above contractual arrangements comply with PRC licensing, registration or other regulatory requirements, with existing policies or with requirements or policies that may be adopted in the future. PRC laws and regulations governing the validity of these contractual arrangements are uncertain and the relevant government authorities have broad discretion in interpreting these laws and regulations.

[Table of Contents](#)

If we or any of our current or future VIEs or subsidiaries are found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities, including the Ministry of Industry and Information Technology, or the MIIT, which regulates internet information services companies and the China Securities Regulatory Commission, or the CSRC, would have broad discretion in dealing with such violations, including levying fines, confiscating our income or the income of Autohome WFOE, Chezhiying WFOE and the VIEs, revoking the business licenses or operating licenses of Autohome WFOE, Chezhiying WFOE and the VIEs, shutting down our servers or blocking our websites, discontinuing or placing restrictions or onerous conditions on our operations, requiring us to undergo a costly and disruptive restructuring, or taking other enforcement actions that could be harmful to our business.

Any of these actions could cause significant disruption to our business operations and severely damage our reputation, which would in turn materially and adversely affect our business and results of operations. In addition, if the imposition of any of these penalties causes us to lose the rights to direct the activities of the VIEs or our right to receive their economic benefits, we would no longer be able to consolidate the VIEs.

Our contractual arrangements with our VIEs may not be as effective in providing operational control as direct ownership.

We have relied and expect to continue to rely on (i) contractual arrangements with Autohome Information and its subsidiaries and shareholders and (ii) contractual arrangements with Shengtuo Hongyuan and its subsidiaries and shareholders to operate our business. For a description of these contractual arrangements, see “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions— Contractual Agreements with our Variable Interest Entities.” These contractual arrangements may not be as effective in providing us with control over our VIEs as direct ownership. If we had direct ownership of these entities, we would be able to exercise our rights as a shareholder to effect changes in the board of directors, which in turn could effect changes, subject to any applicable fiduciary obligations, at the management level. However, under the current contractual arrangements, we rely on the performance by these entities and their shareholders of their contractual obligations to exercise control over our VIEs. Therefore, our contractual arrangements with our VIEs may not be as effective in ensuring our control over their operations as direct ownership would be.

The shareholders of our VIEs may breach, or cause our VIEs to breach, or refuse to renew, the existing contractual arrangements we have with them and our VIEs. Any failure by our VIEs or their shareholders to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business and financial condition.

The shareholders of our VIEs may breach, or cause our VIEs to breach, or refuse to renew, the existing contractual arrangements we have with them and our VIEs. If our VIEs or their shareholders fail to perform their obligations under the contractual arrangements, we may have to incur substantial costs and expend resources to enforce our rights under the contracts. We may have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief and claiming damages, which may not be effective. For example, if the shareholders of Autohome Information and Shengtuo Hongyuan were to refuse to transfer their equity interests in those companies to us or our designee when we exercise the call option pursuant to these contractual arrangements, if they transfer the equity interests to other persons against our interests, or if they were otherwise to act in bad faith toward us, then we may have to take legal actions to compel them to perform their contractual obligations.

All of these contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in the PRC. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. The legal system in the PRC is not as developed as in other jurisdictions, such as the United States. As a result, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements. Under PRC law, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would incur additional expenses and delay. In the event we are unable to enforce these contractual arrangements, we may not be able to exert effective control over our VIEs, and our ability to conduct our business may be negatively affected.

[Table of Contents](#)

Contractual arrangements our subsidiary has entered into with our VIEs may be subject to scrutiny by the PRC tax authorities and a finding that we or our VIEs owe additional taxes could substantially reduce our consolidated net income and the value of your investment.

Under PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities within ten years after the taxable year when the transactions are conducted. We could face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements among Autohome WFOE, Chezhiying WFOE, our VIEs and the shareholders of our VIEs do not represent arm's-length prices and consequently adjust Autohome WFOE and Chezhiying WFOE's or our VIEs' income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction, for PRC tax purposes, of expense deductions recorded by our VIEs, which could in turn increase their tax liabilities. In addition, the PRC tax authorities may impose late payment fees and other penalties on Autohome WFOE, Chezhiying WFOE or our VIEs for any unpaid taxes. Our consolidated net income may be materially and adversely affected if Autohome WFOE and Chezhiying WFOE or our VIEs' tax liabilities increase or if they are subject to late payment fees or other penalties.

The shareholders of our VIEs may have potential conflicts of interest with us, which may materially and adversely affect our business.

The shareholders of Guangzhou Advertising, Shanghai Advertising and Autohome Information are James Zhi Qin, our director and chief executive officer, Xiang Li, our director, and Zheng Fan, our vice president. They hold 8%, 68% and 24%, respectively, of the equity interests in Guangzhou Advertising, Shanghai Advertising and Autohome Information. Each of these three individuals is also a beneficial owner of our company and a PRC citizen. The shareholders of Shengtuo Hongyuan are James Zhi Qin and Zheng Fan, each holding 50% of the equity interests in Shengtuo Hongyuan. Conflicts of interest may arise between their roles as directors, officers and/or beneficial owners of our holding company and as shareholders of our VIEs. In addition, the controlling shareholders of our company are substantially different from that of the VIEs, which may heighten any conflicts of interest that could arise between the two groups of shareholders. We cannot assure you that when conflicts of interest arise, any or all of these equity holders will act in the best interests of our company or such conflicts will be resolved in our favor. Currently, we do not have any arrangements to address potential conflicts of interest between these equity holders and our company. We rely on these individuals to comply with the laws of China, which protect contracts, provide that directors and executive officers owe a duty of loyalty and a duty of diligence to our company and require them to avoid conflicts of interest and not to take advantage of their positions for personal gain. We also rely on the laws of the Cayman Islands, which provide that directors owe a duty of care and a duty of loyalty to our company. However, the legal frameworks of China and the Cayman Islands do not provide guidance on resolving conflicts in the event of a conflict with another corporate governance regime. If we cannot resolve any conflict of interest or dispute between us and the shareholders of our VIEs, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. Any limitation on the ability of our PRC subsidiaries to pay dividends to us could have a material adverse effect on our ability to conduct our business.

We are a holding company, and we may rely on dividends and other distributions on equity to be paid by our wholly owned PRC subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. If our PRC subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us.

Under PRC laws and regulations, our PRC subsidiaries, as wholly foreign-owned enterprises in the PRC, may pay dividends only out of their accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, wholly foreign-owned enterprises are required to set aside at least 10% of their accumulated after-tax profits, if any, each year to fund certain statutory reserve funds, until the aggregate amount of such funds reach 50% of their registered capital. These statutory reserve funds are not distributable as cash dividends.

[Table of Contents](#)

Any limitation on the ability of our PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent us from using the proceeds of our equity offerings to make loans to our PRC subsidiaries and VIEs or to make additional capital contributions to our PRC subsidiaries, which may materially and adversely affect our liquidity and our ability to fund and expand our business.

We are an offshore holding company conducting our operations in China through our PRC subsidiaries and VIEs. We may make loans to our PRC subsidiaries and VIEs, or we may make additional capital contributions to our PRC subsidiaries. Any loans by us to our PRC subsidiaries, which are treated as foreign-invested enterprises under PRC law, are subject to PRC regulations and foreign exchange loan registrations. For example, loans by us to Autohome WFOE or Chezhiying WFOE to finance its activities cannot exceed statutory limits and must be registered with the local counterpart of the State Administration of Foreign Exchange, or SAFE. We may also decide to finance Autohome WFOE and Chezhiying WFOE by means of capital contributions. These capital contributions must be approved by the PRC Ministry of Commerce or its local counterpart. Due to the restrictions imposed on loans in foreign currencies extended to any PRC domestic companies, we are not likely to make such loans to our VIEs, which are PRC domestic companies. Further, we are not likely to finance the activities of our VIEs by means of capital contributions due to regulatory restrictions relating to foreign investment in PRC domestic enterprises engaged in internet content services and online advertising businesses.

SAFE promulgated a circular on November 19, 2010, or Circular No. 59, which tightens the examination on the authenticity of settlement of net proceeds from an offering and requires that the settlement of net proceeds shall be in accordance with the description in its prospectus. On March 30, 2015, the SAFE issued the Circular on Reform of the Administrative Rules of the Payment and Settlement of Foreign Exchange Capital of Foreign-Invested Enterprises, or SAFE Circular 19, which became effective on June 1, 2015. Pursuant to SAFE Circular 19, foreign-invested enterprises may either continue to follow the current payment-based foreign currency settlement system or choose to follow the “conversion-at-will” system for foreign currency settlement. Where a foreign-invested enterprise follows the conversion-at-will system for foreign currency settlement, it may convert part or all of the amount of the foreign currency in its capital account into Renminbi at any time. The converted Renminbi will be kept in a designated account labeled as settled but pending payment, and if the foreign-invested enterprise needs to make payment from such designated account, it still needs to go through the review process with its bank and provide necessary supporting documents. SAFE Circular 19, therefore, has substantially lifted the restrictions on the usage by a foreign-invested enterprise of its Renminbi registered capital converted from foreign currencies. According to SAFE Circular 19, such Renminbi capital may be used at the discretion of the foreign-invested enterprise and the SAFE will eliminate the prior approval requirement and only examine the authenticity of the declared usage afterwards. Nevertheless, foreign-invested enterprises like our PRC subsidiaries are still not allowed to extend intercompany loans to our VIEs. In addition, as SAFE Circular 19 was promulgated recently, there remain substantial uncertainties with respect to the interpretation and implementation of this circular by relevant authorities.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans by us to our PRC subsidiaries or VIEs or with respect to future capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds we received from our equity offerings and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

[Table of Contents](#)

If our PRC subsidiaries or VIEs become the subject of a bankruptcy or liquidation proceeding, we may lose the ability to use and enjoy substantially all of our assets, which could reduce the size of our operations and materially and adversely affect our business, our ability to generate revenues and the market price of our ADSs.

As part of the contractual arrangements with our VIEs and their shareholders, Autohome Information and Shengtuo Hongyuan hold operating permits and licenses and substantially all of the assets that are important to the operation of our business. We expect to continue to be dependent on our VIEs to operate a significant portion of our business in China. If our VIEs go bankrupt and all or part of their assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our business activities, which would materially and adversely affect our business, financial condition and results of operations. If our VIEs undergo a voluntary or involuntary liquidation proceeding, their equity holders or unrelated third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which would materially and adversely affect our business, our ability to generate revenues and the market price of our ADSs.

Risks Related to Doing Business in China

Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business and operations.

The majority of our assets and operations are located in China. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a significant degree by political, economic and social conditions in China generally and by continued economic growth in China as a whole.

The Chinese economy differs from the economies of most developed countries in many respects, including the level of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the Chinese government has implemented measures since the late 1970s emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China are still owned by the Chinese government. In addition, the Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. The Chinese government also exercises significant control over China's economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies.

While the Chinese economy has experienced significant growth over the past decades, the growth has been uneven, both geographically and among various sectors of the economy, and the rate of growth has been slowing. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations. In addition, in the past the Chinese government has implemented certain measures, including interest rate increases, to control the pace of economic growth. These measures may cause decreased economic activity in China, which may adversely affect our business and operating results.

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

We conduct our business primarily through our PRC subsidiaries and VIEs in China. Our operations in China are governed by PRC laws and regulations. Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us. In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past several decades has significantly enhanced the protections afforded to various forms of foreign investments in China. However, China has not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, because these laws and regulations are relatively new, and because of the limited volume of published decisions and their nonbinding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy. Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, which may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until sometime after the violation. In addition, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention.

We may be adversely affected by the complexity, uncertainties and changes in PRC regulation of internet business and companies.

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

- We only have contractual control over our websites. We do not own the websites due to the restriction on foreign investment in businesses providing value-added telecommunication services in China, which includes internet content provision services.
- There are uncertainties relating to the regulation of the internet industry in China, including evolving licensing requirements. This means that permits, licenses or operations at some of our companies may be subject to challenge, or we may fail to obtain permits or licenses that applicable regulators may deem necessary for our operations, or we may not be able to obtain or renew permits or licenses. For example, both Autohome Information and Shengtuo Hongyuan may be required to obtain additional licenses, including internet publishing licenses and internet news information service licenses, if the release of articles and information or the broadcast of videos on the websites *autohome.com.cn* and *che168.com* is deemed by the PRC regulatory authorities as being the provision of internet publishing service, internet news information service, or internet culture operating service. See “Item 4. Information on the Company—B. Business Overview—PRC Regulation—Regulations on Online Cultural Services,” “Item 4. Information on the Company—B. Business Overview—PRC Regulation—Regulations on Internet Publishing” and “Item 4. Information on the Company—B. Business Overview—PRC Regulation—Regulations on Internet News Information Service” for additional details.
- The evolving PRC regulatory system for the internet industry may lead to the establishment of new regulatory agencies. For example, the Cyberspace Administration of China was established in 2014, as the central Internet censorship, oversight and control agency for the PRC.
- New laws and regulations may be promulgated to regulate internet activities, including online advertising businesses. As such, additional licenses may be required for our operations. If our operations do not comply with these new regulations at the time they become effective, or if we fail to obtain any licenses required under these new laws and regulations, we could be subject to penalties.

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

The interpretation and application of existing PRC laws, regulations and policies and possible new laws, regulations or policies relating to the internet industry have created substantial uncertainties regarding the legality of existing and future foreign investments in, and the businesses and activities of, internet businesses in China, including our business. We cannot assure you that we will be able to maintain our existing licenses or obtain any new licenses if required by any new laws or regulations. There are also risks that we may be found to violate existing or future laws and regulations given the uncertainty and complexity of China’s regulation of the internet industry. If we or our VIEs fail to obtain or maintain any of the required assets, licenses or approvals, our continued business operations in the internet industry may subject us to various penalties, including the confiscation of illegal net revenues, fines and the discontinuation or restriction of our operations, any of which would materially and adversely affect our business and results of operations.

[Table of Contents](#)

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

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

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

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

Fluctuations in exchange rates may have a material adverse effect on your investment.

Substantially all of our revenues and costs are denominated in RMB. The conversion of RMB into foreign currencies, including U.S. dollars, is based on rates set by the People’s Bank of China. In July 2005, the PRC government changed its decades-old policy of pegging the value of the RMB to the U.S. dollar, and the RMB appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the RMB and the U.S. dollar remained within a narrow band. Since June 2010, the RMB has fluctuated against the U.S. dollar, at times significantly and unpredictably. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the U.S. dollar in the future.

[Table of Contents](#)

To the extent that we need to convert U.S. dollars into RMB for capital expenditures and working capital and other business purposes, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, if we decide to convert RMB into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs, strategic acquisitions or investments or other business purposes, appreciation of the U.S. dollar against the RMB would have a negative effect on the U.S. dollar amount available to us. In addition, a significant depreciation of the RMB against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our earnings, which in turn could adversely affect the price of our ADSs.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or to hedge our exposure at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert RMB into foreign currency. As a result, fluctuations in exchange rates may have a material adverse effect on your investment.

Governmental control of currency conversion may limit our ability to utilize our revenues effectively and affect the value of your investment.

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues in RMB. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. Therefore, Autohome WFOE and Chezhiying WFOE are able to pay dividends in foreign currencies to us without prior approval from SAFE. However, approval from or registration with appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of our ADSs.

Certain regulations in the PRC may make it more difficult for us to pursue growth through acquisitions.

Among other things, certain regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. For example, these regulations require that the Ministry of Commerce be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise or a foreign company with substantial PRC operations, if certain thresholds under the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings, issued by the State Council on August 3, 2008, are triggered. According to the Implementing Rules Concerning Security Review on Mergers and Acquisitions by Foreign Investors of Domestic Enterprises issued by the Ministry of Commerce in August 2011, mergers and acquisitions by foreign investors involved in an industry related to national security are subject to strict review by the Ministry of Commerce. These rules also prohibit any transactions attempting to bypass such security review, including by controlling entities through contractual arrangements. We believe that our business is not in an industry related to national security. However, we cannot preclude the possibility that the Ministry of Commerce or other government agencies may publish interpretations contrary to our understanding or broaden the scope of such security review in the future. Although we have no current plans to make any acquisitions, we may elect to grow our business in the future in part by directly acquiring complementary businesses in China. Complying with the requirements of these regulations to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from the Ministry of Commerce, may delay or inhibit our ability to complete such transactions.

[Table of Contents](#)

PRC regulations relating to the establishment of offshore holding companies by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us.

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

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

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

Furthermore, as these foreign exchange regulations are still relatively new and their interpretation and implementation has been constantly evolving, it is unclear how these regulations, and any future regulation concerning offshore or cross-border transactions, will be interpreted, amended and implemented by the relevant government authorities. We cannot predict how these regulations will affect our business operations or future strategy. In addition, if we decide to acquire a PRC domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the foreign exchange regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business and prospects.

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

In December 2006, the People’s Bank of China, or PBOC, promulgated the Administrative Measures of Foreign Exchange Matters for Individuals, which sets forth the respective requirements for foreign exchange transactions by individuals (both PRC and non-PRC citizens) under either the current account or the capital account. In January 2007, SAFE issued relevant implementing rules that specified approval requirements for certain capital account transactions such as a PRC citizen’s participation in the employee stock incentive plans or share option plans of an overseas publicly listed company. In February 2012, SAFE promulgated the Notice on the Administration of Foreign Exchange Matters for Domestic Individuals Participating in the Stock Incentive Plans of Overseas Listed Companies, or the Stock Option Notice. The Stock Option Notice supersedes the requirements and procedures for the registration of PRC resident individuals’ participation in stock incentive plans set forth by certain rules promulgated by SAFE in March 2007. Under these measures, PRC resident individuals who participate in an employee stock incentive plan or a share option plan in an overseas publicly listed company are required to register with SAFE and complete certain other procedures. A PRC domestic qualified agent appointed through the PRC subsidiaries of such overseas listed company must file applications on behalf of such PRC resident individuals with SAFE or its local counterpart to obtain approval for an annual allowance with respect to the foreign exchange in connection with stock holding or share option exercises. With the approval from SAFE or its local counterpart, the PRC domestic qualified agent must open a special foreign exchange account at a PRC domestic bank to hold the funds required in connection with the stock purchase or option exercise, payment received upon sales of shares, dividends issued on the stock and any other income or expenditures approved by SAFE or its local counterpart. We and our PRC resident employees who participate in our share incentive plans are subject to these regulations as we are an overseas listed company. We have made registration with the local counterparts of SAFE for our PRC resident employees who participate in our share incentive plans as required under the Stock Option notice and relevant rules. If we or our PRC optionees fail to comply with these regulations, we or our PRC optionees may be subject to fines and other legal or administrative sanctions. See “Item 4. Information on the Company—B. Business Overview—PRC Regulation—Regulations on Employee Stock Options Plans.”

We face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

Pursuant to the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises, or SAT Circular 698, issued by the State Administration of Taxation, or the SAT, on December 10, 2009 with retroactive effect from January 1, 2008, where a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly via disposing of the equity interests of an overseas holding company, or an Indirect Transfer, and such overseas holding company is located in a tax jurisdiction that: (a) has an effective tax rate less than 12.5% or (b) does not tax the foreign income of its residents, the non-resident enterprise, being the transferor, shall report to the relevant tax authority of the PRC resident enterprise this Indirect Transfer. Using a “substance over form” principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC withholding tax at a rate of up to 10%. SAT Circular 698 also provides that, where a non-PRC resident enterprise transfers its equity interests in a PRC resident enterprise to its related parties at a price lower than the fair market value, the relevant tax authority has the power to make a reasonable adjustment to the taxable income of the transaction.

On February 3, 2015, the SAT issued SAT Notice 7 to supersede the existing tax rules in relation to the Indirect Transfer, while the other provisions of SAT Circular 698 remain in force. SAT Notice 7 introduces a more sophisticated anti-avoidance guidance. SAT Notice 7 extends its tax jurisdiction to capture not only Indirect Transfer as set forth under SAT Circular 698 but also transactions involving transfer of movable and immovable property in China of a foreign company through the offshore transfer of a foreign intermediate holding company. According to SAT Notice 7, if a non-resident enterprise indirectly transfers PRC taxable properties through an arrangement without reasonable commercial purpose but to avoid PRC Corporate Income Tax, the Indirect Transfer shall be re-characterized and treated as a direct transfer of PRC taxable properties. SAT Notice 7 also interprets the term “transfer of the equity interest in a foreign intermediate holding company” broadly. In addition, SAT Notice 7 provides clearer criteria than Circular 698 on how to assess reasonable commercial purposes and introduces safe harbor scenarios applicable to the public trading of shares in a listed company holding taxable PRC assets and indirect transfers resulting from a corporate restructuring.

[Table of Contents](#)

Further, SAT Notice 7 replaces the compulsory reporting requirement in SAT Circular 698 with a voluntary reporting regime and the criteria set forth in Circular 698 for indirect transfer reporting have been abolished. Both the foreign transferor and the transferee, and the PRC tax resident enterprise whose equity interests being transferred may voluntarily report the transfer by submitting the documents required in SAT Notice 7. In addition to the voluntary reporting, SAT Notice 7 empowers the Chinese tax authorities to require various documents from the parties involved. Although SAT Notice 7 provides clarities in many important areas such as reasonable commercial purpose and reporting requirements, it brings challenges to both the foreign transferor and transferee of the Indirect Transfer as they are required to make a self-assessment on whether the transaction should be subject to PRC tax and to file or withhold the PRC tax accordingly. It also introduces the interest regime by providing that where a transferor fails to file and pay tax on time, and where a withholding agent fails to withhold the tax, interest will be charged on a daily basis. If the transferor has provided the required documents and information or has filed and paid the tax within 30 days from the date that the share transfer contract or agreement is signed, interest shall be calculated based on the benchmark interest rate; otherwise, the benchmark interest rate plus 5% will apply.

SAT Notice 7 became effective on February 3, 2015, but it also applies to Indirect Transfers which occurred before its issuance but have not received assessments from the tax authorities. SAT Circular 698 and SAT Notice 7 may be determined by the tax authorities to be applicable to our corporate restructuring where non-resident investors were involved, if any of such transactions were determined by the tax authorities to lack reasonable commercial purpose. As a result, we and our non-resident investors in such transactions may become at risk of being taxed under SAT Circular 698 and SAT Notice 7 and we may be required to expend valuable resources to comply with SAT Circular 698 and SAT Notice 7 or to establish that we should not be taxed under the general anti-avoidance rule of the PRC Enterprise Income Tax Law, which may have a material adverse effect on our financial condition and results of operations or such non-resident investors' investments in us.

There are still uncertainties as to the interpretation and implementation of SAT Notice 7. The PRC tax authorities have the discretion under SAT Circular 698 and SAT Notice 7 to make adjustments to the taxable capital gains based on the difference between the fair value of the equity interests transferred and the cost of investment. We may pursue acquisitions in the future that may involve complex corporate structures. If we are considered a non-resident enterprise under the PRC Enterprise Income Tax Law and if the PRC tax authorities make adjustments to the taxable income of these transactions under Circular 698 and SAT Notice 7, our income tax expenses associated with such potential acquisitions will be increased, which may have an adverse effect on our financial condition and results of operations.

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

China passed a new PRC Enterprise Income Tax Law and its implementation rules, which became effective on January 1, 2008. The Enterprise Income Tax Law (a) reduces the statutory rate of the enterprise income tax from 33% to 25%, (b) permits companies established before March 16, 2007 to continue to enjoy their existing tax incentives, adjusted by certain transitional phase-out rules promulgated by the State Council on December 26, 2007, and (c) introduces new tax incentives, subject to various qualification criteria.

The Enterprise Income Tax Law and its implementation rules permit certain "high and new technology enterprises strongly supported by the state" which hold independent ownership of core intellectual property to enjoy a preferential enterprise income tax rate of 15% subject to certain qualification criteria. Autohome WFOE was recognized jointly by the Beijing Municipal Science and Technology Commission and other authorities as a "high and new technology enterprise," or HNTE, on September 17, 2010 and therefore was eligible for the preferential 15% enterprise income tax rate from 2010 to 2012 upon its filing with the relevant tax authority. The qualification as an HNTE is subject to annual evaluation and a three-year review by the relevant authorities in China. We have obtained renewal of the HNTE qualification through 2015. Beijing Autohome Technologies Co., Ltd., or Beijing Autohome Technologies, was recognized as an HNTE in July 2015 and therefore was eligible for the preferential 15% enterprise income tax rate from 2015 to 2017 upon their filing with the relevant tax authority. Beijing Prbrownies Software Co., Ltd., or Beijing Prbrownies, was recognized as an HNTE on February 29, 2016, qualifying it for the preferential 15% enterprise income tax rate from 2015 to 2017 upon its filing with the relevant tax authority. However, should we lose this qualification for any reason, Autohome WFOE, Beijing Autohome Technologies and Beijing Prbrownies will no longer enjoy the 15% preferential tax rate, and the applicable enterprise income tax rate may increase to up to 25%.

Our global income and the dividends that we may receive from our PRC subsidiaries, dividends distributed to our non-PRC shareholders and ADS holders, and gains recognized by such shareholders or ADS holders, may be subject to PRC taxes under the Enterprise Income Tax Law, which would have a material adverse effect on our results of operations.

Under the Enterprise Income Tax Law and its implementation rules, both of which became effective on January 1, 2008, an enterprise established outside of the PRC with “de facto management bodies” within the PRC is considered a resident enterprise and will be subject to the enterprise income tax at the rate of 25% on its global income. The implementation rules define the term “de facto management bodies” as “establishments that carry out substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties, etc. of an enterprise.” The SAT issued the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies, or SAT Circular 82, on April 22, 2009. SAT Circular 82 provides certain specific criteria for determining whether the “de facto management body” of a Chinese-controlled offshore-incorporated enterprise is located in China. Although SAT Circular 82 only applies to offshore enterprises controlled by PRC enterprises, not those controlled by PRC individuals, the determining criteria set forth in Circular 82 may reflect the SAT’s general position on how the “de facto management body” test should be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises or individuals. Although we do not believe that our legal entities organized outside of the PRC constitute PRC resident enterprises, it is possible that the PRC tax authorities could reach a different conclusion. In such case, we may be considered a PRC resident enterprise and may therefore be subject to enterprise income tax at a rate of 25% on our global income. If we are considered a PRC resident enterprise and earn income other than dividends from our PRC subsidiaries, a 25% enterprise income tax on our global income could significantly increase our tax burden and materially and adversely affect our cash flow and profitability.

Pursuant to the Enterprise Income Tax Law and its implementation rules, dividends generated after January 1, 2008 and payable by a foreign-invested enterprise in China to its foreign investors, which are non-PRC tax resident enterprises without an establishment in China, or whose income has no connection with their institutions and establishments inside China, are subject to withholding tax at a rate of 10%, unless any such foreign investor’s jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. We are a Cayman Islands holding company and we conduct our business through Autohome WFOE and Chezhiying WFOE. Autohome WFOE is 100% owned by Cheerbright, our wholly owned subsidiary located in the British Virgin Islands. The British Virgin Islands currently does not have any tax treaty with China with respect to withholding tax. As long as Cheerbright is considered a non-PRC resident enterprise and holds at least 25% of the equity interest of Autohome WFOE, dividends that it receives from Autohome WFOE may be subject to withholding tax at a rate of 10%. Chezhiying WFOE is 100% owned by Autohome Link Hong Kong Limited, our wholly owned subsidiary located in Hong Kong. Under the Arrangement between the PRC and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion, effective on January 1, 2007, as long as Autohome Link Hong Kong Limited is considered a non-PRC resident enterprise and holds at least 25% of the equity interest of its PRC subsidiaries, dividends that it receives from its PRC subsidiaries may be subject to withholding tax at a preferential rate of 5%, if it is the beneficial owner of the dividends, upon receiving the approval from the local tax authority. In August 2015, the State Administration of Taxation promulgated the Administrative Measures for Non-Resident Taxpayers to Enjoy Treatments under Tax Treaties, or SAT Circular 60, which became effective on November 1, 2015. SAT Circular 60 provides that non-resident enterprises are not required to obtain pre-approval from the relevant tax authority in order to enjoy the reduced withholding tax rate. Instead, non-resident enterprises and their withholding agents may, by self-assessment and upon their confirmation that the prescribed criteria to enjoy the tax treaty benefits are met, directly apply the reduced withholding tax rate, and file necessary forms and supporting documents when performing tax filings, which will be subject to post-filing examinations by the relevant tax authorities. We have migrated our advertising business from our VIEs to the subsidiaries of Autohome Media. Autohome Media is 100% owned by Autohome HK, our wholly owned subsidiary located in Hong Kong. Under the Arrangement between the PRC and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion, effective on January 1, 2007, as long as Autohome HK is considered a non-PRC resident enterprise and holds at least 25% of the equity interest of its PRC subsidiaries, dividends that it receives from its PRC subsidiaries may be subject to withholding tax at a preferential rate of 5%, if it is the beneficial owner of the dividends, upon receiving the approval from the local tax authority.

[Table of Contents](#)

As uncertainties remain regarding the interpretation and implementation of the Enterprise Income Tax Law and its implementation rules, we cannot assure you that if we are regarded as a PRC resident enterprise, any dividends to be distributed by us to our non-PRC shareholders and ADS holders would not be subject to any PRC withholding tax at a rate of up to 10%. Similarly, any gain recognized by such non-PRC shareholders or ADS holders on the sale of shares or ADSs, as applicable, may also be subject to PRC withholding tax. If we are required under the Enterprise Income Tax Law to withhold PRC income tax on our dividends payable to our non-PRC enterprise shareholders and ADS holders, or on gains recognized by such non-PRC shareholders or ADS holders, such investors' investment in our Class A ordinary shares or ADSs may be materially and adversely affected.

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

The PRC Labor Contract Law became effective and was implemented on January 1, 2008 as amended on December 28, 2012 and effective as of July 1, 2013. It has reinforced the protection of employees who, under the PRC Labor Contract Law, have the right, among others, to have written labor contracts, to enter into labor contracts with no fixed terms under certain circumstances, to receive overtime wages and to terminate or alter terms in labor contracts. According to the PRC Social Insurance Law, which became effective on July 1, 2011, and the Administrative Regulations on the Housing Funds, employees are required to participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance, maternity insurance and housing funds, and the employers must pay all or a portion of the social insurance premiums and housing funds for such employees.

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

The Public Company Accounting Oversight Board is not permitted to inspect independent registered public accounting firms operating in China, including our auditor, and as such, investors may be deprived of the benefits of such inspection.

Our independent registered public accounting firm, as an auditor of companies that are traded publicly in the United States and a firm registered with the Public Company Accounting Oversight Board (United States), or PCAOB, is required by the laws of the United States to undergo regular inspections by PCAOB to assess its compliance with the laws of the United States and professional standards. Because our independent registered public accounting firm is located in China, a jurisdiction where PCAOB is currently unable to conduct inspections without receiving the required approval from the PRC authorities, our independent registered public accounting firm, like other independent registered public accounting firms operating in China, is currently not inspected by PCAOB. Inspections of other firms that PCAOB has conducted outside of China have identified deficiencies in those firms' audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. Since PCAOB cannot conduct inspections of independent registered public accounting firms operating in China without receiving the required approval from the PRC authorities, it is more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit or quality control procedures. As a result, investors may be deprived of the benefits of PCAOB inspections.

Proceedings instituted by the SEC against certain PRC-based accounting firms, including our independent registered public accounting firm, could result in financial statements being determined to be not in compliance with the requirements of the Exchange Act.

In December 2012, the SEC brought administrative proceedings against five accounting firms in China, including our independent registered public accounting firm, alleging that they had refused to produce audit work papers and other documents related to certain other China-based companies under investigation by the SEC. On January 22, 2014, an initial administrative law decision was issued, censuring these accounting firms and suspending four of these firms from practicing before the SEC for a period of six months. The decision is neither final nor legally effective unless and until reviewed and approved by the SEC. On February 12, 2014, four of these PRC-based accounting firms appealed to the SEC against this decision. In February 2015, each of the four PRC-based accounting firms agreed to a censure and to pay a fine to the SEC to settle the dispute and avoid suspension of their ability to practice before the SEC. The firms' ability to continue to serve all their respective clients is not affected by the settlement. The settlement requires the firms to follow detailed procedures to seek to provide the SEC with access to Chinese firms' audit documents via the CSRC. If the firms do not follow these procedures, the SEC could impose penalties such as suspensions, or it could restart the administrative proceedings. The settlement did not require the firms to admit to any violation of law and preserves the firms' legal defenses in the event the administrative proceeding is restarted.

[Table of Contents](#)

In the event that the SEC restarts the administrative proceedings, depending upon the final outcome, listed companies in the United States with major PRC operations may find it difficult or impossible to retain auditors in respect of their operations in the PRC, which could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act, including possible delisting. Moreover, any negative news about the proceedings against these audit firms may cause investor uncertainty regarding China-based, United States-listed companies and the market price of our ADSs may be adversely affected.

If our independent registered public accounting firm was denied, even temporarily, the ability to practice before the SEC and we were unable to timely find another registered public accounting firm to audit and issue an opinion on our financial statements, our financial statements could be determined not to be in compliance with the requirements of the Exchange Act. Such a determination could ultimately lead to the delay or abandonment of this offering, delisting of our ordinary shares from the NYSE or deregistration from the SEC, or both, which would substantially reduce or effectively terminate the trading of our ADSs in the United States.

Risks Related to our ADSs

The market price for our ADSs has fluctuated and may be volatile.

The daily closing trading prices for our ADSs ranged from US\$28.42 to US\$55.02 in 2015. The trading price for our ADSs may continue to fluctuate in response to factors including, without limitation, the following:

- regulatory developments in our target markets affecting us, our advertisers or our competitors;
- announcements of studies and reports relating to the quality of our services or those of our competitors;
- changes in the economic performance or market valuations of other companies that provide online automotive advertising services;
- actual or anticipated fluctuations in our quarterly results of operations and changes or revisions to our expected results;
- changes in financial estimates by securities research analysts;
- conditions in the online automotive advertising industry;
- conditions in the online retail industry;
- announcements by us or our competitors of new solutions, acquisitions, strategic relationships, joint ventures or capital commitments;
- additions to or departures of our senior management;
- fluctuations of exchange rates between the RMB and the U.S. dollar;
- release or expiry of lock-up or other transfer restrictions on our outstanding Class A ordinary shares or ADSs;
- sales or perceived potential sales of additional Class A ordinary shares or ADSs; and
- pending or potential litigation or administrative investigation.

[Table of Contents](#)

In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of any particular company. These market fluctuations may also have a material adverse effect on the market price of our ADSs.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price for our ADSs and trading volume could decline.

The trading market for our ADSs will depend in part on the research and reports that securities or industry analysts publish about us or our business. If we do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades our ADSs or publishes inaccurate or unfavorable research about our business, the market price for our ADSs would likely decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our ADSs to decline.

Because we do not expect to pay dividends in the foreseeable future, you must rely on price appreciation of our ADSs for return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our ADSs as a source of any future dividend income.

Subject to certain exceptions, our board of directors has complete discretion as to whether to distribute dividends. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our ADSs will likely depend entirely upon any future price appreciation of our ADSs. There is no guarantee that our ADSs will appreciate in value or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in our ADSs and you may even lose your entire investment in our ADSs.

Substantial future sales or perceived potential sales of our ADSs in the public market could cause the price of our ADSs to decline.

Sales of our ADSs in the public market, or the perception that these sales could occur, could cause the market price of our ADSs to decline. All ADSs sold in our equity offerings will be freely transferable without restriction or additional registration under the Securities Act. In addition, certain holders of our ordinary shares have the right to cause us to register under the Securities Act the sale of their shares. Registration of these shares under the Securities Act would result in ADSs representing these shares becoming freely tradable without restriction under the Securities Act. Sales of these registered shares, in the form of ADSs, in the public market could cause the price of our ADSs to decline. 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. In addition, if we pay for our future acquisitions in whole or in part with additionally issued ordinary shares, your ownership interests in our company would be diluted and this, in turn, could have a material and adverse effect on the price of our ADSs.

Our dual-class share structure will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial.

Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A and Class B ordinary shares have the same rights, including dividend rights, except for conversion and voting rights. Each Class B ordinary share may be converted into one Class A ordinary share by its holder at any time, while Class A ordinary shares cannot be converted into Class B ordinary shares under any circumstances. Each Class A ordinary share is entitled to one vote. When the total number of ordinary shares held by Telstra Holdings Pty Limited and/or its affiliates, or the Telstra Shareholder, constitutes no less than 51% of all of our issued and outstanding ordinary shares, each Class B ordinary share is entitled to one vote; when the total number of ordinary shares held by the Telstra Shareholder, drops below 51% but is no less than 39.3% of all of our issued and outstanding ordinary shares, each Class B ordinary share will carry such number of votes that would result in the total number of ordinary shares held by the Telstra Shareholder carrying, in the aggregate, 51% of the voting rights represented by all of our issued and outstanding ordinary shares; when the total number of ordinary shares held by the Telstra Shareholder drops below 39.3% of all of our issued and outstanding ordinary shares, all Class B ordinary shares will be automatically converted into the same number of Class A ordinary shares. As of February 29, 2016, Telstra beneficially owned 61,824,328 Class B ordinary shares, representing 54.6% of all of our issued and outstanding ordinary shares and 54.6% of our aggregate voting rights. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of Class A ordinary shares and ADSs may view as beneficial.

[Table of Contents](#)

You may not have the same voting rights as the holders of our Class A ordinary shares and may not receive voting materials in time to be able to exercise your right to vote.

Except as described in this annual report and in the deposit agreement, holders of our ADSs will not be able to exercise voting rights attaching to the Class A ordinary shares represented by our ADSs on an individual basis. Holders of our ADSs will appoint the depositary or its nominee as their representative to exercise the voting rights attaching to the Class A ordinary shares represented by the ADSs. Upon receipt of your voting instructions, the depositary will vote the underlying ordinary shares in accordance with these instructions.

Pursuant to our fourth amended and restated memorandum and articles of association, we may convene a shareholders' meeting upon ten calendar days' notice. If we give timely notice to the depositary under the terms of the deposit agreement (30 business days' notice), 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 instruct the depositary to vote the Class A ordinary shares underlying your ADSs, and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote. 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 Class A ordinary shares underlying your ADSs are not voted as you requested. In addition, although you may directly exercise your right to vote by withdrawing the Class A ordinary shares underlying your ADSs, you may not receive sufficient advance notice of an upcoming shareholders' meeting to withdraw the Class A ordinary shares underlying your ADSs to allow you to vote with respect to any specific matter.

Your right to participate in any future rights offerings may be limited, which may cause dilution to your holdings, and you may not receive cash dividends if it is illegal or impractical to make them available to you.

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to you in the United States unless we register both the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. Under the deposit agreement, the depositary will not make rights available to you unless both the rights and the underlying securities to be distributed to ADS holders 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 and we may not be able to establish a necessary 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.

The depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on Class A ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of Class A ordinary shares your ADSs represent. However, the depositary is not responsible if it decides that it is inequitable or impractical to make a distribution available to any holders of ADSs. For example, the depositary may determine that it is not feasible to distribute certain property through the mail. Additionally, the value of certain distributions may be less than the cost of mailing them. In those cases, the depositary may determine not to distribute such property. We have no obligation to register under U.S. securities laws any ADSs, ordinary shares, rights or other securities received through such distributions. 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 Class A 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.

[Table of Contents](#)

You may be subject to limitations on the transfer of your ADSs.

Your ADSs are transferable on the books of the depository. However, the depository 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 depository may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depository are closed, or at any time if we or the depository deems it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason in accordance with the terms of the deposit agreement.

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

We are incorporated in the Cayman Islands and conduct substantially all of our operations in China through our PRC subsidiaries and VIEs. Most of our directors and officers reside outside the United States and a substantial portion of the assets of such directors and officers 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. There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, although the courts of the Cayman Islands will generally recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits.

Our corporate affairs are governed by our memorandum and articles of association, as amended and restated from time to time, and by the Companies Law and common law of the Cayman Islands. The rights of shareholders to take legal action against us and our directors, actions by minority shareholders and the fiduciary responsibilities of our directors are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which provides persuasive, but not binding, authority. 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 statutes or judicial precedents in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States and provides significantly less protection to investors. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in U.S. federal courts.

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

Our memorandum and articles of association contain anti-takeover provisions that could adversely affect the rights of holders of our Class A ordinary shares and ADSs.

Our fourth amended and restated memorandum and articles of association contain certain provisions that could limit the ability of others to acquire control of our company, including a provision that grants authority to our board of directors to establish from time to time one or more series of preferred shares without action by our shareholders and to determine, with respect to any series of preferred shares, the terms and rights of that series. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of our ADSs may fall and the voting and other rights of the holders of our Class A ordinary shares and ADSs may be materially adversely affected. These provisions could have the effect of depriving our shareholders of the opportunity to sell their shares at a premium over the prevailing market price by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction.

[Table of Contents](#)

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.

Because we qualify as a foreign private issuer under the Securities Exchange Act of 1934, as amended, or the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We are required to file an annual report on Form 20-F within four months of the end of each fiscal year. We intend to publish our results on a quarterly basis as press releases, distributed pursuant to the rules and regulations of the NYSE. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less frequent compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information, which would be made available to you, were you investing in a United States domestic issuer.

We may be classified as a passive foreign investment company for United States federal income tax purposes, which could subject United States investors in the ADSs or Class A ordinary shares to significant adverse tax consequences.

Under United States federal income tax law, we will be classified as a passive foreign investment company (“PFIC”) for any taxable year if either (i) at least 75% of our gross income for the taxable year is passive income or (ii) at least 50% of the value of our assets (based on the average quarterly value of our assets during the taxable year) is attributable to assets that produce or are held for the production of passive income (the “asset test”). Although the law in this regard is not entirely clear, we treat our VIEs as being owned by us for United States federal income tax purposes because we control their management decisions and are entitled to substantially all of the economic benefits associated with such entities, and, as a result, we consolidate their results of operations in our consolidated U.S. GAAP financial statements. Assuming we are the owner of our VIEs for U.S. federal income tax purposes and based on our current income and assets, including goodwill and unbooked intangibles, we do not believe that we were a PFIC for the taxable year ended December 31, 2015 and do not anticipate becoming a PFIC in future taxable years.

While we do not believe that we were a PFIC for the taxable year ended December 31, 2015 and do not anticipate becoming a PFIC in the foreseeable future, no assurance can be given in this regard because the determination of whether we will be or become a PFIC is a fact-intensive inquiry made on an annual basis that depends, in part, on the composition of our income and assets. Fluctuations in the market price of our ADSs may cause us to become a PFIC for the current or subsequent taxable years because the value of assets for the purpose of the asset test may be determined by reference to the market price of our ADSs from time to time (which may be volatile). The composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets. Under circumstances where our revenue from activities that produce passive income significantly increase relative to our revenue from activities that produce non-passive income, or where we determine not to deploy significant amounts of cash for active purposes, our risk of becoming classified as a PFIC may substantially increase. In addition, because there are uncertainties in the application of the relevant rules, it is possible that the Internal Revenue Service may challenge our classification of certain income and assets as non-passive or our valuation of our tangible and intangible assets, each of which may result in our becoming a PFIC for the current or subsequent taxable years.

[Table of Contents](#)

If we were to be or become a PFIC, a U.S. Holder (as defined in “Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations—General”) may incur significantly increased United States income tax on gains recognized on the sale or other disposition of the ADSs or Class A ordinary shares and on the receipt of distributions on the ADSs or Class A ordinary shares to the extent such gain or distribution is treated as an “excess distribution” under United States federal income tax rules. Further, if we were a PFIC for any year during which a U.S. Holder held our ADSs or Class A ordinary shares, we generally would continue to be treated as a PFIC as to such U.S. Holder for all succeeding years during which such U.S. Holder held our ADSs or Class A ordinary shares. Alternatively, U.S. Holders of PFIC shares can sometimes avoid the rules described above by making certain elections, including a “mark-to-market” election or electing to treat a PFIC as a “qualified electing fund.” However, U.S. Holders will not be able to make an election to treat us as a “qualified electing fund” because, even if we were to be or become a PFIC, we do not intend to comply with the requirements necessary to permit U.S. Holders to make such election. Each U.S. Holder is urged to consult its tax advisor concerning the United States federal income tax consequences of owning and disposing of ADSs or Class A ordinary shares if we are or become a PFIC. For more information, see “Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Rules.”

We incur increased costs as a result of being a public company.

We are a public company and expect to incur significant accounting, legal and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, including Section 404 therein relating to internal control over financial reporting, as well as rules subsequently implemented by the SEC and the NYSE, have detailed requirements concerning corporate governance practices of public companies. We expect these rules and regulations applicable to public companies to increase our accounting, legal and financial compliance costs and to make certain corporate activities more time-consuming and costly. Our management is required to devote substantial time and attention to our public company reporting obligations and other compliance matters. We evaluate and monitor developments with respect to these rules and regulations, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. Our reporting and other compliance obligations as a public company may place a significant strain on our management, operational and financial resources and systems for the foreseeable future.

In the past, shareholders of a public company often brought securities class action suits against the company following periods of instability in the market price of that company’s securities. If we were involved in a class action suit, it could divert a significant amount of our management’s attention and other resources from our business and operations, which could harm our results of operations and require us to incur significant expenses to defend the suit. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Autohome Inc. was incorporated under the laws of the Cayman Islands under its former name, Sequel Limited, in June 2008 and adopted its current name in October 2011. Shortly after its inception, in June 2008, Autohome acquired all of the equity interests of the following entities:

- Cheerbright International Holdings Limited, or Cheerbright, a British Virgin Islands company that operates *autohome.com.cn*, which was launched in 2005;
- Norstar Advertising Media Holdings Limited, or Norstar, a Cayman Islands Company that, among other businesses, operated *che168.com*, which was launched in 2004; and
- China Topside Limited, or China Topside, a British Virgin Islands company.

Our largest shareholder is Telstra Holdings, a wholly owned subsidiary of Telstra Corporation Limited, the leading diversified telecommunications company in Australia and a Fortune Global 500 company.

[Table of Contents](#)

To sharpen our business focus on the automotive industry, we completed a corporate reorganization in 2011 by spinning off our then subsidiaries that were not involved in our core business. In March 2011, we completed the transfer of the *che168.com* business from Norstar to Cheerbright. In June 2011, in connection with our strategy to focus on serving the automotive industry in China, we contributed our entire equity interests in Norstar and China Topside, which serve the information technology industry, to Sequel Media, our subsidiary in the Cayman Islands. We then immediately distributed shares of Sequel Media to our shareholders. Since the spin-off, we have focused on serving the automotive industry in China through our *autohome.com.cn* and *che168.com* websites.

On March 16, 2012, we established a new wholly owned subsidiary, Autohome HK, in Hong Kong. Autohome HK has no material business operation as of the date of this annual report.

In October 2013, Autohome HK acquired Pbrownies Marketing Limited, a Hong Kong advertising and marketing company, which we renamed Autohome Media Limited, or Autohome Media, in March 2014. Autohome Media has engaged in the advertising business outside the PRC for more than three years, and is therefore qualified to directly invest in a PRC company providing advertising services in accordance with PRC law. Autohome Media has established subsidiaries in Beijing, Shanghai, Guangzhou and Tianjin. We have migrated our advertising business from Guangzhou Advertising, Shanghai Advertising, Beijing Shengtuo Autohome Advertising Co., Ltd., or Autohome Advertising, Beijing Shengtuo Chengshi Advertising Co., Ltd., or Chengshi Advertising, to the subsidiaries of Autohome Media in 2015.

In December 2013, we completed our initial public offering of 8,993,000 ADSs, representing 8,993,000 Class A ordinary shares, and our ADSs were listed on the NYSE under the symbol “ATHM.”

In November 2014, we completed a public offering, or the 2014 Offering, in which we offered and sold 2,424,801 ADSs, and our selling shareholders sold 7,220,858 ADSs, representing 2,424,801 Class A ordinary shares and 7,220,858 Class A ordinary shares, respectively.

In January 2015, we established Beijing Autohome Used Car Appraisal Co., Ltd. in Beijing to conduct used car appraisal business. In May 2015, we established a new wholly owned subsidiary, Beijing Chezhiying Technology Co., Ltd., in Beijing, China. In June 2015, we established Beijing Autohome Used Car Brokerage Co., Ltd. in Beijing, China to conduct used car brokerage business. In December 2015, we established a new wholly owned subsidiary, Beijing Chezhiying Software Co., Ltd. in Beijing, China.

In February 2015, we established Autohome E-commerce Hong Kong Limited and Autohome Link Hong Kong Limited in Hong Kong and in April 2015, we established Autohome Financing Hong Kong Limited in Hong Kong. These three subsidiaries have no business operation as of the date of this annual report.

In June 2015, we established a strategic joint venture with HappiGo Home Shopping Co, a leading TV shopping business in China, to build a full-service auto sales platform. We invested RMB49 million into the joint venture, accounting for 49% of the shareholding.

In July 2015, Autohome Information, Shengtuo Hongyuan and Autohome WFOE entered into a termination agreement, pursuant to which the parties terminated the contractual agreements among themselves and Autohome Information transferred all of its equity interest in Shengtuo Hongyuan to James Zhi Qin and Zheng Fan. In July 2015, Chezhiying WFOE, Shengtuo Hongyuan and each of its subsidiaries, and James Zhi Qin and Zheng Fan entered into contractual agreements.

In September 2015, we established a joint venture, the Financing JV, with Beijing Chehejia Information Technology Co., Ltd and two companies unaffiliated with us. Xiang Li, our director, is the founder of Beijing Chehejia Information Technology Co., Ltd. We invested a full payment of RMB75 million into the Financing JV for a 25% equity interest of the Financing JV. The Financing JV is expected to provide auto financing to car buyers and facilitate the transaction process.

Our principal executive offices are located at 10th Floor Tower B, CEC Plaza, 3 Dan Ling Street, Haidian District, Beijing 100080, the People's Republic of China. Our telephone number at this address is +86 (10) 5985 7001. Our registered office in the Cayman Islands is located at the office of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Our agent for service of process in the United States is Law Debenture Corporate Services Inc., 400 Madison Avenue, 4th Floor, New York, New York 10017.

[Table of Contents](#)

See “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Capital Expenditures” for a discussion of our capital expenditures and divestitures.

B. Business Overview

Overview

We are the leading online destination for automobile consumers in China. Through our two websites, *autohome.com.cn* and *che168.com*, and our mobile applications, we deliver comprehensive, independent and interactive content to automobile buyers and owners. The number of our average daily unique users who access our websites via mobile devices and the number of average daily unique users of our mobile applications amounted to approximately 7.7 million and 6.1 million, respectively, in December 2015. We have developed a strong and well-recognized brand. Our “汽车之家” (“Autohome”) brand has been the most searched automotive-related keyword during substantially the entire period since July 2011 on *Baidu.com*, the leading Chinese language internet search engine.

Our ability to reach a large and engaged user base of automobile consumers has made us a preferred platform for automakers and automobile dealers to conduct their advertising campaigns. We generate a majority of our revenues from online advertising services and dealer subscription services. We have a high penetration rate in the automaker market, with 75, 85 and 87 automakers operating in China having advertised on our websites in each of 2013, 2014 and 2015, respectively. In addition, a large and rapidly growing number of dealers are purchasing our advertising services and subscription services, through which they showcase and market their inventories on our websites.

We believe our focus on user experience, innovation and high-quality content distinguishes us from our competitors and is the foundation for our long-term success.

Our professionally produced and user generated content, comprehensive automobile library and extensive automobile listing information have attracted a large and engaged user base. This, in turn, represents a highly relevant audience that is receptive to automotive advertising. We believe that this user base, together with our nationwide advertising platform, targeted advertising solutions and value-added services, has led to our rapid growth and has laid the foundation for our continuing success in our core advertising and dealer subscription business.

We develop our business model and technology platforms to provide services for the complete consumer automobile ownership life cycle. We have built an online automotive media and transaction platform that captures critical stages of the sales funnel, starting from product awareness, to purchase desire initiation and sales leads generation. We further developed our transaction business which include direct vehicle sales and commission-based services facilitating transactions through our transaction platform. For instance, in June 2014 we launched Autohome Mall, an online transaction platform that we believe will allow us to be a transaction service provider as we develop our transaction business.

We have experienced significant revenue growth while maintaining profitability. Our net revenues increased from RMB1,216.5 million in 2013 to RMB2,132.9 million in 2014 and RMB3,464.0 million (US\$534.7 million) in 2015, representing a CAGR of 68.7%. Our net income increased from RMB456.2 million in 2013 to RMB748.7 million in 2014 and RMB990.6 million (US\$152.9 million) in 2015, representing a CAGR of 47.4%.

Our Business Model and Technology Platforms

We are the leading online destination for automobile consumers in China. Over the past several years, we have developed the largest and most active online community of automobile consumers in China. We serve three distinct groups: our large and engaged user base of our websites and mobile applications, automobile consumers on our transaction platform and customers for our advertising business and subscription business that include automakers, dealers and other auto-related products and service providers. Our business model and technology platforms seek to effectively link each stage of our users’ automobile ownership life cycle with the corresponding stage of our customers’ sales cycle.

[Table of Contents](#)

We have built an online automotive media and transaction platform that capture critical stages of the sales funnel, starting from product awareness, to purchase desire initiation and to sales leads generation. We are further developing our business model to also include the generation of actual sales. To initiate product awareness and purchase desire, we utilize our comprehensive, independent and interactive content through our websites that are accessible through PCs and mobile devices and on our mobile applications to create strong user traffic and user engagement and stickiness. As our user traffic grows, we focus on generating sales leads through engaging our users with our promotional activities, including our dealer yellow page business which consists of dealer advertising services and dealer subscription services. We also launched several promotional initiatives such as “Group Buy” initiative to leverage our broad user base in our online social community and convert them into higher quality leads for our dealers. Finally we provide a transaction platform for automobile buyers to purchase new vehicles directly from the automakers or used vehicles from sellers on our platform. In June 2014, we launched Autohome Mall, an online transaction platform. Autohome Mall is a one-stop platform for users to review automotive-related information, purchase coupons offered by automakers or dealers for discounts and make purchases to complete the transaction. We developed a used automobile listing platform underlying our dedicated used car website *che168.com*, which targets the automobile replacement stage by allowing both used automobile dealers and individuals to list their used automobiles on our websites. We have completed or facilitated successful new and used vehicle transactions on our platform through various sales initiatives and other promotional campaigns. In 2014 and 2015, we conducted several online marketing events on Autohome Mall or offline promotion campaigns with our partners, such as the “Group Buy” initiative, “Singles’ Day” and “Double 12” campaigns which generated quality sales leads for our dealer customers or our transaction business. In addition, we have been leveraging our comprehensive platform to capture additional revenue opportunities in connection with the remaining stages of the automobile ownership life cycle.

Our Services for Automobile Consumers

Our service offerings for users mainly include our high performance websites and mobile applications, our professional and user generated content and our interactive online community.

Our Websites

Our user-centric approach has successfully attracted the largest user base of automobile consumers in China to our websites. According to the iResearch Public Data, *autohome.com.cn* had an average of 8.0 million unique visitors per day in 2015, more than any of our competitors and also maintained a moderate growth rate of 7% compared with 2014. On average, our users spent approximately 16.5 minutes per day on *autohome.com.cn*, approximately 2.5 times that of our closest competitor. Our users are significantly more affluent, well-educated and active than the general internet users in China. The average monthly personal income of our users was RMB9,313 according to a survey conducted by a third-party research firm in October 2015, or the User Survey, which is higher than the average monthly personal income of general internet users according to the 37th survey report issued by CNNIC in January 2016. Approximately 86% of our users held post-secondary degrees and above, according to the User Survey, compared to 20% for the general internet users in China, according to the 37th survey report issued by the CNNIC in January 2016. The average age of our users was 30 and almost were male, according to the User Survey. Our *autohome.com.cn* website targets a wide spectrum of automobile consumers with a focus on new automobiles. To capitalize on the growing used automobile market in China, we redesigned our *che168.com* website, which in the past had features and user base similar to our *autohome.com.cn* website, to focus on used automobiles. The re-designed *che168.com* website was launched in October 2011. We have started to conduct our used car business via our *che168.com*, such as our *jjajiahaoche* platform.

Most of the content on our websites is tagged by vehicle models to facilitate easy user access. We have developed and are continuing to improve our user intelligence engine to analyze user browsing behavior and prioritize content that the user is likely to find relevant and interesting. A user who searches for or navigates to a page for a specific vehicle model will be provided with links to relevant content such as vehicle specifications, photos and video clips, reviews, competing vehicle models, and listing and promotional information from local dealers. Users can easily compare competing vehicle models and brands for price and specifications to make informed purchase decisions. In addition, these user behavior data are summarized and analyzed on a regular basis to improve user experience and provide consumer intelligence to our advertisers.

[Table of Contents](#)

To provide a superior experience to our users, we label sponsored content clearly to maintain objectivity. We do not allow our advertisers to have any influence over our content rankings, such as our “Most-Viewed Models,” which are generated solely from data relating to the number of times users navigate to the relevant pages. We do not use distracting pop-up advertisements which may adversely affect user experience.

Our Mobile Website and Applications

Our content can be accessed on our websites through PCs and mobile devices and on our mobile applications. We have made significant efforts in recent years to optimize the mobile version of our websites to display our content and develop new mobile applications to capture a greater number of users that access our services through mobile devices. For example, the numbers of average daily unique users who access our websites via mobile devices amounted to 7.7 million in December 2015. We were among the earliest in our industry in China to introduce both iOS- and Android-based applications to allow users to easily access our content. As of December 31, 2015, we had nine iOS-based applications and eight Android-based applications. Our mobile applications have generated significant user interest. In 2015, our iOS- and Android-based applications were downloaded approximately 84.2 million times, and the number of average daily unique users of our mobile applications amounted to approximately 6.1 million in December 2015. The combined number of average daily unique visitors for our mobile websites and mobile applications in December 2015 grew about 79% year-over-year. Users can conveniently enjoy features available on our websites from their mobile devices, such as reading articles, checking vehicle prices and model parameters, viewing pictures, and participating in forum discussions. In addition, through our location-based services, our users are able to obtain vehicle pricing information directly from their nearby dealers in approximately 330 cities in China.

Our Content

The foundation of our websites and mobile applications is a large amount of professionally produced content, a comprehensive automobile library and extensive automobile listing and promotional information organized around our automotive information database. In addition, our automotive information database includes a significant amount of user generated content originating from our user forums.

Professionally produced content

Our professionally produced content is created by our dedicated editorial team and includes automobile-related articles and reviews, pricing trends in various local markets, and photos and video clips. This content covers topics throughout the automobile ownership life cycle, from automobile research, selection and purchase to ownership and maintenance and to eventual replacement. Our review writers obtain first-hand experiences by test-driving many newly released vehicle models provided by various automakers. Our editorial team at our Beijing headquarters and sales offices located in 78 cities throughout China work closely with automakers, dealers and other industry participants to create automobile related articles. Although automakers may provide us with sample vehicles to test drive, we review all new automobiles independently, based upon our teams’ experience and from our users’ perspective.

We follow well-developed guidelines in creating and publishing professional content with attention to details, such as the angles of photos, image sizes and the time between industry events and the relevant article publication. These practices enable us to streamline our editorial process and quickly and efficiently make national and local content available to our users, while ensuring that we maintain high quality standards and a consistent user experience.

Automobile library

We have one of the most comprehensive automobile libraries within our industry in China with over 22,400 vehicle model configurations and approximately 3.2 million photos as of December 31, 2015. We believe our automobile library covers all passenger vehicle models released in China since 2005. It includes a broad range of specifications covering performance levels, dimensions, powertrains, vehicle bodies, interiors, safety, entertainment systems and other unique features, as well as automakers’ suggested retail prices. The scale of content in our automobile library, which we believe would require significant time, expertise and expense to replicate, makes it a valuable tool for our users in researching both new and used automobiles.

[Table of Contents](#)

Automobile listings

Our database also includes a large amount of new and used automobile listings and promotional information. With the comprehensive and continuously updated listing information, users can conveniently search for up-to-date information of vehicle models without having to visit each individual dealer at their local showrooms.

User forums and user generated content

Our platform hosts an open and vibrant community of automobile consumers, from first-time buyers to sophisticated automobile enthusiasts. Our user community centers around our discussion forums, which are organized based on vehicle models, cities and regions, and provides users an easy and intuitive way to access various topics of interest. Registered users utilize our discussion forums to share a wide range of automotive experiences such as driving experiences and usage and maintenance tips. Users also frequently provide reviews of automobiles or automotive products and services, post questions and receive answers from fellow forum members. We continued to enhance user engagement and participation in the content generation and delivery process. For example, we expanded our user review platform by allowing users to add or modify their views and insights on a continuous basis.

We strive to ensure the credibility, appeal and usefulness of our forums by identifying verified automobile owners and empowering selected registered users as forum moderators. Our verified automobile owners are registered users whose vehicle ownership has been confirmed through various channels. Our forum moderators are generally active registered users with significant forum post counts whom we have identified as being reputable automobile enthusiasts within our online community.

Our registered users increased by more than 7.2 million in 2015 with 152.0 million additional pieces of user generated content added to our user forums during 2015. As of December 31, 2015, we had over 19.6 million registered users and 749.0 million cumulative posts in our user forums. As our user base has grown and our user engagement and forum activity has increased, our database of user generated content has expanded, which in turn has attracted more users. Furthermore, this feedback effect on our growing user base has also enhanced the effectiveness of our advertisements and therefore the value of our advertising services, allowing us to attract more advertisers and increase revenues from existing advertisers.

Our Advertising Services for Automakers and Automobile Dealers

Leveraging our large and rapidly growing user base and utilizing the user intelligence data we have collected, we provide our advertisers with a broad range of advertising solutions and tools. Our advertisers are comprised primarily of automakers and new automobile dealers. As millions of consumers visit our websites for automotive information, we have become an increasingly important medium for automakers and automobile dealers to conduct their advertising campaigns.

Automakers typically utilize our advertising services for brand promotion, new model releases and sales promotions. We believe we are well-positioned to provide solutions to meet all of these needs. Our large and growing automobile purchase- and ownership-oriented user base provides a broad reach for automakers' marketing messages. Our automotive content delivery and advertisement management platform allows us to segment our user base in a number of different dimensions, including by users' geographical location and specific automotive interests, and enables us to place advertisements with targeted audiences likely to be receptive to particular advertising messages.

Leveraging our large user base and extensive forum posting data, we provide automakers with more reliable and timely business insights than traditional customer surveys or other post-sales feedback channels. For instance, we analyze user posts in our forums to evaluate consumer response. In addition, we organize various types of offline national or local events for our automaker and dealer customers through our online marketing campaigns and user forum activities to complement our advertising services and dealer subscription services. For example, we help automakers increase their brand awareness and execute sales promotions by organizing large-scale test driving activities for specific vehicle models in multiple cities across China. Users can conveniently participate and interact with automaker representatives through our forums.

Our Dealer Subscription Services

Our dealer subscription services allow dealers to market their inventory and services through our websites, extending the reach of their physical showrooms to potentially millions of internet users in China and generating sales leads for them. Our dealer subscription services are delivered through our dealership information system on a fixed-fee basis, typically for a period of one year. Through the web-based interface of our dealership information system, dealers can create online showrooms hosted on our websites and upload and manage their automobile inventories, pricing and promotional information. Potential automobile purchasers can interact with our dealer subscribers online or through toll free numbers provided by us to inquire for more detailed information and schedule test drives. Our dealer subscribers can track all the interactions with their customers originating from our websites, analyze the number of sales leads and assess the effectiveness of their marketing activities.

We provide automobile consumers trend analysis services for our automaker and dealer customers that helps them analyze data in specific geographic markets such as consumer purchasing behavior characteristics and their brand strength in comparison to that of their competitors. We believe the consumer intelligence gathered from our large user base reflects the current automotive market trends in China and provides excellent market insight to our automaker and dealer customers. We continue to develop our dealer subscription services and plan to implement additional services in the future, which we believe will allow us to reach additional dealers by enabling us to offer basic and premium subscriptions at different price levels.

We also offer some basic functions of our dealer subscription services to automobile dealers for free. Registered dealers can create their online showrooms and upload inventory and pricing information on our websites. However, their listings have lower priority than those of our dealer subscribers when being displayed in response to users' inquiries and do not have the user interaction features. We believe that these free services allow more dealers to understand and appreciate the benefits our subscription services may bring to them, which helps us convert them into dealer subscribers.

Our Transaction Business

E-commerce platform for new vehicles

In June 2014, we launched Autohome Mall, an online transaction platform. Autohome Mall is a one-stop platform for users to review automotive-related information, purchase coupons offered by automakers or dealers for discounts and make purchases to complete the transaction. In 2015, we began to provide direct vehicle sales and commission-based services facilitating transactions through our transaction platform. We have completed new vehicle transactions on our platform through various sales initiatives and other promotional campaigns. In 2014 and 2015, we conducted several online marketing events on Autohome Mall and offline promotion campaigns with our partners for our transaction business. We also partnered with automakers to sell customized or exclusive models of selected vehicles on our platform.

Used automobile listing & transactions services

We launched our used automobile listing platform in late 2009. Our used automobile listings services allow used dealers and individuals to market their automobiles for sale on our websites. Our used automobile listing database has been expanding rapidly. We had approximately 4.3 million used automobile listings in our database as of December 31, 2015.

In an effort to capitalize on the used automobile market as it matures, in October 2011, we redesigned our *che168.com* website as a platform dedicated to used automobiles. The redesigned website features content, listings and interactive functionality similar to our *autohome.com.cn* website, but focuses primarily on used automobiles. We also developed a mobile application for our used automobile services. Since 2014, we continued to develop and enhance our used automobile sales platform and began to provide advertising services, dealer subscription services and C2C transactions in selected cities.

The used automobile market still remains at a nascent stage of development and the revenue generated from our used automobile listing and transaction services was not significant for the year ended December 31, 2015.

Our Advertisers and Dealer Subscribers

The vast majority of our current end-customers for our advertising business and subscription business are automakers or new dealers. In each of 2013, 2014 and 2015, 75, 85 and 87 automakers in China, which includes independent Chinese automakers, joint ventures between Chinese and international automakers and international automakers that sell their cars made outside of China, purchased online advertisements from us. Our top five advertisers, all of whom were automakers, contributed 15.0%, 9.8% and 11.1% of our total net revenues in 2013, 2014 and 2015, respectively. No single automaker contributed more than 10% of our net revenues in 2013, 2014 and 2015. In addition, a large number of dealers utilize our online advertising services to improve their brand awareness, promote their inventories and generate sales leads. We also offer dealer subscription services to enable dealers to establish and maintain online showrooms of automobiles with pricing and promotional information on *autohome.com.cn*.

As is customary in China, we sell our advertising services and solutions primarily through third-party advertising agencies that represent the automakers and automobile dealers. Our top ten advertising agencies accounted for 44.0%, 38.7% and 39.2% of our total net revenues in 2013, 2014 and 2015, respectively. In 2013, 2014 and 2015, our largest agency accounted for 6.7%, 5.9% and 6.9% of our total net revenues, respectively. We typically enter into individual advertising agreements with the third-party advertising agencies. Depending on the type of advertiser and content, the duration of an advertising agreement ranges from one to twelve months, with the majority being one to three months. We typically require payment be made within 90 days after the delivery of our services, but for contracts that last for three months or longer, installment payments are typically required. Our agreements with certain major advertising agencies contain a “most-favored price term” provision, through which we undertake to provide the advertising agencies with the best price we give to any other agencies or advertisers.

Although we sell our advertising services and solutions to third-party advertising agencies, we consider the automakers and automobile dealers, who are the main decision makers as to whether to place advertisements on our websites, to be our end-customers. As a result, our sales efforts focus primarily on automakers and automobile dealers. However, through direct contact between our sales team, advertisers and advertising agencies, we are able to maintain good relationships with existing advertisers and their advertising agencies, which in turn may identify and refer new advertisers to us. See “—Our Advertising Services for Automakers and Automobile Dealers.”

Technology and Product Development

Our technologies and infrastructure are critical to our success. We follow a user-centric strategy for our system architecture and have developed robust and scalable technology platforms with sufficient flexibility to support our rapid growth.

A key component of our user-centric strategy is our user intelligence engine which we have developed and are continually enhancing. Our user intelligence engine allows us to rapidly gather user intelligence by analyzing large amounts of data from many sources throughout our content production system. We can utilize such user intelligence data to personalize user interfaces, associate and understand the relationship of information from different sources and facilitate interactions among users and various elements on our websites. It also helps us recommend suitable products, services and user connections to our users. Through our user intelligence engine, we can engage our users more closely by providing them with relevant content. We are also able to provide precision marketing services to our automakers, dealers and other automotive-related customers so that they can deliver relevant advertisements to targeted users who are more receptive to such marketing information.

We distribute our web content to numerous network nodes close to our users by utilizing the content delivery networks, allowing most of our user communications to bypass internet congestion. With our technological expertise, we manage the content delivery networks to enhance our website responsiveness and improve user experience. As such, we believe our websites have a performance advantage over other automotive websites.

We invested heavily in mobile technologies and were among the earliest in our industry in China to introduce a mobile version of our websites and both Apple iOS- and Android-based applications to allow our users to easily access our content. We have built up a team of 179 research and development personnel as of December 31, 2015, to focus exclusively on the development of our mobile websites and applications and to explore new business models and opportunities through mobile technology. We plan to continue to leverage our mobile technology to develop more applications for Apple iOS and Android platforms focusing on convenience, real-time interaction and location based services.

[Table of Contents](#)

We had an experienced product development team of 787 engineers as of December 31, 2015. Our past innovation has focused on helping users research, select and purchase suitable vehicles through our websites. We plan to develop additional products and services for our transaction business, mobile applications and media-related technology.

Sales and Marketing

Our nationwide in-house team of sales representatives sells our services to advertisers. As of December 31, 2015, we had 2,044 sales and marketing representatives operating our physical sales office network spanning 79 cities across China and visiting customers in an additional 123 satellite cities, a significant increase from December 31, 2009, when we had physical sales offices in 17 cities. We have a prudent expansion plan and we typically only open new physical sales offices in a city after we have already established a sufficient customer base in the area. In cities where we do not yet have a customer base, we provide sales coverage by telephone. Our Beijing-based telephone sales team provided sales coverage to the cities in which we did not have physical sales offices. Our sales team also provides ongoing customer support to advertisers and dealer subscribers. In the past years, we have successfully expanded our market presence in the first- and second-tier cities in China. We plan to continue to expand our sales and marketing efforts into third- and fourth-tier cities to further capture the opportunities for automobile sales growth in those markets. In 2015, we also established a dedicated sales and marketing team focusing on developing our transaction business.

Our sales team is equipped with specialized automotive industry knowledge and expertise, understands our customers' needs and is trained to help them develop their advertising strategies. Salespeople work directly with our advertisers and advertising agencies that represent advertisers. Our sales team also maintains close relationships with our dealer customers by, among other things, providing continuing training, support and ongoing customer service for our dealer subscriptions services. Our sales team for transaction business is in charge of customer services and maintains our relationships with automakers, our dealership partners which perform order fulfillments for vehicles sold on our platform, our in-house valuers of used vehicles and business development personnel.

Compensation for our salespeople includes a base salary and incentives based on the sales revenues they generate. We provide regular in-house and external education and training to our salespeople to help them provide current and prospective customers with information on, and the advantages of using, our services. We believe that our performance-linked compensation structure and career-oriented training help to retain and motivate our salespeople.

We believe brand recognition is important to our ability to attract users. We focus our sales and marketing efforts through search engines, navigation websites and mobile platforms to retain and strengthen our leading position in terms of user reach. For example, we cooperate with application stores and mobile browsers to promote our mobile applications and our websites. In July 2014, we entered into an arrangement with Baidu for a period of 12 months to provide automotive-related information, such as model descriptions, pricing information and other useful data for potential vehicle buyers, to enhance the user experience of automotive-related searches on PCs using "Aladdin," Baidu's open platform initiative. And we continued our cooperation with Baidu as an exclusive supplier for automotive-related content on PCs powered by "Aladdin" for a six-month period that started from August 25, 2015. We also conduct promotional campaigns on navigation websites from time to time.

Intellectual Property

Our intellectual property includes trademarks and trademark applications related to our brands and services, software copyrights, trade secrets and other intellectual property rights and licenses. We seek to protect our intellectual property assets and brands through a combination of trademark, patent, copyright and trade secret protection laws in the PRC and other jurisdictions, as well as through confidentiality agreements and other measures.

We hold 汽车之家 and 车之家 (both mean "auto home" in English) and "AUTOHOME®" trademarks in China. In addition, as at December 31, 2015, we held 211 pending trademark applications and 93 registered trademarks in China. As at the same date, we had 45 registered domain names, including our main website domain names, *autohome.com.cn* and *che168.com*, 92 pending patent applications, and 19 registered patents.

Competition

We compete with China's automotive websites, such as *xcar.com.cn*, *pcauto.com.cn* and *bitauto.com*, automotive channels of major internet portals, such as Sina and Sohu, and traditional forms of media such as television and magazines. We compete primarily on the basis of user traffic, user engagement and brand recognition, which drive the acquisition and retention of automakers and automobile dealers as advertisers and their spending on our advertising services. We may also face competition from other websites engaged in the online automobile transaction business, such as *bitauto.com* and *tmall.com*, as we develop our transaction platform. We re-designed our *che168.com* website in October 2011 and converted it into our dedicated used car platform. Our re-designed *che168.com* website faces competition from other used car websites, such as *51auto.com*, *taoche.com*, *youxinpai.com*, *quazi.com* and *renrenche.com*. Competition will be centered on factors similar to those affecting our current automotive advertising and dealer subscription services, primarily centered on increasing user reach, user engagement and brand recognition, relationships with the suppliers, and attracting and retaining advertisers or customers, among other factors. For our transaction business, as online automobile transaction is a relatively new business model and consumers in China might be accustomed to make automobile purchases with traditional dealerships, we cannot guarantee that the automobile consumers in China will accept such business model. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We face significant competition, and if we fail to compete effectively, we may lose market share and our business, prospects and results of operations may be materially and adversely affected."

Seasonality

Seasonal fluctuations have affected, and are likely to continue to affect, our business. We generally generate less revenue from advertising services and dealer subscription services in the first quarter of each year due to the Chinese New Year holidays and reduced customer activities during this period. Our advertising services typically increase in the second quarter as automakers increase marketing activities in connection with China's major auto shows, and in the fourth quarter as advertisers seek to complete year-end marketing campaigns. Our cost of revenues, sales and marketing expenses and general and administrative expenses tend to follow the trend of our business growth. See also "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Our business is subject to fluctuations, which makes our results of operations difficult to predict and may cause our quarterly results of operations to fall short of expectations." Our transaction business has not experienced similar trends due to its limited operating history and rapid growth but seasonality may increase in the future.

Our cost of revenues, sales and marketing expenses and general and administrative expenses tend to follow the trend of our business growth. See also "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Our business is subject to fluctuations, which makes our results of operations difficult to predict and may cause our quarterly results of operations to fall short of expectations."

Legal Proceedings

From time to time, we may be subject to various claims and legal actions that arise in the ordinary course of our business. There are currently no legal proceedings that, in the opinion of our management, may have a material adverse effect on our business and results of operations.

Disclosure of Iran-related Activities under Section 13(r) of the Securities Exchange Act of 1934

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 added Section 13(r) to the Securities Exchange Act of 1934, as amended, or the Exchange Act. Section 13(r) requires an issuer to disclose in its annual or quarterly reports, as applicable, whether it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran or with designated natural persons or entities involved in terrorism or the proliferation of weapons of mass destruction. Disclosure is required even where the activities, transactions or dealings are conducted outside the United States by non-U.S. affiliates in compliance with applicable law, whether or not the activities are sanctionable under U.S. law.

As of the date of this report, we are not aware of any activity, transaction or dealing by us or any of our affiliates for the year ended December 31, 2015 that requires disclosure in this report under Section 13(r) of the Exchange Act, except as set forth below with respect to our affiliate, Telstra Corporation Limited, or Telstra.

[Table of Contents](#)

Telstra has informed us that it is party to roaming, interconnection and wholesale voice agreements with the following telecommunication providers in Iran, some of which may be government-controlled entities: Mobile Company of Iran, Rafsanjan Industrial Complex Islamic Cooperative Company (also known as Taliya) and Telecommunication Infrastructure Company of Iran. These agreements provide Telstra's customers with service in areas where Telstra does not own networks and our counterparties' customers with service on Telstra's networks. As Telstra's fiscal year ends on June 30, Telstra does not normally prepare gross revenue or net profit on the basis of a year ended on December 31. Further, Telstra does not allocate costs on an agreement-by-agreement or country-by-country basis and therefore does not normally calculate a profit measure on such bases. However, for the year ended December 31, 2015, it is estimated that gross revenues generated by roaming, interconnection and wholesale voice agreements with Iranian entities were A\$45,266 (US\$32,981) and gross expenses were A\$879,120 (US\$640,527), in this connection. In addition, Telstra provides telecommunication services in the ordinary course of business to the Embassy of the Islamic Republic of Iran in Australia. Gross revenues and net profits generated by these services are estimated to be less than A\$40,000 (US\$29,144) for the year ended December 31, 2015.

We understand that Telstra intends to continue these activities.

The financial data in this section has been translated from Australian dollars into U.S. dollars using the noon buying rate for December 31, 2015 of AUD\$1.00=US\$0.7286.

PRC Regulation

This section summarizes the principal PRC laws and regulations relevant to our business and operations.

Regulations on Value-Added Telecommunications Services

On September 25, 2000, the State Council promulgated the Telecommunications Regulations, or the Telecom Regulations, which draw a distinction between "basic telecommunication services" and "value-added telecommunication services." The Telecommunications Regulations were subsequently revised on July 29, 2014. On 25 December 2015, the MIIT published the Classification Catalogue of Telecommunications Services (the 2015 Catalogue), which will take effect on March 1, 2016. The first catalogue was published in September 2000 and was subsequently amended in 2001 and 2003, respectively. Under the 2015 Catalogue, "value-added telecommunication services" was further classified into two sub-categories and 10 items. Internet content provision services, or ICP services, is under the second subcategory of value-added telecommunications businesses. Under the Telecom Regulations, commercial operators of value-added telecommunications services must first obtain an operating license from the MIIT or its provincial level counterparts.

On September 25, 2000, the State Council issued the Administrative Measures on Internet Information Services, or the Internet Measures. The measures were subsequently revised on January 8, 2011. According to the Internet Measures, commercial ICP service operators must obtain an ICP license from the relevant government authorities before engaging in any commercial ICP operations within the PRC.

On March 1, 2009, the MIIT promulgated the Administrative Measures on Telecommunications Business Operating License, or the Telecom License Measures, which took effect on April 10, 2009. The Telecom License Measures set forth the types of licenses required to operate value-added telecommunications services and the qualifications and procedures for obtaining such licenses. For example, an ICP operator providing value-added services in multiple provinces is required to obtain an inter-regional license, whereas an ICP operator providing the same services in one province is required to obtain a local license.

To comply with these PRC laws and regulations, both of our ICP operators, Autohome Information and Shengtuo Hongyuan, hold ICP licenses. Autohome Information also holds a value-added telecommunications business operation license for provision of mobile network information services.

Restrictions on Foreign Ownership in Value-Added Telecommunications Services

According to the Provisions on Administration of Foreign Invested Telecommunications Enterprises, or the FITE Provisions, promulgated by the State Council on December 11, 2001 and amended on September 10, 2008, the ultimate foreign equity ownership in a value-added telecommunications service provider must not exceed 50%. Moreover, for a foreign investor to acquire any equity interest in a value-added telecommunication business in China, it must demonstrate a good track record and experience in operating value-added telecommunications services. Foreign investors that meet these requirements must obtain approvals from the MIIT and the Ministry of Commerce or its authorized local branches, and the relevant approval application process usually takes six to nine months.

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

To comply with these PRC regulations, we operate our websites through our VIEs, Autohome Information and Shengtuo Hongyuan. Autohome Information is currently 68% owned by Xiang Li, 24% owned by Zheng Fan and 8% owned by James Zhi Qin, all of whom are PRC citizens. Shengtuo Hongyuan is currently 50% owned by James Zhi Qin and 50% owned by Zheng Fan, all of whom are PRC citizens. Both Autohome Information and Shengtuo Hongyuan hold ICP licenses.

Regulations on Internet Content Services

The National People's Congress has enacted laws with respect to maintaining the security of internet operation and internet content. According to these laws, as well as the Internet Measures, violators may be subject to penalties, including criminal sanctions, for internet content that:

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

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

[Table of Contents](#)

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

Regulations on Internet Privacy

In recent years, PRC government authorities have enacted legislation on internet use to protect personal information from any unauthorized disclosure. The PRC law does not prohibit ICP operators from collecting and using personal information from their users with the users' consent. However, the Internet Measures prohibit an ICP operator from insulting or slandering a third party or infringing the lawful rights and interests of a third party. The regulations further authorize the relevant telecommunications authorities to order ICP operators to rectify unauthorized disclosure. ICP operators are subject to legal liability if the unauthorized disclosure results in damages or losses to users. The PRC government, however, has the power and authority to order ICP operators to turn over personal information if an internet user posts any prohibited content or engages in illegal activities on the internet. On December 29, 2011, the MIIT promulgated the Several Provisions on Regulating the Market Order of Internet Information Services, effective as of March 15, 2012. It stipulates that ICP operators may not, without a user's consent, collect the user's information that can be used alone or in combination with other information to identify the user and may not provide any such information to third parties without the user's prior consent. ICP operators may only collect users' personal information that is necessary to provide their services and must expressly inform the users of the method, content and purpose of the collection and use of such personal information. In addition, an ICP operator may only use users' personal information for the stated purposes under the ICP operator's scope of service. ICP operators are also required to ensure the proper security of users' personal information, and take immediate remedial measures if users' personal information is suspected to have been inappropriately disclosed. If the consequences of any such disclosure are expected to be serious, ICP operators must immediately report the incident to the telecommunications regulatory authority and cooperate with the authorities in their investigations.

On December 28, 2012, the Standing Committee of the National People's Congress of the PRC issued the Decision on Strengthening the Protection of Online Information. Most requirements under this decision relevant to ICP operators are consistent with the requirements already established under the MIIT provisions discussed above, but are often stricter and broader. Under this decision, ICP operators are required to take such technical and other measures necessary to safeguard information against inappropriate disclosure. To further implement this decision and relevant rules, MIIT issued the Regulation of Protection of Telecommunication and Internet User Information on July 16, 2013, which became effective on September 1, 2013.

To comply with these laws and regulations, we require our users to accept a user terms of service whereby they agree to provide certain personal information to us, and have established information security systems to protect users' privacy.

Regulations on Advertisements

The PRC government regulates advertising, including online advertising, principally through the SAIC, although there is no PRC law or regulation at the national level that specifically regulates the online advertising business. Prior to November 30, 2004, in order to conduct any advertising business, an enterprise was required to hold an operating license for advertising in addition to a relevant business license. On November 30, 2004, the SAIC issued the Administrative Rules for Advertising Operation Licenses, effective as of January 1, 2005, granting a general exemption to this requirement for most enterprises (other than radio stations, television stations, newspapers and magazines, non-corporate entities and entities specified in other regulations). Because our subsidiaries and VIEs which engage in advertising businesses qualify for the exemption noted above, they are not required to hold an advertising operation license.

[Table of Contents](#)

Before we acquired Autohome Media (formerly known as Pbrownies Marketing Limited) in October 2013, we conducted our advertising business through two subsidiaries of Autohome Information, namely Autohome Advertising and Chengshi Advertising, Shanghai Advertising and Guangzhou Advertising due to the previous restrictions on foreign investors holding direct equity interests in PRC advertising companies. In October 2013, Autohome HK acquired Autohome Media, a Hong Kong advertising and marketing company. Autohome Media has established subsidiaries in Beijing, Shanghai, Guangzhou and Tianjin. We have migrated our advertising business from Autohome Advertising, Chengshi Advertising, Shanghai Advertising and Guangzhou Advertising, to the subsidiaries of Autohome Media in 2015.

Advertisers, advertising operators and advertising distributors are required by PRC advertising laws and regulations to ensure that the content of the advertisements they produce or distribute are true and in full compliance with applicable laws and regulations. In addition, where a special government review is required for certain categories of advertisements before publishing, the advertisers, advertising operators and advertising distributors are obligated to confirm that such review has been duly performed and that the relevant approval has been obtained. Violation of these regulations may result in penalties, including fines, confiscation of advertising income, orders to cease dissemination of the advertisements and orders to publish an advertisement correcting the misleading information. In circumstances involving serious violations, the SAIC or its local branches may order the violator to terminate its advertising operation or even revoke its business license. Furthermore, advertisers, advertising operators or advertising distributors may be subject to civil liabilities if they infringe on the legal rights and interests of third parties.

On April 24, 2015 the Standing Committee of the National People's Congress issued the PRC Advertising Law or the Advertising Law, which came into effect on September 1, 2015. The Advertising Law applies to all advertising activities conducted via the internet. The Advertising Law requires that users must be able to close online pop-up ads with one click. Moreover, internet service providers are obligated to cease publishing any advertisements that they know or should know are illegal. Violation of these regulations may result in penalties, including fines, confiscation of the advertising incomes, termination of advertising operations and even suspension of the provider's business license.

To comply with these laws and regulations, we include clauses in our advertising contracts requiring that all advertising content provided by advertisers must comply with relevant laws and regulations. Prior to website posting, our staff reviews advertising materials to ensure there is no violent, pornographic or any other improper content, and will request the advertiser to provide government approval if the advertisement is subject to special government review.

Regulations on Broadcasting Audio/Video Programs through the Internet

On July 6, 2004, the SARFT promulgated the Rules for the Administration of Broadcasting of Audio/Video Programs through the Internet and Other Information Networks, or the A/V Broadcasting Rules. The A/V Broadcasting Rules apply to the launch, broadcasting, aggregation, transmission or download of audio/video programs via televisions, mobile phones and the internet and other information networks. Anyone who wishes to engage in internet broadcasting activities must first obtain an audio/video program transmission license issued by the SARFT and operate pursuant to the scope as provided in such license. Foreign invested enterprises are not allowed to engage in the above business.

On April 13, 2005, the State Council announced Several Decisions on Investment by Non-state-owned Companies in Culture-related Business in China. These decisions encourage and support non-state-owned companies to enter certain culture-related business in China, subject to restrictions and prohibitions for investment in audio/video broadcasting, website news and certain other businesses by non-state-owned companies. These decisions authorize the SARFT, the Ministry of Culture and the General Administration of Press and Publication to adopt detailed implementation rules according to these decisions.

[Table of Contents](#)

On December 20, 2007, the SARFT and the MIIT jointly issued the Rules for the Administration of Internet Audio and Video Program Services, commonly known as Circular 56, which came into effect as of January 31, 2008. Circular 56 reiterates the requirement set forth in the A/V Broadcasting Rules that online audio/video service providers must obtain an “internet audio/video program transmission license” from the SARFT. Furthermore, Circular 56 requires all online audio/video service providers to be either wholly state-owned or state-controlled companies. According to relevant official answers to press questions published on the SARFT’s website dated February 3, 2008, officials from the SARFT and the MIIT clarified that online audio/video service providers that already had been operating lawfully prior to the issuance of Circular 56 may re-register and continue to operate without becoming state-owned or controlled, provided that such providers have not engaged in any unlawful activities. This exemption will not be granted to online audio/video service providers established after Circular 56 was issued. These policies have been reflected in the Application Procedure for Audio/Video Program Transmission License. Failure to obtain the internet audio/video program transmission license may subject an online audio/video service provider to various penalties, including fines of up to RMB30,000, seizure of related equipment and servers used primarily for such activities and even suspension of its online audio/video services.

To comply with these laws and regulations, Autohome Information obtained an internet audio/video program transmission license on February 9, 2010, for automotive-industry-information-related audio/video programs posted on our *autohome.com.cn* website.

Regulations on Producing Audio/Video Programs

On July 19, 2004, the SARFT promulgated the Administrative Measures on the Production and Operation of Radio and Television Programs, effective as of August 20, 2004. These Measures provide that anyone who wishes to produce or operate radio or television programs must first obtain an operating permit. Applicants for this permit must meet several criteria, including having a minimum registered capital of RMB3.0 million. Autohome Information and Shengtuo Hongyuan hold operating licenses for the production and dissemination of radio and television programs for special topic programs, cartoons and television variety shows.

Regulations on Internet Mapping Services

According to the amended Administrative Rules of Surveying Qualification Certificates and the amended Standards for Internet Map Services issued by the National Administration of Surveying, Mapping and Geoinformation, or NASMG, in July 2014, the provision of internet mapping services by any non-surveying and mapping enterprise is subject to the approval of the NASMG and requires a surveying and mapping qualification certificate. According to these rules, certain conditions and requirements, such as the number of technical personnel and map security verification personnel, security facilities and approval from relevant provincial or national government on the service provider’s security system, qualification management and filings management, are necessary for an enterprise applying for a Surveying and Mapping Qualification Certificate. Pursuant to the Notice on Further Strengthening the Administration of Internet Map Services Qualification issued by the NASMG in December 2011, any entity that has not yet applied for a surveying qualification certificate for internet mapping services is prohibited from providing any internet mapping services.

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

We have provided maps on our websites for the convenience of our users to locate certain services providers. Both Autohome Information and Shengtuo Hongyuan hold the Surveying and Mapping Qualification Certificate for internet mapping.

Regulations on Online Cultural Services

On February 17, 2011, the Ministry of Culture promulgated the Internet Culture Administration Tentative Measures, or the Internet Culture Measures, which became effective on April 1, 2011 and replaced the original measures promulgated in 2003 and amended in 2004. The Internet Culture Measures require ICP operators engaged in “internet culture activities” to obtain an internet cultural operating license from the provincial administration of culture. The term “internet culture activities” includes, among other things, online dissemination of internet cultural products (such as audio-video products, gaming products, performances of plays or programs, works of art and cartoons) and the production, reproduction, importation, publication and broadcasting of internet cultural products.

Autohome Information has applied for and obtained an internet culture operating license in January 2013.

Regulations on Internet Publishing

The Administrative Provisions on Online Publishing Services, or the Online Publishing Provisions, was jointly issued by the MIIT and the State General Administration of Press, Publication, Radio, Film and Television in 2016, and came into effect on March 10, 2016. The Online Publishing Provisions define “online publishing services” as providing online publications to the public through information networks. Any online publishing services provided in the territory of the PRC are subject to these provisions. The Online Publishing Provisions requires any internet publishing services provider to obtain an online publishing service license to engage in online publishing services. Under the Online Publishing Provisions, online publications refers to digital works which have publishing features such as digital work that have been edited, produced or processed and which are made available to the public through information networks, including written works, pictures, maps, games, cartoons, audio/video reading materials and other methods. Any online game shall obtain approval from SAPPRFT before it is launched online. Furthermore, Sino-foreign equity joint ventures, Sino-foreign cooperative joint ventures and wholly foreign-owned enterprises cannot engage in providing web publishing services.

Based on a consultation we had with the local press and publication administration authority, we believe we are not required to obtain the internet publishing license as the activities we engage in on our websites do not constitute “internet publishing activities,” as such term is used in the Online Publishing Provisions. We are also not aware of companies with an operation similar to ours that have obtained or been required to obtain the internet publishing license. As a result, both Autohome Information and Shengtuo Hongyuan have not applied for such internet publishing approval. However, in the event that our activities are deemed to be “internet publishing,” we may be required to obtain approval from GAPP. If we are deemed to be in breach of relevant internet publishing regulations, the PRC regulatory authorities may seize the related equipment and servers used primarily for such activities and confiscate any revenues generated from such activities. In addition, relevant PRC authorities may also impose a fine of five to ten times of any revenues exceeding RMB10,000 or a fine of not more than RMB50,000 if such related revenues are below RMB10,000.

Regulations on Internet News Information Service

In September 2005, the State Council Information Office, or SIIO, and the Ministry of Industry and Information Technology jointly issued the Provisions for the Administration of Internet News Information Services, or Internet News Provision. Internet news information services shall include the publishing of news via the internet, provision of electronic bulletin services on current and political events and transmission of information on current and political events to the public. Under the Internet News Provision, internet news service providers shall also include entities that are not established by the press but reproduce internet news from other sources, provide electronic bulletin services on current and political events, and transmit such information to the public. The Information Office of the State Council shall be in charge of the supervision and administration of the internet news information services throughout China. The counterparts of the Information Office of the State Council at the provincial level shall take charge of the supervision and administration of the internet news information services within their own jurisdiction. The SIIO circulated a revised draft of the Administrative Regulations for Internet News Information Services to solicit public comments on 11 January 2016.

If we release information that may be deemed by authorities as internet news, we may be required to obtain the internet news information service license. However, we have consulted the relevant government authorities and have been informed that we would not be required to obtain the internet news releasing license because the internet news posted on our website is only automotive industry related news which is not political in nature or related to macroeconomics. However, if any of the internet news posted on our website is deemed by the government to be political in nature, related to macroeconomics, or otherwise requires such license based on the sole discretion of the government authority, we would need to apply for such license. If we are deemed to be in breach of the Internet News Provision or other relevant internet news releasing regulations, the PRC regulatory authorities may suspend our information release activities and impose a fine exceeding RMB10,000 but not more than RMB30,000. In serious cases, the PRC regulatory authorities may even suspend the internet service or internet access.

Regulations on E-commerce

China's e-commerce industry is at an early stage of development and there are few PRC laws or regulations specifically regulating the e-commerce industry. In January 2014, the SAIC promulgated the Administrative Measures for Online Trading, which strengthen the protection of consumers and impose stringent requirements and obligations on online business operators and third-party online marketplace operators. Online business operators and third-party online marketplace operators are prohibited from collecting any information on consumers and business operators or disclosing, selling or providing any such information to any third party, or sending commercial electronic messages to consumers without their consent. Fictitious transactions, deletion of adverse comments and technical attacks on competitors' websites are prohibited as well. In addition, third-party online marketplace operators are required to examine and verify the identifications of the online business operators and set up and retain relevant records for at least two years. Moreover, any third-party online marketplace operator that simultaneously engages in online trading for products and services should clearly distinguish itself from other online business operators on the marketplace platform. We are subject to these measures as a result of our online platform services.

Foreign investors were not allowed to own more than 50% of the equity interests in e-commerce companies which is a subcategory of value-added telecommunication services, and any such foreign investor must have experience in providing value-added telecommunications services overseas and maintain a good track record, except for foreign investors in China (Shanghai) Pilot Free Trade Zone, subject to certain conditions. The National Development and Reform Commission and the Ministry of Commerce jointly issued the Catalogue for the Guidance of Foreign Investment Industries in March 2015, or the Catalogue, which further relaxes market access through regulatory reforms such as allowing foreign investors to have complete ownership of equity interests in e-commerce businesses. The Catalogue took effect on April 10, 2015.

Currently, we primarily engage in the E-commerce business of automobiles through Autohome (Tianjin) Automobile Sales Co., Ltd., a wholly owned subsidiary of the Company.

Regulations on Foreign Investment in the Leasing Industry

On October 28, 2015, the Ministry of Commerce enacted the Measures for the Administration of Foreign Investment in the Leasing Industry, or the Foreign Investment in the Leasing Industry Measures, effective as of October 25, 2018. Under the Measures, foreign invested enterprises in the form of Sino-foreign equity joint ventures, Sino-foreign cooperative joint ventures and wholly foreign-owned enterprises in the PRC are allowed to engage in the leasing business or financial leasing business as well as to carry out relevant business activities upon the approval of the Ministry of Commerce. Foreign-invested financial leasing companies may conduct the following businesses: (i) financial leasing business; (ii) leasing business; (iii) purchase of leased property inside and outside of PRC; (iv) maintenance of assets underlying the leases and disposal of the residual value of assets underlying the leases; (v) lease transaction consultancy and security services; and (vi) other businesses approved by the Ministry of Commerce. The leased objects include transportation equipment, such as airplanes, automobiles, ships and other personal properties.

Currently, the Financing JV primarily engages in the financial leasing business of automobiles.

Regulations on Used Automobile Trading

On August 29, 2005, SAT, SAIC, the Ministry of Commerce and the Ministry of Public Security jointly promulgated the Measures for the Administration of the Trading of Used Automobiles, or the Used Automobile Trading Measures, which became effective on October 1, 2005. Pursuant to the Used Automobile Trading Measures, only an enterprise legal person duly registered with the SAIC or its local branches may engage in used automobile trading, either as an operator of used automobiles markets, as a retailer, or as a brokerage entity. Furthermore, for a foreign invested enterprise to engage in the trading of used automobiles, it shall first obtain approval from the Ministry of Commerce and be in compliance with the requirements on the Measures for the Administration of Foreign Investment in the Commercial Sector, or the FICE Measures, which was promulgated by MOFCOM on 16 April, 2004 and revised on 28 October, 2015.

[Table of Contents](#)

Under the Used Automobile Trading Measures, a seller of used automobiles must verify certain background information regarding to the automobiles for sale, including verification of the identity certificate of the previous owner, the number plate of the automobile, the motor vehicle registration certificate, driver's license of the previous owner, proof that the automobile has passed the security technical examination, automobile insurance, and payment certificate of relevant taxes and fees. Used automobile retailers shall also provide quality guarantees as well as after-sale services, information about which shall be clearly indicated at its business location. Furthermore, under certain circumstances, used automobiles are prohibited from being resold, including instances where an automobile has been discarded as unusable, been required to be discarded, or been obtained by illegal means, such as through theft, robbery or fraud.

On March 24, 2006, the Ministry of Commerce promulgated the Specifications for Used Automobile Trade, which provided detailed requirements as to the responsibilities of used automobiles trading entity regarding the trading of used automobiles, including the confirmation of the identity of the seller and the legitimacy of the used automobiles, signing contract for used automobile trading, establishing transaction archives and keeping records for at least three years.

Currently, we primarily engage in the used automobile trading through Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

Regulations on Automobile Sales

On February 21, 2005, the Ministry of Commerce, the National Development and Reform Commission, or the NDRC, and the SAIC jointly promulgated the Implementation Measures for the Administration of Sales of Branded Automobile, or the Branded Automobile Sales Measures, which took effect on April 1, 2005. The Branded Automobile Sales Measures provide for a dealership arrangement under which one general distributor is in charge of the entire sales and after-sales service chain. According to the Branded Automobile Sales Measures, the plan for the distribution and after-sales service network for each single brand of automobile shall in general be formulated and implemented by one single enterprise in the PRC, i.e., either the automakers in the PRC itself or an authorized general distributor.

To address increasing monopoly concerns in the Chinese automotive industry, on July 31, 2013, SAIC promulgated the Announcement on Stopping Recordal of Automobile General Distributors and Authorized Branded Automobile Dealers, or the Stopping Recordal Announcement. Starting from August 20, 2014, the SAIC no longer accepts any filing for recordal of authorized dealers of branded automobiles, including general distributors, and the implementation of the recordal system of general distributor and dealers for branded automobiles has ceased. For any new general distributors or authorized dealers, their business scope will be stated as "sales of automobiles" without mentioning the brand of the automobiles for sale. For the existing ones, they may also apply to changing their business scope from "sales of brand named automobiles" to "sales of automobiles". The Stopping Recordal Announcement also emphasizes that the SAIC will strengthen its administration and supervision of the operational activities in the automobile industry, protect the lawful rights of consumers and maintain a market with fair competition.

On January 7, 2016, the Ministry of Commerce publicized the draft of Measures on the Administrations of Sales of Automobile, or the Measures on Sales of Automobile, for public consultation. The Measures on Sales of Automobile proposed changes to the provisions on dealership arrangement under the Branded Automobile Sales Measures. Once the Measures on Sales of Automobile is promulgated by the Ministry of Commerce, it will replace the Branded Automobile Sales Measures.

Currently, we primarily engage in the automobile sales through Autohome (Tianjin) Automobile Sales Co., Ltd.

Regulations on Intellectual Property Rights

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

Patent. The National People's Congress adopted the Patent Law in 1984, and amended it in 1992, 2000 and 2008. The purpose of the Patent Law is to protect lawful interests of patent holders, encourage invention, foster applications of inventions, enhance innovative capabilities and promote the development of science and technology. To be patentable, invention or utility models must meet three conditions: novelty, inventiveness and practical applicability. Patents cannot be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds, substances obtained by means of nuclear transformation or a design which has major marking effect on the patterns or colors of graphic print products or a combination of both patterns and colors. The Patent Office under the State Intellectual Property Office is responsible for receiving, examining and approving patent applications. A patent is valid for a term of twenty years in the case of an invention and a term of ten years in the case of utility models and designs. A third-party user must obtain consent or a proper license from the patent owner to use the patent. Otherwise, the use constitutes an infringement of patent rights. We had 92 pending patent applications and 19 registered patents as of December 31, 2015.

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

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

On October 27, 2000, the MIIT issued the Administrative Measures on Software Products, or the Software Measures, to strengthen the regulation of software products and to encourage the development of the PRC software industry. On March 5, 2009, the MIIT issued amended Software Measures, which became effective on April 10, 2009. The Software Measures provide a registration and filing system with respect to software products made in or imported into China. These software products may be registered with the competent local authorities in charge of software industry administration. Registered software products may enjoy preferential treatment status granted by relevant software industry regulations. Software products can be registered for five years, and the registration is renewable upon expiration.

In order to further implement the Computer Software Protection Regulations promulgated by the State Council on December 20, 2001, as amended in 2013, the National Copyright Administration of the PRC issued Computer Software Copyright Registration Procedures on February 20, 2002, which apply to software copyright registration, license contract registration and transfer contract registration.

In compliance with, and in order to take advantage of, the above rules, we have registered 129 computer software copyrights as of December 31, 2015.

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

On December 26, 2009, the Standing Committee of the National People's Congress adopted the Torts Liability Law, which became effective on July 1, 2010. Under this Torts Liability Law, both internet users and internet service providers may be liable for the wrongful acts of users who infringe the lawful rights of other parties. If an internet user utilizes internet services to commit a tortious act, the party whose rights are infringed may request the internet service provider to take measures, such as removing or blocking the content, or disabling the links thereto. Failure to take necessary measures after receiving such notice will subject the internet service providers to joint liability for any further damages suffered by the rights holder. Furthermore, if an internet service provider fails to take necessary measures when it knows that an internet user utilizes its internet services to infringe the lawful rights and interests of other parties, it will be held jointly liable with the internet user for damages resulting from the infringement.

[Table of Contents](#)

According to an interpretation by PRC Supreme People’s Court, which took effect on January 1, 2013, internet service providers will be held jointly liable if they continue their infringing activities or do not remove infringing content from their websites once they know of the infringement or receive notice from the rights holder. If an internet service provider economically benefits from the works, performances, and sound or visual recordings provided by network users, it must pay close attention to infringement of network information transmission rights by network users.

Trademark. The PRC Trademark Law, adopted in 1982 and amended in 1993, 2001 and 2013, protects registered trademarks. The Trademark Office under the SAIC handles trademark registrations and grants a term of ten years for registered trademarks. Trademark license agreements must be filed with the Trademark Office for record. We hold 汽车之家* and 车之家* (“auto home” in English) and “AUTOHOME®” trademarks in China with each registered under different categories.

Domain Names. In September 2002, the CNNIC issued the Implementing Rules for Domain Name Registration, as amended in June 2009 and May 2012, that set forth detailed rules for registration of domain names. On November 5, 2004, the MIIT promulgated the Measures for Administration of Domain Names for the Chinese Internet, or the Domain Name Measures. The Domain Name Measures regulate the registration of domain names, such as the first tier domain name “.cn.” In 2002, the CNNIC issued the Measures on Domain Name Dispute Resolution, as amended in February 2006 and 2012, pursuant to which the CNNIC can authorize a domain name dispute resolution institution to decide disputes. We have registered a number of domain names, including *autohome.com.cn*, *autohome.com* and *che168.com*.

Regulations on Tax

See “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Taxation—PRC” and “Item 10. Additional Information—E. Taxation—People’s Republic of China Taxation.”

Regulations on Foreign Exchange

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

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

Under the Exchange Rules, if documents certifying the purposes of the conversion of RMB into foreign currency are submitted to the relevant foreign exchange conversion bank, the RMB will be convertible for current account items, including the distribution of dividends, interest and royalties payments, and trade and service-related foreign exchange transactions. Conversion of RMB for capital account items, such as direct investment, loans, securities investment and repatriation of investment, however, is subject to the approval of, or registration with, SAFE or its local counterpart. Capital investments by PRC entities outside of China, after obtaining the required approvals of, or making filings with, the relevant approval authorities, such as the Ministry of Commerce and the National Development and Reform Commission or their local counterparts, are also required to register with SAFE or its local counterpart.

Under the Administration Rules, foreign-invested enterprises may only buy, sell and/or remit foreign currencies at banks authorized to conduct foreign exchange business after providing valid commercial documents and, in the case of capital account item transactions, obtaining approval from or being registered with SAFE or its local counterpart.

[Table of Contents](#)

In utilizing the proceeds we received from our equity offerings, as an offshore holding company with PRC subsidiaries, we may (a) make additional capital contributions to our PRC subsidiaries, (b) establish new PRC subsidiaries and make capital contributions to these new PRC subsidiaries, (c) make loans to our PRC subsidiaries or VIEs or (d) acquire offshore entities with business operations in China in offshore transactions. However, most of these uses are subject to PRC regulations and approvals. For example:

- capital contributions to our PRC subsidiaries, whether existing or newly established, must be approved by the Ministry of Commerce or its local counterparts;
- loans by us to our PRC subsidiaries, each of which is a foreign-invested enterprise, to finance their activities cannot exceed statutory limits and must be registered with SAFE or its local branches; and
- loans by us to our VIEs, which are domestic PRC entities, must be approved by the National Development and Reform Commission (in the case of middle or long term loans) or be within the limits approved by SAFE (in the case of short term loans), and must also be registered with SAFE or its local branches.

On March 30, 2015, SAFE issued the SAFE Circular 19, which became effective on June 1, 2015. Pursuant to SAFE Circular 19, foreign-invested enterprises may either continue to follow the current payment-based foreign currency settlement system or choose to follow the “conversion-at-will” system for foreign currency settlement. Where a foreign-invested enterprise follows the conversion-at-will system for foreign currency settlement, it may convert part or all of the amount of the foreign currency in its capital account into Renminbi at any time. The converted Renminbi will be kept in a designated account labeled as settled but pending payment, and if the foreign-invested enterprise needs to make payment from such designated account, it still needs to go through the review process with its bank and provide necessary supporting documents. SAFE Circular 19, therefore, has substantially lifted the restrictions on the usage by a foreign-invested enterprise of its Renminbi registered capital converted from foreign currencies. According to SAFE Circular 19, such Renminbi capital may be used at the discretion of the foreign-invested enterprise and SAFE will eliminate the prior approval requirement and only examine the authenticity of the declared usage afterwards. Nevertheless, foreign-invested enterprises like our PRC subsidiaries are still not allowed to extend intercompany loans to our VIEs. In addition, as SAFE Circular 19 was promulgated recently, there remains substantial uncertainties with respect to the interpretation and implementation of this circular by relevant authorities. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent us from using the proceeds of our equity offerings to make loans to our PRC subsidiaries and VIEs or to make additional capital contributions to our PRC subsidiaries, which may materially and adversely affect our liquidity and our ability to fund and expand our business.”

Regulations on Dividend Distribution

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

- the Companies Law (2005, as amended in 2013);
- the Wholly Foreign-Owned Enterprise Law (2000); and
- the Wholly Foreign-Owned Enterprise Law Implementing Rules (2001).

Under these regulations, wholly foreign-owned enterprises in the PRC may pay dividends only out of their accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, these wholly foreign-owned enterprises are required to set aside at least 10% of their respective accumulated profits each year, if any, to fund certain reserve funds, until the aggregate amount of such fund reaches 50% of its registered capital.

Regulations on Offshore Investment by PRC Residents

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

[Table of Contents](#)

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

Currently, all of our shareholders who are PRC residents have registered with the competent local branch of the SAFE with respect to their investments in our company as required by SAFE Circular No. 75 and will update their registration filings with the SAFE under SAFE Circular No. 37 when there are any changes that should be registered under SAFE Circular No. 37.

Regulations on Employee Stock Options Plans

In December 2006, the PBOC promulgated the Administrative Measures of Foreign Exchange Matters for Individuals, setting forth the respective requirements for foreign exchange transactions by individuals (both PRC or non-PRC citizens) under either the current account or the capital account. In January 2007, SAFE issued relevant implementing rules that specified approval requirements for certain capital account transactions, such as a PRC citizen's participation in employee stock ownership plans or share option plans of an overseas publicly listed company. In February 2012, SAFE promulgated the Stock Option Notice that supersedes the requirements and procedures for the registration of PRC resident individuals' participation in stock incentive plans set forth by certain rules promulgated by SAFE in March 2007. The purpose of the Stock Option Notice is to regulate the foreign exchange administration of PRC resident individuals who participate in employee stock holding plans and share option plans of overseas listed companies.

According to the Stock Option Notice, if a PRC resident individual participates in any employee stock incentive plan of an overseas listed company, a PRC domestic qualified agent appointed through the PRC subsidiary of such overseas listed company must, among other things, file, on behalf of such individual, an application with SAFE or its local counterpart to obtain approval for an annual allowance with respect to the purchase of foreign exchange in connection with stock holding or share option exercises. With the approval from SAFE or its local counterpart, the PRC domestic qualified agent shall open a special foreign exchange account at a PRC domestic bank to hold the funds required in connection with the stock purchase or option exercise, any returned principal or profits upon sales of shares, any dividends issued on the stock and any other income or expenditures approved by SAFE or its local counterpart.

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

Many issues with respect to the Stock Option Notice require further interpretation. We and our PRC employees who participate in an employee stock incentive plan are subject to the Stock Option Notice as we are an overseas listed company. We have registered with the local counterparts of SAFE for our PRC resident employees who participate in our share incentive plans, as required under the Stock Option Notice and relevant rules. If we or our PRC employees fail to comply with the Stock Option Notice, we and our PRC employees may face sanctions imposed by the PRC foreign exchange authority or any other PRC government authorities, including restrictions on foreign currency conversions and additional capital contribution to our PRC subsidiaries.

[Table of Contents](#)

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

Regulation on Employment

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

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

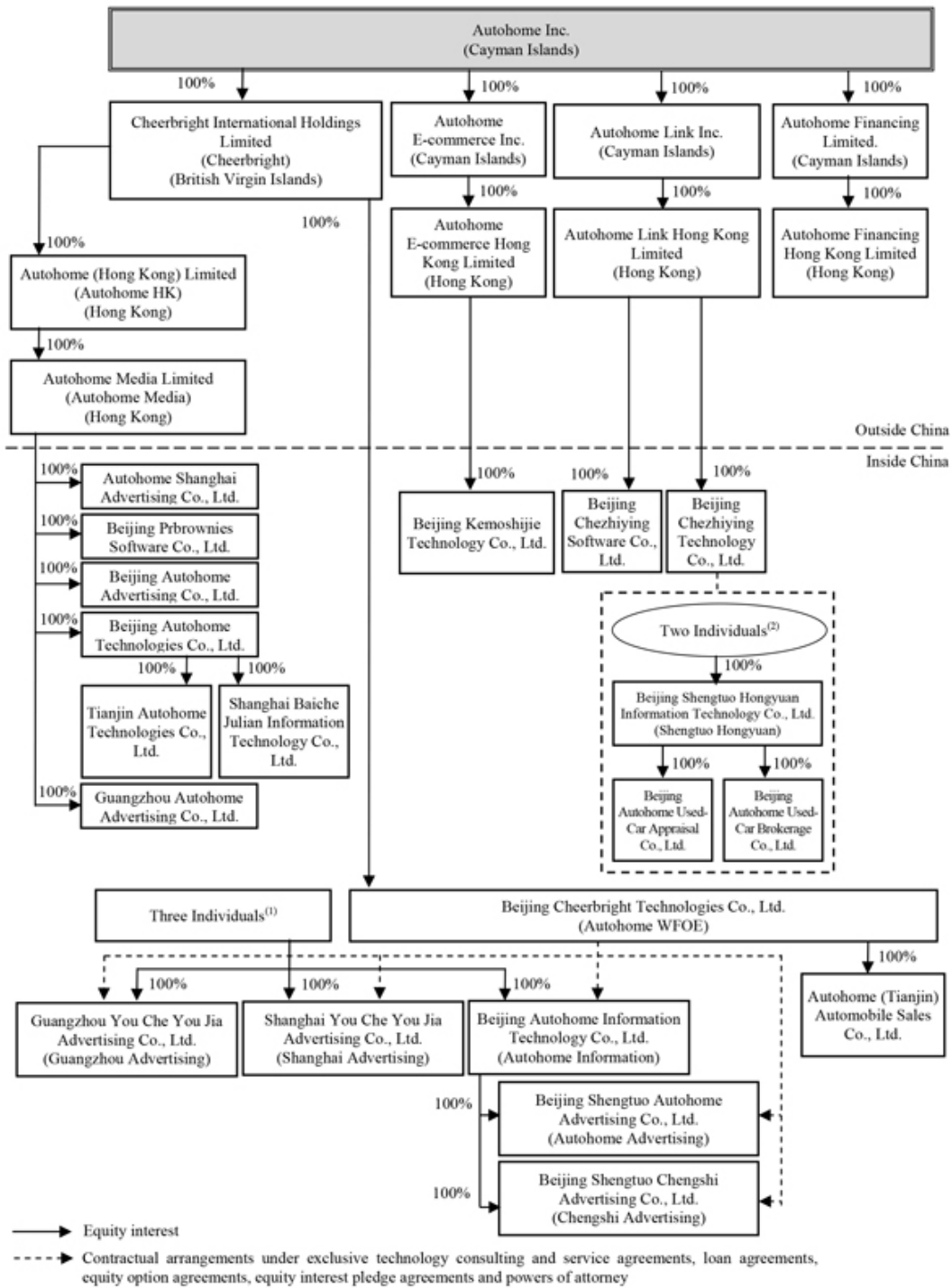
Regulations on Concentration in Merger and Acquisition Transactions

The M&A Rules established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. These rules require, among other things, that the Ministry of Commerce be notified in advance of any change-of-control transaction in which a foreign investor will take control of a PRC domestic enterprise or a foreign company with substantial PRC operations, if certain thresholds under the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings issued by the State Council on August 3, 2008 are triggered.

Complying with these requirements could affect our ability to expand our business or maintain our market share. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Certain regulations in the PRC may make it more difficult for us to pursue growth through acquisitions.”

C. Organizational Structure

The following diagram illustrates our corporate structure, including our principal subsidiaries and VIEs, as of the date of this annual report:



- (1) The three individuals are James Zhi Qin, our director and chief executive officer, Xiang Li, our director, and Zheng Fan, our vice president. Each of these three individuals is also a beneficial owner of our company and a PRC citizen. James Zhi Qin, Xiang Li and Zheng Fan hold 8%, 68% and 24%, respectively, of the equity in each of Autohome Information, Shanghai Advertising and Guangzhou Advertising.
- (2) The two individuals are James Zhi Qin and Zheng Fan, who each holds 50% of the equity in Shengtuo Hongyuan.

D. Property, Plants and Equipment

Our corporate headquarters is located in Beijing, China, where we lease office space with an area of approximately 21,562 square meters. We generally make rental payments on a monthly basis. In addition, as of December 31, 2015, we also leased office space in 78 cities for our representative offices, including regional operation centers in Shanghai, Guangzhou and Tianjin in China. We believe that our existing facilities are generally adequate to meet our current needs, but we expect to seek additional space as needed to accommodate future growth.

Our servers are primarily hosted at internet data centers owned by major domestic internet data center providers. The hosting services agreements typically have a term of one year. We believe that our current facilities are adequate and that we will be able to obtain additional facilities, principally through leasing, to accommodate any future expansion plans.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this annual report.

A. Operating Results

Overview

We are the leading online destination for automobile consumers in China. Through our two websites, *autohome.com.cn* and *che168.com*, and our mobile applications, we deliver comprehensive, independent and interactive content to automobile buyers and owners. We generate revenues from online advertising services, dealer subscription services and new vehicle transaction business. Our advertisers consist primarily of automakers and dealers, with automakers contributing a substantial majority of our total advertising services revenues. In each of 2013, 2014 and 2015, we provided advertising services to 75, 85 and 87 automakers operating in China, respectively. We also provided dealer subscription services to 10,617, 17,779 and 21,705 dealer subscribers in 2013, 2014 and 2015, respectively. Our new vehicle transaction business includes direct vehicle sales and commission-based services facilitating transactions.

Our net revenues increased from RMB1,216.5 million in 2013 to RMB2,132.9 million in 2014 and RMB3,464.0 million (US\$534.7 million), representing a CAGR of 68.7%. Our net income increased from RMB456.2 million in 2013 to RMB748.7 million in 2014 and RMB990.6 million (US\$152.9 million) in 2015, representing a CAGR of 47.4%.

General Factors Affecting Our Results of Operations

Our business and results of operations are significantly affected by China's overall economic conditions and the general trends in the automotive industry, especially new automobile sales in China. Economic growth in China has contributed to an increase in household disposable income and improved the availability of financing for automobile purchases. These factors, coupled with increased production capacity and lower import tariffs, past governmental incentives designed to encourage automobile purchases and the decreasing cost of new automobiles, have contributed to the growth of the number of new automobiles sold in China. Although the automotive industry has benefited from China's overall favorable policies, some local governments have imposed restrictions on automobile registrations to curb traffic congestion and environment pollution in urban centers. If such regulations slow the growth rate of new automobile sales in China, the demand for our services would likely reduce. If overall advertising expenditures by automakers and automobile dealers or automobile transaction volume decrease, our business and results of operations may be adversely affected.

In addition, our business and results of operations may be affected by our user reach and engagement. Automaker and dealer advertisers, which contribute a substantial portion of our revenues, choose to advertise on our websites and mobile applications in significant part due to our leading market position in the online automotive advertising industry. We anticipate that our ability to continue to attract a large and growing user base and maintain a high level of user engagement will affect our ability to attract advertisers and dealer subscribers to our websites and in turn, our ability to generate sales leads. Finally, our business and results of operations may be affected by the development of e-commerce in China and consumers' acceptance of online automobile purchases.

Specific Factors Affecting Our Results of Operations

While our business and results of operations are generally affected by China's overall economic conditions, the general trends in China's automotive industry and our user reach and engagement, our results of operations are more directly affected by the specific financial factors set forth below.

Net Revenues

We primarily generate our net revenues from selling online advertising services and dealer subscription services. We sell our advertising services primarily to automakers and dealers, with automakers contributing a substantial majority of our advertising services revenues. As is customary in China, we sell our advertising services primarily through third-party advertising agencies while we consider automaker and dealer advertisers to be our end-customers. Consistent with common practice in the advertising industry in China, we offer rebates to advertising agencies. We also provide cash incentives to automakers and automobile dealers who participate in various incentive programs on our online transaction platform. Our net revenues are presented net of rebates to advertising agencies and cash incentives to automakers and automobile dealers. We sell our dealer subscription services to automobile dealers on a fixed-fee subscription basis.

We also generate an insignificant portion of our net revenues from our transaction business. We record revenues from direct sales on gross basis when vehicles are delivered and title has passed to the consumers. In addition, we earn commissions from automakers for new vehicle transactions facilitated on Autohome Mall pursuant to commission-based service arrangements with automakers.

The following table sets forth the principal components of our net revenues in absolute amounts and as percentages of our total net revenues for the years presented:

	For the Year Ended December 31,						
	2013		2014		2015		
	RMB	%	RMB	%	RMB	US\$	%
(in thousands, except percentages)							
Net revenues:							
Advertising services	894,937	73.6%	1,499,516	70.3%	2,400,023	370,500	69.3%
Dealer subscription services	321,611	26.4	633,433	29.7	1,063,952	164,246	30.7
Total net revenues	<u>1,216,548</u>	<u>100.0%</u>	<u>2,132,949</u>	<u>100.0%</u>	<u>3,463,975</u>	<u>534,746</u>	<u>100.0%</u>

Advertising Services Revenues

We generate advertising services revenues primarily from automakers. In each of 2013, 2014 and 2015, 75, 85 and 87 automakers operating in China purchased advertising services from us. As a result of our high penetration in the automaker market, we believe that our future automaker advertising services revenue growth will be driven primarily by automakers' increased advertising spending on our websites and mobile applications as they continue to shift their advertising budgets from traditional media to online media.

[Table of Contents](#)

Increased spending will be driven primarily by a combination of (i) our ability to increase advertising volume, either due to the availability of additional advertising locations as we expand our service offerings or due to higher sell-through rates, which is calculated as the percentage of advertising locations actually sold over total advertising locations available for sale in a given period and (ii) our ability to increase our pricing, as measured by price per location per day, as our user reach continues to expand, thereby enhancing the effectiveness of the services we offer. As is customary in China's online advertising market, we use a "cost per time" pricing model to price our online advertising services by charging our advertisers on a daily basis for an advertisement placed in a given location on our websites. We expect that this cost-per-time model will continue to be our primary pricing model in the near future. However, as we continue to grow our user base and enhance user engagement, we intend to explore "cost per thousands impressions," "cost per lead" and other performance-based pricing models.

Revenues from dealer advertising services are generated from (i) advertising services sold to individual dealer advertisers, (ii) regional marketing campaigns conducted by certain automobile brands' regional offices and (iii) our transaction business. Revenues from dealer advertising services accounted for 21.3%, 29.4% and 34.3% of our advertising services revenues in 2013, 2014 and 2015, respectively. We believe that our dealer advertising services revenues will continue to grow in absolute amounts in the near future, driven mainly by (i) the increase in the advertising budgets that automakers allocate to their dealers and (ii) our ability to increase our "share of wallet" relative to other online medias as we continue to expand into new geographical markets and penetrate deeper into existing markets to increase our customer base of automobile dealers. Our transaction business contribute a new growth driver as part of the dealer advertising revenues, including direct sales revenues and commission-based revenues.

Dealer Subscription Services

We generate dealer subscription services revenues through the sale of various subscription services packages at different prices, which enable dealers to market their vehicle inventories on our websites and mobile applications. All of our dealer subscription services are sold on a quarterly or annual fixed-fee basis.

We offer basic automobile listing services free of charge to all of our registered dealers. We had 26,190 registered dealers as of December 31, 2015, compared with 24,562 and 23,897 registered dealers as of December 31, 2014 and 2013, respectively. Our dealer subscribers are registered dealers that have purchased subscription packages. We provide our dealer subscribers with additional tools and features to enable them to more effectively market their inventories on our websites and mobile applications. Our dealer subscribers grew from 10,617 in 2013 to 17,779 in 2014 and 21,705 in 2015. Our dealer subscription services revenues accounted for 26.4%, 29.7% and 30.7% of our net revenues in 2013, 2014 and 2015, respectively. We believe that our dealer subscription services revenues will continue to grow in the near future, driven by our ability to subsequently convert registered dealers into dealer subscribers and command higher fees for different subscription packages by providing more value-added services to our dealer subscribers.

Cost of Revenues

Cost of revenues refers primarily to (i) content-related costs and others, (ii) depreciation and amortization expenses, (iii) bandwidth and internet data center ("IDC") costs and (iv) value-added tax ("VAT") and surcharges. The following table sets forth the principal components of our cost of revenues in absolute amounts and as a percentage of our total net revenues for the years indicated:

	For the Year Ended December 31,							
	2013		2014		2015			
	RMB	%	RMB	%	RMB	US\$	%	
	(in thousands, except percentages)							
Cost of revenues:								
Content-related costs and others ⁽¹⁾	95,987	7.9%	127,929	6.0%	298,160	46,027	8.6%	
Depreciation and amortization expenses	26,439	2.2	31,703	1.5	43,160	6,663	1.3	
Bandwidth and IDC costs	21,047	1.7	30,713	1.4	38,893	6,004	1.1	
VAT and surcharges	108,763	8.9	191,153	9.0	288,908	44,600	8.3	
Total cost of revenues	<u>252,236</u>	<u>20.7%</u>	<u>381,498</u>	<u>17.9%</u>	<u>669,121</u>	<u>103,294</u>	<u>19.3%</u>	

(1) Including share-based compensation expenses of RMB6.5 million for 2013, RMB8.0 million for 2014 and RMB6.9 million (US\$1.1 million) for 2015, respectively.

[Table of Contents](#)

Content-related Costs and Others. Content-related costs and others are costs directly related to creating and editing the professionally produced content and organizing and maintaining user generated content on our websites and mobile applications and new vehicle transaction business costs. Content-related costs mainly include salaries and benefits, toll free telephone charges, travel and office expenses of our editorial personnel, expenses we incur in the execution of the offline portion of our advertisers' online promotions and expenses we pay to third parties for creating and publishing certain rich media content displayed on our websites. New vehicle transaction business costs primarily include cost of vehicle purchases and other directly attributable costs. Rebates relating to new vehicles purchased but still held by us as of the balance sheet date are recorded as a reduction to cost of inventories while rebates relating to new vehicles purchased and sold during the reporting period are recorded as a reduction to cost of revenues. We expect our content-related costs and others will continue to increase primarily due to our business growth. In addition, as a result of our adoption of the 2011 Share Incentive Plan and the 2013 Share Incentive Plan, our content-related costs and others in subsequent periods include share-based compensation expenses related to our editorial personnel.

Depreciation and Amortization Expenses. A substantial majority of our amortization expenses relate to the amortization of intangibles including trademarks and customer relationships that we acquired in connection with the acquisitions of Cheerbright, China Topside and Norstar in June 2008, shortly after the inception of our company. Depreciation expenses are related to servers and other equipment that are directly related to our revenue-generating business activities and leasehold improvements. We expect our amortization expenses will decrease after the end of the estimated useful lives of certain intangible assets, while depreciation expenses will increase as we continue to invest in our business.

Bandwidth and IDC Costs. Bandwidth and IDC costs consist of fees that we pay to telecommunication carriers and other service providers for telecommunication services and for hosting our servers at their internet data centers, as well as fees we pay to our content delivery network service provider for the distribution of our content. Our bandwidth and IDC costs continued to increase in subsequent periods as our user traffic continued to increase and we required more high quality bandwidth to support user traffic growth and improve our users' experience.

VAT and Surcharges. After VAT reform in 2012, our advertising services and dealer subscription services were subject to 6% VAT rate, and advertising services also subject to the cultural construction fee. Our dealer subscription service was sold in the form of software products starting from October 2014 and subject to 17% VAT rate. Since November 2014, Beijing Prbrownies Software Co., Ltd. was entitled to a 14% VAT refund on the total VAT payable at the rate of 17% after the registration of its software resolutions with the relevant authority. Our direct sales of vehicles were subject to 17% VAT rate. As a result of the above, our overall VAT and surcharges as a percentage of our total net revenues was 8.9% in 2013, 9.0% in 2014 and decreased to 8.3% in 2015.

Operating Expenses

Our operating expenses consist of sales and marketing expenses, general and administrative expenses and product development expenses. The following table sets forth our operating expenses in absolute amounts and as percentages of our total net revenues for the years indicated:

	For the Year Ended December 31,						
	2013		2014		2015		
	RMB	%	RMB	%	RMB	US\$	%
Operating expenses:							
Sales and marketing expenses ⁽¹⁾	245,228	20.2%	559,070	26.2%	1,127,484	174,054	32.6%
General and administrative expenses ⁽²⁾	82,529	6.8	129,751	6.1	193,655	29,895	5.6
Product development expenses ⁽³⁾	81,651	6.7	158,395	7.4	273,908	42,284	7.9
Total operating expenses	<u>409,408</u>	<u>33.7%</u>	<u>847,216</u>	<u>39.7%</u>	<u>1,595,047</u>	<u>246,233</u>	<u>46.0%</u>

[Table of Contents](#)

- (1) Including share-based compensation expenses of RMB4.4 million for 2013, RMB14.6 million for 2014 and RMB36.6 million (US\$5.6 million) for 2015, respectively.
- (2) Including share-based compensation expenses of RMB11.7 million for 2013, RMB20.6 million for 2014 and RMB40.1 million (US\$6.2 million) for 2015, respectively.
- (3) Including share-based compensation expenses of RMB3.0 million for 2013, RMB13.4 million for 2014 and RMB24.3 million (US\$3.7 million) for 2015, respectively.

Sales and Marketing Expenses. Our sales and marketing expenses primarily consist of the marketing expenses incurred in connection with promoting our brands through search engines, mobile platforms and navigation sites, sales promotion activities and salaries and benefits and sales commissions for our sales and marketing personnel. Our sales and marketing expenses also include office and travel-related expenses and business development expenses associated with our sales and marketing activities. We expect that our sales and marketing expenses will continue to increase as we increase traffic on our websites and mobile applications, enlarge our sales force to expand our coverage and develop our transaction business initiatives to realize our value as a transaction platform.

General and Administrative Expenses. Our general and administrative expenses primarily consist of personnel-related expenses for management and administrative personnel and professional service fees. We expect that our general and administrative expenses will increase in the future as we expand our business.

Product Development Expenses. Our product development expenses primarily consist of personnel-related expenses associated with the development of new technologies and products as well as enhancement of our websites. We expect that our product development expenses will increase as we expand our business, develop new features and functionalities and increase the accessibility of our websites, mobile applications and the transaction platform.

Taxation

Cayman Islands

We are incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, we are not subject to income or capital gains tax. In addition, dividend payments are not subject to withholding tax in the Cayman Islands.

British Virgin Islands

Cheerbright is a company incorporated in the British Virgin Islands. Under the current laws of the British Virgin Islands, Cheerbright is not subject to income or capital gains tax. In addition, dividend payments are not subject to withholding tax in the British Virgin Islands.

Hong Kong

Autohome HK, Autohome Media, Autohome E-commerce Hong Kong Limited, Autohome Link Hong Kong Limited and Autohome Financing Hong Kong Limited are incorporated in Hong Kong. Companies incorporated and registered in Hong Kong are subject to Hong Kong profits tax on the taxable income as reported in their respective statutory financial statements adjusted in accordance with relevant Hong Kong tax laws. The applicable tax rate is 16.5% in Hong Kong. For 2013, 2014 and 2015, we did not make any provisions for Hong Kong profit tax as there were no assessable profits derived from or earned in Hong Kong during these periods. Under the Hong Kong tax law, Autohome HK, Autohome Media, Autohome E-commerce Hong Kong Limited, Autohome Link Hong Kong Limited and Autohome Financing Hong Kong Limited are exempted from income tax on their foreign-derived income and there are no withholding taxes in Hong Kong on remittance of dividends.

PRC

Our PRC subsidiaries and VIEs are subject to PRC enterprise income tax, or EIT, on the taxable income in accordance with the relevant PRC income tax laws.

Under the PRC Enterprise Income Tax Law and its implementation rules, both of which became effective on January 1, 2008, a uniform 25% enterprise income tax rate is generally applicable to both foreign-invested enterprises and domestic enterprises, unless they qualify for certain exceptions.

In 2010, Autohome WFOE was recognized as an HNTE, effective 2010 and was eligible for a 15% preferential enterprise income tax rate effective from 2010 through 2012. The HNTE qualification is subject to an annual evaluation and a three-year review by the relevant authorities in China. We have obtained renewal of the HNTE qualification through 2015. However, should we lose this qualification for any reason, Autohome WFOE will no longer enjoy the 15% preferential tax rate, and the applicable enterprise income tax rate may increase to up to 25%. Beijing Autohome Technologies was recognized as an HNTE in July 2015 and therefore was eligible for the preferential 15% enterprise income tax rate from 2015 to 2017 upon their filing with the relevant tax authority. Beijing Prbrownies was recognized as an HNTE on February 29, 2016, qualifying it for the preferential 15% enterprise income tax rate from 2015 to 2017 upon its filing with the relevant tax authority.

Our remaining PRC subsidiaries and all the VIEs were subject to EIT at a rate of 25% for 2013, 2014 and 2015.

Under the PRC Enterprise Income Tax Law, an enterprise established outside of the PRC with “de facto management bodies” located within the PRC is considered a PRC resident enterprise and therefore will be subject to a 25% EIT on its global income. The implementation rules define “de facto management bodies” as “establishments that carry out substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties, etc. of an enterprise.” In addition, according to the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies issued by State Administration of Taxation, or SAT Circular 82, on April 22, 2009, a Chinese-controlled enterprise established outside of China is treated as a PRC resident enterprise with “de facto management bodies” located in the PRC for tax purposes where all of the following requirements are satisfied: (a) the senior management and core management departments in charge of its daily production or business operations are located in the PRC; (b) its financial and human resource decisions are subject to determination or approval by persons or bodies in the PRC; (c) its major assets, accounting books, company seals, and minutes and files of its board and shareholders’ meetings are located or kept in the PRC; and (d) more than half of the enterprise’s board members with voting rights or senior management habitually reside in the PRC. Despite the uncertainties resulting from limited PRC tax guidance on the issue, we do not believe that our legal entities organized outside of the PRC constitute PRC resident enterprises under the PRC Enterprise Income Tax Law. However, if we are considered a PRC resident enterprise and earn income other than dividends from our PRC subsidiaries, a 25% enterprise income tax on our global income could significantly increase our tax burden and materially and adversely affect our cash flow and profitability.

Further, the PRC Enterprise Income Tax Law and the implementation rules provide that an income tax rate of 10% may be applicable to China-sourced income of foreign enterprises, such as dividends paid by PRC subsidiaries to their overseas parent that is not a PRC resident enterprise, which (a) do not have an establishment or place of business in the PRC or (b) have an establishment or place of business in the PRC but the relevant income is not effectively connected with the establishment or place of business, unless there are applicable treaties that reduce such rate. The implementation rules of the new PRC Enterprise Income Tax Law provide that (a) if the enterprise that distributes dividends is domiciled in the PRC, or (b) if gains are realized from transferring equity interests of enterprises domiciled in the PRC, then such dividends or capital gains are treated as China-sourced income. It is not clear how “domicile” may be interpreted under the PRC Enterprise Income Tax Law, and it may be interpreted as the jurisdiction where the enterprise is a tax resident. Therefore, if we are considered as a PRC tax resident enterprise for tax purposes, any dividends we pay to our overseas shareholders or ADS holders as well as gains realized by such shareholders or ADS holders from the transfer of our shares or ADSs may be regarded as China-sourced income and as a result become subject to PRC withholding tax at the rate of 10%, subject to reduction by an applicable treaty. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Our global income and the dividends that we may receive from our PRC subsidiaries, dividends distributed to our non-PRC shareholders and ADS holders, and gains recognized by such shareholders or ADS holders, may be subject to PRC taxes under the Enterprise Income Tax Law, which would have a material adverse effect on our results of operations.”

Critical Accounting Policies

We prepare our financial statements in conformity with U.S. GAAP, which requires us to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the end of each reporting period and the reported amount of revenue and expenses during each reporting period. We evaluate these estimates and assumptions based on historical experience, knowledge and assessment of current business and other conditions and expectations that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from these estimates and assumptions.

Some of our accounting policies require higher degrees of judgment than others in their application. When reviewing our consolidated financial statements, you should consider (a) our selection of critical accounting policies, (b) the judgment and other uncertainties affecting the application of such policies and (c) the sensitivity of reported results to changes in conditions and assumptions. For further information on our significant accounting policies, see Note 2 to our consolidated financial statements for 2013, 2014 and 2015. We consider the policies discussed below to be critical to an understanding of our consolidated financial statements as their application places significant demands on the judgment of our management. We believe the following critical accounting policies are the most significant to the presentation of our financial statements and some of which may require the most difficult, subjective and complex judgments. They should be read in conjunction with our consolidated financial statements, the risks and uncertainties of which are described under “Item 3. Key Information—D. Risk Factors” and other disclosures included in this annual report.

Revenue Recognition

Our revenue is primarily derived from online advertising and dealer subscription services. Revenue is recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed and collectability of the related fee is reasonably assured based on the guidance in ASC 605, *Revenue Recognition*.

Contracts are signed to establish significant terms such as the price and online advertising services to be provided. We consider the price for our services to be fixed and determinable when we and our customers have signed the contracts. We assess the creditworthiness of our customers prior to signing the contracts to ensure collectability is reasonably assured. Payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as deferred revenue.

Advertising services

We provide online advertising services to automakers, dealers and agency companies that represent automakers and automobile dealers. The majority of our online advertising service arrangements involve multiple deliverables such as banner advertisements, links and logos, other media insertions and promotional activities that are delivered over different periods of time. Multiple contracts with the same customers are accounted for as separate arrangements if the contracts are not linked together in a single transaction. Historically, we have not entered into multiple contracts with the same counterparty that should be combined and accounted for as a single arrangement.

In determining our best estimated selling price for each deliverable, we considered our overall pricing model and objectives, as well as market or competitive conditions that may impact the price at which we would transact if the deliverable were sold regularly on a standalone basis. We monitor the conditions that affect our determination of selling price for each deliverable and reassess such estimates periodically. Revenue is recognized ratably when the advertisements are published over the stated display period in the case of websites or when the services have been rendered in the case of promotional activities. The amount recognized is limited to the amount that is not contingent upon the delivery of additional deliverables or meeting other specified performance conditions.

[Table of Contents](#)

New vehicle transaction business

The new vehicle transaction business launched in 2015 primarily includes direct vehicle sales and commission-based services to facilitate transactions on the Autohome Mall platform. For direct vehicle sales, we recognize revenue on a gross basis as we act as the principal, we are the primary obligor of the sales arrangements and are subject to inventory risk. Revenue from direct vehicle sales is recognized when a sales contract has been executed and the vehicle has been delivered. Under the commission-based service arrangements, the Company earns commission for the new vehicle transactions facilitated through our Autohome Mall platform. Commission revenue is recognized after the vehicles are delivered to customers. For the year ended December 31, 2015, the revenues from new vehicle transaction business accounted for 5.2% of our consolidated net revenues and therefore, were not separately disclosed as a separate line item but included in advertising services in the consolidated statements of comprehensive income.

Dealer subscription services

We provide subscription services to automakers, dealers and agency companies that represent automakers and automobile dealers. We make available throughout the subscription period a webpage linked to our websites and mobile applications where the dealers can publish information such as the pricing of their products, locations and addresses and other related information. Revenue is recognized ratably as services are provided over the subscription period.

Rebates and cash incentives provided to customers

We provide rebates to agency companies based on cumulative annual advertising and service volume or surrounding occasional activities. We estimate our obligations under such agreements based on an evaluation of the likelihood of the agency companies' achievement of the advertising and service volume targets, giving consideration to the actual activity during the incentive period and, as appropriate, evaluation of the agency companies' purchase trends and history.

We also provide cash incentives to automakers and automobile dealers who participated in various incentive programs on our online transaction platform. The cash incentives are accounted for as a reduction of revenue in accordance with ASC 605-50, "Revenue Recognition: Customer Payments and Incentives".

Therefore, rebates and cash incentives are recorded as a reduction of revenue in the period revenue is recognized in the consolidated financial statements. We have estimated and recorded rebates and cash incentives to agency companies, dealers and automakers cumulatively amounting to RMB231.1 million, RMB395.2 million and RMB578.5 million (US\$89.3 million) for 2013, 2014 and 2015, respectively.

Income taxes

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

We apply ASC 740, *Accounting for Income Taxes*, to account for uncertainty in income taxes. ASC 740 prescribes a recognition threshold a tax position is required to meet before being recognized in the financial statements. We have recorded unrecognized tax benefits in the other liabilities line item in the accompanying consolidated balance sheets. We have elected to classify interest and penalties related to unrecognized tax benefits, if and when required, as part of "income tax expense," in the consolidated statements of comprehensive income.

Our estimated liability for unrecognized tax benefits and the related interest and penalties are periodically assessed for adequacy and may be affected by changing interpretations of laws, rulings by tax authorities, changes and/or developments with respect to tax audits, and expiration of the statute of limitations. The actual benefits ultimately realized may differ from our estimates. As each audit is concluded, adjustments, if any, are recorded in our consolidated financial statements. Additionally, in future periods, changes in facts and circumstances, and new information may require us to adjust the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recognized in the period in which they occur.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at net realizable value. An allowance for doubtful accounts is recorded in the period when a loss is probable based on an assessment of specific evidence indicating troubled collection, historical experience, accounts aging and other factors. An accounts receivable balance is written off after all collection efforts have ceased.

Inventories

Inventories consist of new vehicles held for sale, stated at the lower of cost or market value using the specific identification method. Amounts are removed from inventories using the specific identification method. Our purchase arrangements with certain automakers entitle us to receive a specified amount of cash rebates if certain conditions are met during the stated rebate periods. We account for these rebates in accordance with ASC sub-topic 605-50, *Revenue Recognition: Customer Payments and Incentives*. Rebates relating to new vehicles purchased but still held by us as of the balance sheet date are recorded as a reduction to cost of inventories while rebates relating to new vehicles purchased and sold during the reporting period are recorded as a reduction to cost of revenues.

Goodwill

Our goodwill is related to the acquisition of Cheerbright, China Topside, and Norstar, representing the excess of the purchase price over the amounts assigned to the fair value of the assets acquired and the liabilities assumed. In accordance with ASC 350, *Goodwill and Other Intangible Assets*, recorded goodwill amounts are not amortized, but rather are tested for impairment annually, or more frequently if there are indicators of impairment present.

Goodwill is tested for impairment at the reporting unit level on an annual basis (December 31 for the Company) and between annual tests if an event occurs or circumstances change that would more-likely-than-not reduce the fair value of a reporting unit below its carrying value. These events or circumstances include a significant change in our stock prices, business environment, legal factors, financial performances, competition, or events affecting our reporting unit. Application of the goodwill impairment test requires judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, assignment of goodwill to reporting units, and determination of the fair value of each reporting unit. The estimation of fair value of a reporting unit using a discounted cash flow methodology also requires significant judgments, including estimation of future cash flows, which is dependent on internal forecasts, estimation of the long-term rate of growth for our business, estimation of the useful life over which cash flows will occur, and determination of our weighted average cost of capital. The estimates used to calculate the fair value of a reporting unit change from year to year based on operating results and market conditions. Changes in these estimates and assumptions could materially affect the determination of fair value and goodwill impairment for the reporting unit.

We have the option to first assess qualitative factors to determine whether it is necessary to perform the two-step test in accordance with ASU No. 2011-08, or ASU 2011-08, *Testing Goodwill for Impairment*. Determining the reporting units of the Company begins at the operating segment level, and we concluded that we have one reporting unit as of December 31, 2013, 2014 and 2015. We evaluated all relevant factors, weighed all factors in their entirety and concluded that it was not more-likely-than-not the fair value was less than the carrying amount of the reporting unit, and further impairment testing on goodwill was unnecessary as of December 31, 2015. No impairment loss was recorded for any of the years presented.

If we reorganize our reporting structure in a manner that changes the composition of one or more of our reporting units, goodwill will be reassigned based on the relative fair value of each of the affected reporting units.

[Table of Contents](#)

Share-based Compensation

We account for share-based awards granted to employees under ASC 718, *Compensation—Stock Compensation*, which requires that share-based awards granted to employees be measured based on the grant date fair value and recognized as compensation expense over the requisite service period (which is generally the vesting period) in the consolidated statements of comprehensive income. We have elected to recognize compensation expense using the straight-line method for all share-based awards granted with service conditions that have a graded vesting schedule. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from initial estimates.

Forfeiture rates are estimated based on historical and future expectations of employee turnover rates and are adjusted to reflect future changes in circumstances and facts, if any. Share-based compensation expense is recorded net of estimated forfeitures such that expense is recorded only for those share-based awards that are expected to vest. To the extent we revise these estimates in the future, the share-based payments could be materially impacted in the period of revision, as well as in following periods. We, with the assistance of an independent third-party valuation firm, determined the fair value of the stock options granted to employees. The binomial option pricing model was applied in determining the estimated fair value of the options granted to employees. Subsequent to our initial public offering, fair value of the ordinary shares will be the price of our publicly traded shares.

Results of Operations

The following table presents our results of operations in absolute amounts and as a percentage of our total net revenues for the years indicated.

	For the Year Ended December 31,						
	2013		2014		2015		
	RMB	%	RMB	%	RMB	US\$	
	(in thousands, except percentages)						
Net revenues							
Advertising services	894,937	73.6%	1,499,516	70.3%	2,400,023	370,500	69.3%
Dealer subscription services	321,611	26.4	633,433	29.7	1,063,952	164,246	30.7
Total net revenues	1,216,548	100.0	2,132,949	100.0	3,463,975	534,746	100.0
Cost of revenues ⁽¹⁾	(252,236)	(20.7)	(381,498)	(17.9)	(669,121)	(103,294)	(19.3)
Gross Profit	964,312	79.3	1,751,451	82.1	2,794,854	431,452	80.7
Operating expenses							
Sales and marketing expenses ⁽¹⁾	(245,228)	(20.2)	(559,070)	(26.2)	(1,127,484)	(174,054)	(32.6)
General and administrative expenses ⁽¹⁾	(82,529)	(6.8)	(129,751)	(6.1)	(193,655)	(29,895)	(5.6)
Product development expenses ⁽¹⁾	(81,651)	(6.7)	(158,395)	(7.4)	(273,908)	(42,284)	(7.9)
Operating profit	554,904	45.6	904,235	42.4	1,199,807	185,219	34.6
Interest income	11,082	0.9	34,682	1.6	63,218	9,759	1.8
Interest expense	(414)	(0.0)	—	—	—	—	—
Earnings from equity method investments	—	—	—	—	102	16	0.0
Other income, net	2,884	0.2	2,544	0.1	13,064	2,017	0.4
Income before income taxes	568,456	46.7	941,461	44.1	1,276,191	197,011	36.8
Income tax expense	(112,294)	(9.2)	(192,781)	(9.0)	(285,542)	(44,080)	(8.2)
Net income	456,162	37.5%	748,680	35.1%	990,649	152,931	28.6%

[Table of Contents](#)

(1) Including share-based compensation expenses as follows:

	For the Year Ended December 31,						
	2013		2014		2015		
	RMB	%	RMB	%	RMB	US\$	
	(in thousands, except percentages)						
Allocation of Share-Based Compensation Expenses							
Cost of revenues	6,534	0.5%	8,048	0.4%	6,939	1,071	0.2%
Sales and marketing expenses	4,375	0.4	14,644	0.7	36,584	5,648	1.1
General and administrative expenses	11,738	1.0	20,557	1.0	40,142	6,197	1.1
Product development expenses	2,961	0.2	13,417	0.6	24,280	3,748	0.7
Total share-based compensation expenses	25,608	2.1%	56,666	2.7%	107,945	16,664	3.1%

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

Net Revenues. Our net revenues increased by 62.4% from RMB2,132.9 million in 2014 to RMB3,464.0 million (US\$534.7 million) in 2015. This increase was due to increases in both our advertising services revenues and our dealer subscription services revenues.

Advertising services. Our advertising services revenues increased by 60.1% from RMB1,499.5 million in 2014 to RMB2,400.0 million (US\$370.5 million) in 2015. This increase was due to our increased revenues from both automaker advertisers and dealer advertisers, of which transaction business contributed a new growth driver as part of the dealer advertising revenues. Revenues from our automaker advertisers and dealer advertisers accounted for 65.7% and 34.3%, respectively, of our total advertising services revenues in 2015. Revenues from our automaker advertisers and dealer advertisers accounted for 70.6% and 29.4%, respectively, of our total advertising services revenues in 2014. In 2013, 2014 and 2015, 75, 85 and 87 automakers operating in China used our advertising services, respectively. In 2014 and 2015, dealers involving over 100 brands used our advertising services, which include the regional marketing campaigns conducted by certain automobile brands' regional offices.

The increase in revenues from our automaker advertisers was attributable to a 45.7% increase in average revenues per automaker advertiser from RMB12.4 million in 2014 to RMB18.1 million (US\$2.8 million) in 2015, as automakers continued to allocate more of their advertising budgets to Autohome's online advertising channels. The increase in dealer advertising services revenues was mainly due to (i) the Company's new vehicle transaction business, which is primarily composed of direct vehicle sales and commission-based services facilitating transactions through our platform; and (ii) the increase in the volume of pure advertising purchased by the Company's growing base of paying dealers to drive better performance. For the year ended December 31, 2015, the revenue from new vehicle transaction business accounted for 7.5% of our total advertising services revenues. If we exclude this, the average revenue per vehicle brand of dealer advertiser increased by 45.4% from RMB4.1 million in 2014 to RMB6.0 million (US\$0.9 million) in 2015.

Dealer subscription services. Dealer subscription services revenues increased by 68.0% from RMB633.4 million in 2014 to RMB1,064.0 million (US\$164.2 million) in 2015. The increase in dealer subscription services revenues was mainly driven by (i) a 22.1% year-over-year increase in the number of paying dealers, which in turn was a result of Autohome's expansion into new geographic markets, especially within China's growing tier 3 and 4 cities, as well as deeper penetration into existing markets; and (ii) a 37.6% increase in average revenue per paying subscriber from RMB35.6 thousand in 2014 to RMB49.0 thousand in 2015, and rates for dealer subscription services as dealers continue to allocate a greater portion of their budgets to the Company's subscription services. The Company sold dealer subscription services to 21,705 dealers in 2015, compared with 17,779 dealers in 2014.

Cost of Revenues. Our cost of revenues increased by 75.4% from RMB381.5 million in 2014 to RMB669.1 million (US\$103.3 million) in 2015, primarily due to increases in content-related costs and others, and VAT and surcharges.

[Table of Contents](#)

Content-related Costs and Others. Our content-related costs and others increased by 133.1% from RMB127.9 million in 2014 to RMB298.2 million (US\$46.0 million) in 2015, primarily due to new vehicle transaction business costs and salaries and benefits of our editorial personnel. Our content-related costs included share-based compensation expenses, which decreased from RMB8.0 million in 2014 to RMB6.9 million (US\$1.1 million) in 2015.

Depreciation and Amortization Expenses. Our depreciation and amortization expenses increased by 36.1% from RMB31.7 million in 2014 to RMB43.2 million (US\$6.7 million) in 2015, primarily due to an increase in depreciation expenses related to servers purchased and leasehold improvement along with business expansion, partially offset by a decrease in amortization of acquired intangible assets, including domain names and licensing agreement.

Bandwidth and IDC Costs. Our bandwidth and IDC costs increased by 26.6% from RMB30.7 million in 2014 to RMB38.9 million (US\$6.0 million) in 2015, primarily due to increased bandwidth and IDC requirements to fulfill the growth of our user traffic and new business.

VAT and Surcharges. VAT and related surcharges increased by 51.1% from RMB191.2 million for 2014 to RMB288.9 million (US\$44.6 million) for 2015, as a result of increased revenues.

Operating Expenses. Our operating expenses increased by 88.3% from RMB847.2 million in 2014 to RMB1,595.0 million (US\$246.2 million) in 2015, primarily due to increases in sales and marketing expenses, product development expenses and general and administrative expenses as the Company has been reinvesting for future growth opportunities. As a percentage of net revenues, operating expenses increased from 39.7% in 2014 to 46.0% in 2015.

Sales and Marketing Expenses. Our sales and marketing expenses increased by 101.7% from RMB559.1 million in 2014 to RMB1,127.5 million (US\$174.1 million) in 2015. This increase was primarily due to (i) an increase in marketing expenses in connection with the promotion of the Company's brands through search engines, mobile platforms and navigation sites, a 10-year anniversary campaign, and offline promotional activities such as a nationwide group-buy campaign and (ii) an increase in salaries and benefits due to an increase in sales and marketing headcount, which is in line with the Company's rapid growth. As a percentage of net revenues, sales and marketing expenses increased from 26.2% in 2014 to 32.6% in 2015. Our sales and marketing expenses in 2015 included share-based compensation expenses of RMB36.6 million (US\$5.6 million), compared to RMB14.6 million in 2014.

General and Administrative Expenses. Our general and administrative expenses increased by 49.3% from RMB129.8 million in 2014 to RMB193.7 million (US\$29.9 million) in 2015. This increase was primarily attributable to an increase in salaries and benefits as a result of the growth in general and administrative headcount, which is in line with the Company's rapid growth. As a percentage of net revenues, general and administrative expenses decreased from 6.1% in 2014 to 5.6% in 2015. Our general and administrative expenses for 2015 included share-based compensation expenses of RMB40.1 million (US\$6.2 million), compared to RMB20.6 million in 2014.

Product Development Expenses. Our product development expenses increased by 72.9% from RMB158.4 million in 2014 to RMB273.9 million (US\$42.3 million) in 2015. The increase was primarily attributable to an increase in salaries and benefits due to the controlled increase in product development headcount. As a percentage of net revenues, product development expenses increased from 7.4% in 2014 to 7.9% in 2015. Our product development expenses for 2015 included share-based compensation expenses of RMB24.3 million (US\$3.7 million), compared to RMB13.4 million in 2014.

Income before Income Taxes. Our income before income taxes increased by 35.6% from RMB941.5 million in 2014 to RMB1,276.2 million (US\$197.0 million) in 2015.

Income Tax Expense. We incurred income tax expense of RMB285.5 million (US\$44.1 million) in 2015, compared with RMB192.8 million in 2014, primarily due to the growth of our income before income taxes. As a percentage of our income before income taxes, our income tax expenses were 20.5% in 2014 and 22.4% in 2015.

[Table of Contents](#)

Net Income. As a result of the foregoing, we had net income of RMB990.6 million (US\$152.9 million) in 2015, compared with net income of RMB748.7 million in 2014.

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

Net Revenues. Our net revenues increased by 75.3% from RMB1,216.5 million in 2013 to RMB2,132.9 million in 2014. This increase was due to increases in both our advertising services revenues and our dealer subscription services revenues.

Advertising services. Our advertising services revenues increased by 67.6% from RMB894.9 million in 2013 to RMB1,499.5 million in 2014. This increase was due to our increased revenues from both automaker advertisers and dealer advertisers. Revenues from our automaker advertisers and dealer advertisers accounted for 70.6% and 29.4%, respectively, of our total advertising services revenues in 2014. Revenues from our automaker advertisers and dealer advertisers accounted for 78.7% and 21.3%, respectively, of our total advertising services revenues in 2013.

The increase in revenues from our automaker advertisers was attributable to an increase in average revenues per automaker advertiser, as automakers continued to allocate more of their advertising budget to Autohome's online advertising channels. The increase in dealer advertising services revenues was mainly due to an increase in the volume of advertising purchased by dealer advertisers as a result of our expansion into new geographic markets and deeper penetration into existing markets, as well as an increase in the rates for our dealer advertising services.

Dealer subscription services. Dealer subscription services revenues increased by 97.0% from RMB321.6 million in 2013 to RMB633.4 million in 2014. The increase in dealer subscription services revenues was mainly due to (i) an increase in the number of paying subscribers, which in turn was a result of our expansion into new geographic markets and deeper penetration into existing markets and (ii) an increase in average revenue per paying subscriber as dealers continue to allocate a greater portion of their budget to subscribe to our services and an increase in the rates for our dealer subscription services. We sold dealer subscription services to 17,779 dealers in 2014, compared with 10,617 dealers in 2013.

Cost of Revenues. Our cost of revenues increased by 51.2% from RMB252.2 million in 2013 to RMB381.5 million in 2014, primarily due to increases in VAT and surcharges, content-related costs and others, bandwidth and IDC costs and depreciation.

Content-related Costs. Our content-related costs increased by 33.3% from RMB96.0 million in 2013 to RMB127.9 million in 2014, primarily due to an increase in salaries and benefits of our editorial personnel and an increase in toll free telephone charges due to the increase of sales leads generated for dealer subscribers. Our content-related costs included share-based compensation expenses, which increased from RMB6.5 million in 2013 to RMB8.0 million in 2014.

Depreciation and Amortization Expenses. Our depreciation and amortization expenses increased by 19.9% from RMB26.4 million in 2013 to RMB31.7 million in 2014, primarily due to an increase in depreciation expenses related to servers that were mainly purchased in 2014, partially offset by a decrease in amortization of acquired intangible assets, including customer relationships, domain names and licensing agreement.

Bandwidth and IDC Costs. Our bandwidth and IDC costs increased by 45.9% from RMB21.0 million in 2013 to RMB30.7 million in 2014, primarily due to increased bandwidth and IDC requirements to fulfill the growth of our user traffic and improve our users' experience.

VAT and Surcharges. VAT and related surcharges increased by 75.8% from RMB108.8 million for 2013 to RMB191.2 million for 2014, as a result of increased revenues.

Operating Expenses. Our operating expenses increased by 106.9% from RMB409.4 million in 2013 to RMB847.2 million in 2014, primarily due to increases in sales and marketing expenses, general and administrative expenses and product development expenses. As a percentage of net revenues, operating expenses increased from 33.7% in 2013 to 39.7% in 2014.

[Table of Contents](#)

Sales and Marketing Expenses. Our sales and marketing expenses increased by 128.0% from RMB245.2 million in 2013 to RMB559.1 million in 2014. This increase was primarily due to (i) an increase in marketing expenses in connection with the promotion of our brands through search engines, mobile platforms and navigation sites, including the cooperation with Baidu for enhanced auto-related content search results on PCs powered by “Aladdin,” and the cooperation with application stores and mobile browsers to promote our mobile applications and websites, and (ii) an increase in salaries and benefits, resulting from our increased sales and marketing headcount and the hiring of senior personnel to oversee our sales and marketing activities as well as more experienced sales persons to provide better service and support to our important customers. As a percentage of net revenues, sales and marketing expenses increased from 20.2% in 2013 to 26.2% in 2014. Our sales and marketing expenses in 2014 included share-based compensation expenses of RMB14.6 million, compared to RMB4.4 million in 2013.

General and Administrative Expenses. Our general and administrative expenses increased by 57.2% from RMB82.5 million in 2013 to RMB129.8 million in 2014. This increase was primarily attributable to an increase in salaries and benefits, professional service fees and office expenses. As a percentage of net revenues, general and administrative expenses decreased from 6.8% in 2013 to 6.1% in 2014. Our general and administrative expenses for 2014 included share-based compensation expenses of RMB20.6 million, compared to RMB11.7 million in 2013.

Product Development Expenses. Our product development expenses increased by 94.0% from RMB81.7 million in 2013 to RMB158.4 million in 2014, primarily due to an increase in salaries and benefits in line with an increase in the number of product development personnel including additional senior engineers to enhance our product development capabilities, especially in our growth initiatives, such as mobile platforms. As a percentage of net revenues, product development expenses increased from 6.7% in 2013 to 7.4% in 2014. Our product development expenses for 2014 included share-based compensation expenses of RMB13.4 million, compared to RMB3.0 million in 2013.

Income before Income Taxes. Our income before income taxes increased by 65.6% from RMB568.5 million in 2013 to RMB941.5 million in 2014.

Income Tax Expense. We incurred income tax expense of RMB192.8 million in 2014, compared with RMB112.3 million in 2013, primarily due to the growth of our income before income taxes. As a percentage of our income before income taxes, our income tax expenses were 19.8% in 2013 and 20.5% in 2014.

Net Income. As a result of the foregoing, we had net income of RMB748.7 million in 2014, compared with net income of RMB456.2 million in 2013.

Inflation

Since our inception, inflation in China has not materially impacted our results of operations. According to the National Bureau of Statistics of China, the consumer price index in China increased by 2.6%, 2.0% and 1.4% in 2013, 2014 and 2015, and the year-over-year percent changes in the consumer price index for December 2013, 2014, and 2015 were increases of 2.5%, 1.5% and 1.6%, respectively. Although we have not in the past been materially affected by inflation since our inception, we can provide no assurance that we will not be affected in the future by higher rates of inflation in China.

Recent Accounting Pronouncements

In July 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2015-11, *Simplifying the Measurement of Inventory* (“ASU 2015-11”). The amendments in this update simplify the measurement of inventory. ASU 2015-11 states that an entity should measure inventory at the lower of cost and net realizable value. The amendments in ASU 2015-11 are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The amendments in ASU 2015-11 should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The adoption of the guidance is not expected to have significant impact on our consolidated financial statements.

In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers-Deferral of the effective date* (“ASU 2015-14”). The amendments in ASU 2015-14 defer the effective date of ASU No. 2014-09, *Revenue from Contracts with Customers* issued in May 2014. According to the amendments in ASU 2015-14, the new revenue guidance ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. We are in the process of evaluating contracts with our customers under the new standard and cannot currently estimate the financial statement impact of adoption.

[Table of Contents](#)

In November 2015, the FASB issued ASU No. 2015-17, *Income Taxes-Balance Sheet Classification of Deferred Taxes* (“ASU 2015-17”). The amendments in this update simplify the presentation of deferred income taxes. ASU 2015-17 requires that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The amendments in ASU 2015-17 are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Earlier application is permitted for all entities as of the beginning of an interim or annual reporting period. The adoption of the guidance is not expected to have significant impact on our consolidated financial statements.

B. Liquidity and Capital Resources

Cash Flows and Working Capital

Our principal sources of liquidity are cash generated from our operating activities and our issuance of ADSs. In December 2013, we completed our initial public offering and raised net proceeds of US\$142.6 million, after deducting underwriting commissions and discounts and expenses. In November 2014, we completed our 2014 Offering and raised net proceeds of US\$97.3 million, after deducting underwriting commissions and discounts and expenses. Our principal uses of cash for 2013, 2014 and 2015 were operating activities, including employee compensation, tax expenses, marketing expenses, bandwidth and IDC costs and purchase of vehicles, investments and capital expenditures. As of December 31, 2015, we had RMB2,152.6 million (US\$332.3 million) in cash and cash equivalents.

We believe that our current cash and anticipated cash flow from operations, together with the net proceeds that we received from our equity offerings, will be sufficient to meet our anticipated cash needs, including our cash needs for at least the next 12 months. We may require additional cash due to unanticipated business conditions or other future developments. If our existing cash is insufficient to meet our requirements, we may seek to sell additional equity securities, debt securities or secure debt funding from financial institutions.

We expect to continue to accrue for staff welfare benefits including medical insurance, housing funds, pension benefits, unemployment insurance, maternity insurance and work-related injury insurance based on certain percentages of the employees’ respective salaries and to make cash contributions to state-sponsored plans out of the amounts accrued. The amount of such cash contributions may increase due to our expanding workforce as we grow our business or increase wage levels. However, we do not expect that any such increases will have a material effect on our liquidity.

The following table sets forth a summary of our cash flows for the years indicated.

	For the Year Ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US\$
	(in thousands)			
Net cash generated from operating activities	593,893	1,023,743	1,461,841	225,669
Net cash used in investing activities	(45,943)	(1,759,517)	(407,657)	(62,931)
Net cash generated from financing activities	169,298	647,396	30,200	4,662
Effect of exchange rate on cash and cash equivalents	789	4,181	13,847	2,138
Net increase/(decrease) in cash and cash equivalents	718,037	(84,197)	1,098,231	169,538
Cash and cash equivalents at beginning of year	420,576	1,138,613	1,054,416	162,773
Cash and cash equivalents at end of year	<u>1,138,613</u>	<u>1,054,416</u>	<u>2,152,647</u>	<u>332,311</u>

Operating Activities

Net cash generated from operating activities was RMB1,461.8 million (US\$225.7 million) for 2015. This amount was primarily attributable to net income of RMB990.6 million (US\$152.9 million), (a) adjusted for (i) certain non-cash expenses, primarily share-based compensation expenses of RMB107.9 million (US\$16.7 million), depreciation of property and equipment of RMB51.3 million (US\$7.9 million) and deferred income taxes of RMB6.5 million (US\$1.0 million), and (ii) changes in operating assets and liabilities that positively affected operating cash flow, primarily an increase in deferred revenue of RMB433.7 million (US\$67.0 million) and an increase in accrued expenses and other payables of RMB316.7 million (US\$48.9 million), and (b) partially offset by changes in operating assets and liabilities that negatively affected operating cash flow, primarily an increase in accounts receivable of RMB340.9 million (US\$52.6 million) and increase in prepaid expenses and other current assets of RMB264.4 million (US\$40.8 million) and inventories of RMB111.7 million (US\$17.2 million). The increase in deferred revenues was mainly attributable to the growth of our dealer subscription services. The increase in accrued expenses and other payables was mainly due to the increase in accrued rebates to advertising agencies in accordance with growth of revenue and accrual for the year-end bonuses to employees during the period. The increase in accounts receivable was primarily due to the increase of our advertising services. The increase in prepaid expenses and inventories was mainly due to the advance payment for and purchase of vehicles.

Net cash generated from operating activities was RMB1,023.7 million for 2014. This amount was primarily attributable to net income of RMB748.7 million, (a) adjusted for (i) certain non-cash expenses, primarily share-based compensation expenses of RMB56.7 million, depreciation of property and equipment of RMB35.1 million and deferred income taxes of RMB5.3 million, and (ii) changes in operating assets and liabilities that positively affected operating cash flow, primarily an increase in deferred revenue of RMB225.6 million and an increase in accrued expenses and other payables of RMB201.4 million, and (b) partially offset by changes in operating assets and liabilities that negatively affected operating cash flow, primarily an increase in accounts receivable of RMB271.0 million. The increase in deferred revenues was mainly attributable to the growth of our dealer subscription services. The increase in accounts receivable was primarily due to the increase of our advertising service sales. The increase in accrued expenses and other payables was mainly due to the increase in accrued rebates to advertising agencies in accordance with growth of revenue and accrual for the year-end bonuses to employees during the period.

Net cash generated from operating activities was RMB593.9 million for 2013. This amount was primarily attributable to net income of RMB456.2 million, (a) adjusted for (i) certain non-cash expenses, primarily share-based compensation expenses of RMB25.6 million, depreciation of property and equipment of RMB25.5 million and deferred income taxes of RMB3.3 million, and (ii) changes in operating assets and liabilities that positively affected operating cash flow, primarily an increase in deferred revenue of RMB118.8 million and an increase in accrued expenses and other payables of RMB97.8 million, and (b) partially offset by changes in operating assets and liabilities that negatively affected operating cash flow, primarily an increase in accounts receivable of RMB139.9 million. The increase in deferred revenues was mainly attributable to the subscription fees we received from our growing number of dealer subscribers. The increase in accounts receivable was primarily due to the increase in our advertising services sales. The increase in accrued expenses and other payables was mainly due to accrued rebates to advertising agencies in accordance with growth of revenue and accrual for the year-end bonuses to employees during the period.

Investing Activities

Net cash used in investing activities was RMB407.7 million (US\$62.9 million) in 2015, which was primarily attributable to the purchase of term deposits, the investment in our new joint ventures and the purchase of property and equipment.

Net cash used in investing activities was RMB1,759.5 million in 2014, which was primarily attributable to the purchase of term deposits.

Net cash used in investing activities amounted to RMB45.9 million in 2013, primarily attributable to the purchase of property and equipment.

[Table of Contents](#)

Financing Activities

Net cash generated from financing activities in 2015 was RMB30.2 million (US\$4.7 million), which was attributable to proceeds from exercise of share-based awards.

Net cash generated from financing activities in 2014 was RMB647.4 million, which was primarily attributable to the net proceeds from our 2014 Offering of RMB604.0 million and the decrease in restricted cash of RMB245.0 million, partially offset by the payment of the final installment for the repurchase of common stock from Mr. Jiang Lan, a former director of our company, of RMB227.0 million, pursuant to the West Crest Share Purchase. See “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Transactions with Entities Affiliated with Our Shareholders” for more information.

Net cash generated from financing activities in 2013 was RMB169.3 million, mainly attributable to the net proceeds from our initial public offering of RMB863.2 million, partially offset by the payments of dividends amounting to RMB220.9 million, net of withholding taxes paid in June and July 2013 to all of our shareholders and the payment of the first installment for the repurchase of common stock from Mr. Jiang Lan of RMB230.3 million, pursuant to for the West Crest Share Purchase. See “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transaction—Transactions with Entities Affiliated with Our Shareholders” for more information.

In connection with financing the first installment payable to Mr. Jiang Lan under the West Crest Share Purchase, we entered into a short-term loan facility agreement with The Hongkong and Shanghai Banking Corporation Limited, Hong Kong, on November 18, 2013 in the amount of RMB230.3 million. The term of this loan was three months, with an interest rate of LIBOR plus 0.9% and a maturity of three months from the date of first drawdown. This short-term facility was secured by RMB denominated bank deposits of RMB245.0 million placed with HSBC Bank (China) Company Limited, which increased restricted cash for 2013. We repaid this loan in full in 2013 and subsequently the pledged RMB denominated bank deposits were released in early 2014.

Capital Expenditures

Cash outflow in connection with capital expenditures amounted to RMB46.5 million, RMB42.8 million and RMB89.2 million (US\$13.8 million) in 2013, 2014 and 2015, respectively. These capital expenditures were primarily used to purchase equipment for our business and leasehold improvements.

Holding Company Structure

Our ability to pay dividends is primarily dependent on our receiving distributions of funds from our subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by our PRC subsidiaries only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of our PRC subsidiaries.

Under PRC law, our PRC subsidiaries are required to provide for certain statutory reserves, namely a general reserve, an enterprise expansion fund and a staff welfare and bonus fund and allocate at least 10% of their after-tax profits on an individual company basis as determined under PRC accounting standards to the general reserve, and have the right to discontinue allocations to the general reserve if such reserve has reached 50% of registered capital on an individual company basis. In addition, they are also required to make appropriations to the enterprise expansion fund and staff welfare and bonus fund at the discretion of their respective boards of directors. Our VIEs in the PRC are also subject to similar statutory reserve requirements. These reserves can only be used for specific purposes and are not transferable to us in the form of loans, advances or cash dividends. As of December 31, 2013, 2014 and 2015, our PRC subsidiaries and VIEs had appropriated RMB7.1 million, RMB8.8 million and RMB19.2 million (US\$3.0 million), respectively, of retained earnings for their statutory reserves.

As a result of these PRC laws and regulations, prior to allocations of after-tax profits to the statutory reserves, our PRC subsidiaries and VIEs are restricted in their ability to transfer a portion of their net assets to us.

Foreign exchange and other regulation in the PRC may further restrict our PRC subsidiaries and VIEs from transferring funds to us in the form of dividends, loans and advances. As of December 31, 2014 and 2015, the amounts of the net restricted assets of our PRC subsidiaries and VIEs were RMB2,626.1 million and RMB3,740.5 million (US\$577.4 million), respectively.

C. Research and Development, Patents and Licenses, Etc.

Technology and Product Development

Our technologies and infrastructure are critical to our success. We follow a user-centric strategy for our system architecture and have developed robust and scalable technology platforms with sufficient flexibility to support our rapid growth.

A key component of our user-centric strategy is our user intelligence engine which we have developed and are continually enhancing. Our user intelligence engine allows us to rapidly gather user intelligence by analyzing large amounts of data from many sources throughout our content production system. We can utilize such user intelligence data to personalize user interfaces, associate and understand the relationship of information from different sources and facilitate interactions among users and various elements on our websites and mobile applications. It also helps us recommend suitable products, services and user connections to our users. Through our user intelligence engine, we can engage our users more closely by providing them with relevant content. We are also able to provide precision marketing services to our automakers, dealers and other automotive-related customers so that they can deliver relevant advertisements to targeted users who are more receptive to such marketing information.

We distribute our web content to numerous network nodes close to our users by utilizing the content delivery networks, allowing most of our user communications to bypass internet congestion. With our technological expertise, we manage the content delivery networks to enhance our website responsiveness and to improve user experience. As such, we believe our websites have a performance advantage over other automotive websites.

We invested heavily in mobile technologies and were among the earliest in our industry in China to introduce a mobile version of our websites and both Apple iOS- and Android-based applications to allow our users to easily access our content. We have built up a team of 179 research and development personnel as of December 31, 2015, to focus exclusively on the development of our mobile websites and applications and to explore new business models and opportunities through mobile technology. We plan to continue to leverage our mobile technology to develop more applications for Apple iOS- and Android-platforms focusing on convenience, real-time interaction and location based services.

We had an experienced product development team of 787 engineers as of December 31, 2015. Our past innovation has focused on helping users research, select and purchase suitable automobiles through our websites. We plan to develop additional products and services for our transaction business, mobile applications and media-related technology. Our product development expenses were RMB81.7 million, RMB158.4 million and RMB273.9 million (US\$42.3 million) for the years ended December 31, 2013, 2014 and 2015, respectively.

Intellectual Property

Our intellectual property includes trademarks and trademark applications related to our brands and services, software copyrights, trade secrets and other intellectual property rights and licenses. We seek to protect our intellectual property assets and brands through a combination of trademark, patent, copyright and trade secret protection laws in the PRC and other jurisdictions, as well as through confidentiality agreements and other measures.

We hold 汽车之家® and 车之家® (both mean “auto home” in English) and “AUTOHOME®” trademarks in China. In addition, as at December 31, 2015, we held 211 pending trademark applications and 93 registered trademarks in China. As at the same date, we had 45 registered names, including our main website domain names, *autohome.com.cn* and *che168.com*, 92 pending patent applications and 19 registered patents.

D. Trend Information

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

[Table of Contents](#)

E. Off-Balance Sheet Arrangements

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

F. Tabular Disclosure of Contractual Obligations

The following summarizes our contractual obligations as of December 31, 2015:

	Payments Due by Period				Total
	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years	
Operating lease obligations ⁽¹⁾	66,352	51,504	—	—	117,856

(1) Operating lease obligations primarily related to the lease of office space.

Rental expenses for the years ended December 31, 2013, 2014 and 2015 were RMB17.9 million, RMB30.5 million and RMB49.9 million (US\$7.7 million), respectively.

As of December 31, 2015, the Company had commitment to make an investment of RMB10 million in a joint venture to be established, accounting for a 20% shareholding. The joint venture is expected to provide data searching and analysis service.

G. Safe Harbor

See "Forward-Looking Statements" on page 2 of this annual report.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth information regarding our directors and executive officers as of the date of this annual report.

Directors and Executive Officers	Age	Position/Title
Timothy Y. (Tim) Chen	59	Chairman of the Board
James Zhi Qin	43	Director and Chief Executive Officer
Andrew Penn	52	Director
Xiang Li	34	Director
Nicholas Yik Kay Chong	48	Chief Financial Officer
Cynthia Whelan	46	Director
Han Willem Kotterman	50	Director
Ruey-Bin Kao	55	Director
Ted Tak-Tai Lee	65	Independent Director
Guangfu Cui	47	Independent Director
Junling Liu	51	Independent Director

Timothy Y. (Tim) Chen has served as our chairman of the board since 2012. He joined Asia Pacific Telecom as the General Manager since January 2016. He served as the president and group managing director of Telstra International Group and Advisor to Telstra CEO from November 2012 to December 2015. He is also a director of China Communications Media Group Co. Ltd., Qingdao Haier. He was a non-executive director on the board of directors of Telstra Corporation Limited between April 2012 and November 2012 and a director of Sequel Media Inc. between November 2012 and November 2014. Previously, Mr. Chen was a partner of a China Opportunities Fund within GL Capital Group. He was the CEO of National Basketball Association China from 2007 to 2010, the corporate vice president of Microsoft and the CEO of its Greater China region from 2003 to 2007, the corporate vice president of Motorola and the chairman and president of Motorola (China) Electronics from 2001 to 2003. Before Motorola, he was the CEO of 21CN Cybernet, a company listed on the Hong Kong Stock Exchange, from 2000 to 2001. Prior to 2000, Mr. Chen spent eight years in China with Motorola, including serving as the general manager responsible for the sales and marketing for the Greater China Cellular Infrastructure Division. He also spent nine years with AT&T Bell Laboratories in the United States. Mr. Chen holds an MBA degree from the University of Chicago and a master's degree in both computer science and mathematics from Ohio State University.

[Table of Contents](#)

James Zhi Qin has served as our director since 2008 and chief executive officer since 2009. Mr. Qin is also a director of Sequel Media. Mr. Qin joined our company in 2007 and prior to joining us, from 2006 to 2007, Mr. Qin was the chief operating officer of 265.com, an internet company providing website directory service, which was acquired by Google in 2007. Mr. Qin worked for McKinsey & Company as an associate from 2005 to 2006 and Northern Telecom Limited as a software engineer from 1999 to 2003. Prior to that, Mr. Qin was employed at IBM Corporation from 1996 to 1998 and Hughes Network Systems from 1995 to 1996. Mr. Qin earned a bachelor's degree in electrical engineering from Tsinghua University in 1995, a master's degree in computer science from the University of Iowa in 1999, and an MBA degree from Harvard Business School in 2005.

Andrew Penn has served as our director since March 2012. Andrew is the Chief Executive Officer of Telstra Corporation Limited since May 1, 2015. He joined Telstra in 2012 as Chief Financial Officer and was also appointed Group Executive International in 2014. Prior to that, Mr. Penn had a career at AXA Asia Pacific Holdings Limited spanning twenty years, where he served in a variety of senior finance, strategy and executive roles, including group Chief Executive Officer from 2006 to 2011. Mr. Penn holds an MBA degree from Kingston University, London and is a graduate of Harvard Business School's advanced management program. He is a fellow of the Chartered Association of Certified Accountants.

Xiang Li has served as our director since 2008. He served as our president from May 2013 to June 2015 and executive vice president between 2008 and May 2013. Mr. Li is also a director of Sequel Media. In 2005, Mr. Li founded our *autohome.com.cn* website providing online advertising services to the automotive industry. In 2000, Mr. Li founded pcpop.com website, which began commercial operations in 2003. Pcpop.com focuses on providing marketing services for the information technology industry and was operated through China Topside. Pcpop.com was spun off from our company in June 2011.

Nicholas Yik Kay Chong has served as our chief financial officer since February 2014. He served as our co-chief financial officer between September 2013 and February 2014. Mr. Chong has over 22 years of experience in the fast-moving consumer goods, IT and sporting goods industries. From 2009 to 2012, Mr. Chong was a director and the group chief financial officer of Li Ning Sports Limited, a company listed on the Hong Kong Stock Exchange. Mr. Chong served in a variety of senior finance and management roles at Dell China from 2001 to 2009 and Procter & Gamble Singapore and China from 1991 to 2001. Mr. Chong holds a bachelor's degree in economics, statistics and business studies from National University of Singapore.

Cynthia Whelan has served as our director since December 10, 2013. Ms. Whelan was appointed to the role of Group Executive International and New Businesses within Telstra in October 2015. In this role, Cynthia is responsible for a number of Telstra's key growth businesses including Telstra Health, Telstra Ventures, Telstra Home and Premium Services. She is also responsible for the company's international operations as Telstra expands in global markets. Ms. Whelan joined Telstra in August 2013 as the Group Managing Director Strategic Finance. Prior to that, she was with Barclays Bank PLC, Australia Branch where she held the role of chief executive officer, Australia/New Zealand for three years. Over her ten years at Barclays, Ms. Whelan held a variety of roles including managing director and head of Asia Pacific capital markets, based in Hong Kong. During her investment banking career spanning more than 20 years, Ms. Whelan worked in Australia for Barclays, UBS, Merrill Lynch and Westpac. Ms. Whelan was previously a director of Asia Securities Industry and Financial Markets Association and Australian Financial Markets Association. She holds a Bachelor of Commerce (Finance and Japanese studies) from the University of New South Wales and a Masters of Applied Finance from Macquarie University.

Table of Contents

Han Willem Kotterman has served as our director since December 10, 2013. Mr. Kotterman is the COO of Telstra International Group, based in Hong Kong. Mr. Kotterman joined Telstra from CSL Limited where he held the position of acting chief executive officer and executive vice president, customer service and operations. Mr. Kotterman has over 20 years of experience in telecommunications, management consulting, and international corporate tax law across Europe, Asia and North America. Before joining CSL Limited, Mr. Kotterman was a senior strategy consultant in Accenture's Wireless Communications Practice based in New York. In this role, Mr. Kotterman advised the leading U.S. wireless operators in the areas of corporate strategy and merger integration, and was involved in executing several large industry mergers in the North American wireless industry. Mr. Kotterman holds an MBA degree from Wharton School of Business in Philadelphia in finance and strategic management and a master of laws degree in international corporate taxation from Leiden University in the Netherlands.

Ruey-Bin Kao has served as our director since February 20, 2014. Dr. Kao was named CEO of Telstra Greater China in January 2014. Based in Beijing, he is responsible for developing Telstra's integrated service capabilities and identifying strategic areas to grow the business in the rapidly evolving Greater China market. He has more than 25 years of technology and management experience in the U.S. and Asia, and has served in many senior positions, including as country president of Applied Materials China. Prior to that, he was the managing director and vice president of Enterprise Business in Hewlett Packard China and the chairman of Motorola (China) Electronics Limited and Motorola Asia Pacific Business Council. He holds directorships at China National Travel Service (HK) Group Corporation, one of the largest diversified comprehensive travel groups in China, and Want-Want China Holdings Limited, a company listed on the Hong Kong Stock Exchange. He is also a former director at Shenhua Group Corporation Limited, a diversified energy enterprise. Dr. Kao holds a bachelor of science degree in computer science from Tam-Kang University, a master of science degree in computer and information science from the University of Delaware and a doctorate of business administration from The Hong Kong Polytechnic University.

Ted Tak-Tai Lee has served as our independent director since December 10, 2013. Mr. Lee is the managing director of T Plus Capital Ltd., a firm he founded in 2007 that provides strategic, financial and business development advisory services to accounting, financial valuation services and human resources firms in China. Mr. Lee is also an independent director and chairman of the audit committee of Daphne International Holding Limited, a Hong Kong listed company, and a director of Shriro Trading (Shanghai) Company Limited, a privately held company established in China. From September 2007 to April 2009, he was an executive director at Prax Capital, a private equity firm specializing in China-focused investments. Mr. Lee was a senior partner at Deloitte where he worked for 31 years in the United States and Asia. Mr. Lee is an AICPA certified public accountant (inactive) and received his MBA degree from the University of Southern California in 1979 and his bachelor's degree in accounting from California State University, Fresno in 1973.

Guangfu Cui has served as our independent director since December 9, 2014. Mr. Cui served as the Chief Executive Officer of eLong, Inc., a company listed on the Nasdaq Stock Market, from October 2007 to June 2015, and as a director of eLong, Inc. from February 2011 to May 2015. Prior to joining eLong, Inc., Mr. Cui was the Managing Director for FedEx Kinko's China for more than three years. Prior to FedEx Kinko's, Mr. Cui worked for Procter & Gamble for over 12 years, including two and half years working in the United States. Mr. Cui holds a bachelor's degree in law from Peking University, an MBA from Kellogg School of Management at Northwestern University.

Junling Liu has served as our independent director since January 12, 2015. Mr. Liu is the co-founder and Chairman of New Peak Group, a leading digital and mobile health group in China since 2015. Before joining New Peak Group, he was the co-founder and chief executive officer of Yihaodian. Prior to that, Mr. Liu was the co-president of Dell China and Hong Kong. Prior to that, he was a managing director of Avaya China. Mr. Liu received his Master of International Business Administration from Flinders University in Australia.

B. Compensation of Directors and Executive Officers

For the fiscal year ended December 31, 2015, we incurred an aggregate compensation expense of approximately RMB12.97 million (US\$2.0 million) for our executive officers and directors (not including share-based compensation expenses). Our PRC subsidiaries and VIEs are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance, housing fund and other statutory benefits. Other than the above-mentioned statutory contributions mandated by applicable PRC law, we have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors. For additional information on share incentive grants to our directors and executive officers, see "— Share Incentive Plans."

Employment Agreements

We have entered into employment agreements with each of our executive officers through Autohome WFOE. Under these agreements, each of our executive officers is employed for a specified time period. We may terminate employment for cause at any time without advance notice or remuneration for certain acts of the executive officer, such as a conviction or plea of guilty to a felony or any crime involving moral turpitude, negligent or dishonest acts to our detriment, or misconduct or a failure to perform agreed duties. In such case, the executive officer will not be entitled to receive payment of any severance benefits or other amounts by reason of the termination, and the executive officer's right to all other benefits will terminate, except as required by any applicable law. We may also terminate an executive officer's employment without cause upon one-month advance written notice. In such case of termination by us, we are required to provide compensation to the executive officer, including cash compensation equivalent to three months of the executive officer's salary. The executive officer may terminate the employment at any time with a one-month advance written notice, if there is any significant change in the executive officer's duties and responsibilities inconsistent in any material and adverse respect with his or her title and position, or a material reduction in the executive officer's annual salary before the next annual salary review, or if otherwise approved by the board of directors.

Each executive officer has agreed to hold, both during and after the termination or expiry of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his duties in connection with the employment, any of our confidential information or trade secrets, any confidential information or trade secrets of our clients or prospective clients, or the confidential or proprietary information of any third party received by us and for which we have confidential obligations. The executive officers have also agreed to disclose in confidence to us all inventions, designs and trade secrets which they conceive, develop or reduce to practice and to assign all right, title and interest in them to us, and assist us in obtaining patents, copyrights and other legal rights for these inventions, designs and trade secrets.

In addition, each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his or her employment. Specifically, each executive officer has agreed not to (a) approach our clients, advertisers or contacts or other persons or entities introduced to the executive officer for the purpose of doing business with such persons or entities that will harm our business relationships with these persons or entities; (b) assume employment with or provide services to any of our competitors, or engage, whether as principal, partner, licensor or otherwise, any of our competitors; or (c) seek directly or indirectly, to solicit the services of any of our employees who is employed by us on or after the date of the executive officer's termination, or in the year preceding such termination.

Share Incentive Plans

2011 Share Incentive Plan

On May 4, 2011, we adopted our 2011 Share Incentive Plan to attract and retain the best available personnel, provide additional incentives to employees, directors and consultants and promote the success of our business. The maximum aggregate number of our Class A ordinary shares which may be issued pursuant to all awards under the 2011 Share Incentive Plan, as currently in effect, is 7,843,100. As of February 29, 2016, options to purchase 2,570,765 Class A ordinary shares under the 2011 Share Incentive Plan at an exercise price of US\$2.20 were outstanding. The following table summarizes, as of February 29, 2016, the outstanding options we had granted to our directors, officers and other individuals under our 2011 Share Incentive Plan:

<u>Name</u>	<u>Options</u>	<u>Exercise Price (US\$/Share)</u>	<u>Date of Grant</u>	<u>Date of Expiration</u>	<u>Vesting Schedule</u>
James Zhi Qin	*	US\$ 2.20	May 6, 2011	May 5, 2021	**
Other individuals as a group	2,370,765	US\$ 2.20	May 6, 2011 August 1, 2011 October 8, 2011 December 19, 2011 July 1, 2012 May 27, 2013 October 22, 2013 January 16, 2014	Ten years after grant date	Approximately 4 years from each date of grant

* Less than one percent of our total outstanding share capital.

** 25% of the awards vested on each of January 1, 2012, 2013, 2014 and 2015.

The following paragraphs describe the principal terms of the 2011 Share Incentive Plan:

Types of awards. The Plan permits the awards of incentive and non-statutory share-based awards, share appreciation rights, restricted shares and restricted share units. The following briefly describes the principal features of the various awards that may be granted under the 2011 Share Incentive Plan.

- *Options.* The administrator may grant incentive stock options, or ISOs, or non-statutory stock options, NSOs, under our 2011 Share Incentive Plan. Unless the administrator determines otherwise, the exercise price of options granted under our 2011 Share Incentive Plan must at least be equal to the fair market value of our ordinary shares on the date of grant and its term may not exceed ten years. In addition, for any participant who owns more than 10% of the total combined voting rights of all classes of our outstanding shares, or of certain of our parent or subsidiary, the term of an ISO must not exceed five years and the exercise price of such ISO must equal at least 110% of the fair market value on the grant date. The administrator determines the term of all other options.

After termination of an employee, director or consultant, he or she may exercise his or her option, to the extent vested as of such date of termination, within 60 days of termination, or such longer period of time stated in the option agreement. In the absence of a specified period of time in the option agreement, the option will remain exercisable for a period of 12 months in the event of a termination due to death or disability. However, in no event may an option be exercised later than the expiration of its term.
- *Share appreciation rights.* Share appreciation rights may be granted under our 2011 Share Incentive Plan. Share appreciation rights allow the recipient to receive the appreciation in the fair market value of our ordinary shares between the exercise date and the date of grant. The exercise price of share appreciation rights granted under our 2011 Share Incentive Plan must at least be equal to the fair market value of our ordinary shares on the date of grant. The administrator determines the terms of share appreciation rights, including when such rights vest and become exercisable and whether to settle such awards in cash or with our ordinary shares, or a combination thereof. Share appreciation rights expire under the same rules that apply to options.
- *Restricted shares.* Restricted shares may be granted under our 2011 Share Incentive Plan. Restricted share awards are Class A ordinary shares that are subject to various restrictions, including restrictions on transferability and forfeiture provisions. Restricted shares will vest and the restrictions on such shares will lapse, in accordance with terms and conditions established by the administrator. The administrator will determine the number of restricted shares granted to any employee. The administrator may impose whatever conditions to vesting it determines to be appropriate. For example, the administrator may set restrictions based on the achievement of specific performance goals and/or continued service to us. Holders of restricted share awards generally will have voting rights but not dividend rights, unless the administrator provides otherwise. Restricted shares that do not vest for any reason will be forfeited by the recipient and will revert to us.
- *Restricted Share Units.* A restricted share unit award is the grant of the right to receive an ordinary share at a future date and may be subject to forfeiture. Our plan administrator has the discretion to set performance objectives or other vesting criteria that will determine the number or value of restricted share units to be granted. Unless otherwise determined by our plan administrator, a restricted share unit is nontransferable and may be forfeited or repurchased by us upon termination of employment or service during a restricted period. Our plan administrator, at the time of grant, specifies the dates on which the restricted share units become fully vested.

[Table of Contents](#)

Administration. Our board of directors or the compensation committee of our board of directors administers our 2011 Share Incentive Plan. Subject to the provisions of our 2011 Share Incentive Plan, the administrator has the power to determine the terms of the awards, including the recipients, the exercise price, the number of shares subject to each such award, the vesting schedule applicable to the awards, together with any vesting acceleration, and the form of consideration payable upon exercise. The administrator also has the authority to modify or amend awards, to prescribe rules and to construe and interpret the 2011 Share Incentive Plan. Our board of directors may delegate limited authority to additional committees with respect to certain employees and consultants to reduce the burden on the board in administering the 2011 Share Incentive Plan.

Award Agreement. Options, share appreciation rights, restricted shares, or restricted share units granted under the plan are evidenced by an award agreement that sets forth the terms, conditions, and limitations for each grant.

Eligibility. We may grant awards to our employees, directors and consultants of our company. However, we may grant options that are intended to qualify as incentive share-based awards only to our employees and employees of our parent companies and subsidiaries.

Transferability. Unless the administrator provides otherwise, our 2011 Share Incentive Plan does not allow for the transfer of awards other than by will or the laws of descent and distribution and only the recipient of an award may exercise an award during his or her lifetime.

Certain adjustments. In the event of certain changes in our capitalization, to prevent diminution or enlargement of the benefits or potential benefits available under the 2011 Share Incentive Plan, the administrator will make adjustments to one or more of the number and class of shares that may be delivered under the plan and/or the number, class and price of shares covered by each outstanding award and the numerical share limits contained in the plan. In the event of our proposed liquidation or dissolution, the administrator will notify participants as soon as practicable and all awards will terminate immediately prior to the consummation of such proposed transaction.

Change in control transactions. Our 2011 Share Incentive Plan provides that in the event of our merger or change in control, as defined in the 2011 Share Incentive Plan, each outstanding award will be treated as the administrator determines, except that if the successor corporation or its parent or subsidiary does not assume or substitute an equivalent award for each outstanding option or share appreciation right, then such option or share appreciation right will be exercisable for a period of time determined by the administrator in its sole discretion. The option or share appreciation right will then terminate upon the expiration of the specified period of time.

Amendment and Termination. Our board of directors has the authority to amend, suspend or terminate the 2011 Share Incentive Plan.

2013 Share Incentive Plan

We adopted the 2013 Share Incentive Plan in November 2013. The maximum aggregate number of Class A ordinary shares which may be issued pursuant to all awards under the 2013 Share Incentive Plan is 3,350,000. As of February 29, 2016, 1,463,915 restricted shares under the 2013 Share Incentive plan were outstanding. The following table summarizes, as of February 29, 2016, the outstanding awards we granted under the 2013 Share Incentive Plan:

<u>Name</u>	<u>Restricted Shares</u>	<u>Date of Grant</u>	<u>Vesting Schedule</u>
Nicholas Yik Kay Chong	*	November 4, 2013	**
James Zhi Qin	*	January 23, 2015 October 30, 2015	*** ***
Ted Tak-Tai Lee	*	April 30, 2015	****
Guangfu Cui	*	April 30, 2015	****
Junling Liu	*	April 30, 2015	****
Directors and officers as a group	*	November 4, 2013 January 23, 2015 April 30, 2015 October 30, 2015	** *** **** ***
Other individuals as a group	*	May 8, 2014 October 9, 2014 January 23, 2015 April 1, 2015 August 19, 2015 October 1, 2015	Approximately 4 years from each date of grant

[Table of Contents](#)

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- * Less than one percent of our total outstanding share capital.
 - ** 25% of the restricted shares vested on each of September 29, 2014 and September 29, 2015, and the remaining restricted shares will vest on each of September 29, 2016 and September 29, 2017.
 - *** 25% of the restricted shares vested on January 1, 2016, and the remaining restricted shares will vest on each of January 1, 2017, January 1, 2018 and January 1, 2019.
 - **** 25% of the restricted shares vested on various dates ranging from December 8, 2015 to January 11, 2016 and the remaining restricted shares will vest on an annual basis thereafter.

The following paragraphs summarize the terms of the 2013 Share Incentive Plan:

Types of awards. The 2013 Share Incentive Plan permits the awards of options, restricted shares and restricted share units. The following briefly describe the principal features of the various awards that may be granted under the 2013 Share Incentive Plan.

- *Options.* Options provide for the right to purchase a specified number of our ordinary shares at a specified price and usually will become exercisable at the discretion of our plan administrator in one or more installments after the grant date. The option exercise price may be paid, subject to the discretion of the plan administrator, in cash or check, in our ordinary shares which have been held by the option holder for such period of time as may be required by our plan administrator, in other property with value equal to the exercise price, through a broker-assisted cashless exercise, or by any combination of the foregoing.
- *Restricted Shares.* A restricted share award is the grant of our ordinary shares which are subject to certain restrictions and may be subject to risk of forfeiture. Unless otherwise determined by our plan administrator, a restricted share is nontransferable and may be forfeited or repurchased by us upon termination of employment or service during a restricted period. Our plan administrator may also impose other restrictions on the restricted shares, such as limitations on the right to vote or the right to receive dividends.
- *Restricted share units.* A restricted share unit award is the grant of the right to receive an ordinary share at a future date and may be subject to forfeiture. Our plan administrator has the discretion to set performance objectives or other vesting criteria that will determine the number or value of restricted share units to be granted. Unless otherwise determined by our plan administrator, a restricted share unit is nontransferable and may be forfeited or repurchased by us upon termination of employment or service during a restricted period. Our plan administrator, at the time of grant, specifies the dates on which the restricted share units become fully vested.

Plan Administration. Our board or a committee of one or more members of our board duly authorized for the purpose of the 2013 Share Incentive Plan can act as the plan administrator.

Award Agreement. Options, restricted shares or restricted share units granted under the 2013 Share Incentive Plan are evidenced by an award agreement that sets forth the terms, conditions and limitations for each grant.

Exercise Price. The exercise price in respect of any option shall be determined by the plan administrator and set forth in the award agreement which may be a fixed or variable price related to the fair market value of the shares. The exercise price per share subject to an option may be amended or adjusted in the absolute discretion of the plan administrator, the determination of which shall be final, binding and conclusive.

[Table of Contents](#)

Eligibility. We may grant awards to our directors, employees or consultants.

Term of the Options. The term of each option grant shall be no more than ten years from the date of the grant.

Vesting Schedule. In general, the plan administrator determines the vesting schedule, which is set forth in the award agreement.

Transfer Restrictions. Unless otherwise determined by the plan administrator, no awards may be transferred other than by will or the laws of descent and distribution. Nevertheless, awards (other than incentive share-based awards) can be transferred to certain persons or entities related to the plan participants.

Termination. The 2013 Share Incentive Plan will expire ten years after it became effective and may be terminated earlier with the approval of our board.

2016 Share Incentive Plan

Our board of directors adopted the 2016 Share Incentive Plan in February 2016 pending ratification by our shareholders within 12 months. The maximum aggregate number of Class A ordinary shares which may be issued pursuant to all awards under the 2016 Share Incentive Plan is 4,890,000. As of February 29, 2016, options to purchase 3,032,500 Class A ordinary shares under the 2016 Share Incentive Plan at an exercise price of US\$23.97 were outstanding. No shares will be issued pursuant to awards granted under the 2016 Share Incentive Plan prior to the ratification of the 2016 Share Incentive Plan by our shareholders. In the event that the 2016 Share Incentive Plan is not ratified by our shareholders, all awards granted under the 2016 Share Incentive Plan will be null and void. The following table summarizes, as of February 29, 2016, the outstanding options we had granted under the 2016 Share Incentive Plan:

Name	Options(1)	Exercise Price (US\$/Share)	Date of Grant	Date of Expiration	Vesting Schedule
James Zhi Qin	1,500,000	US\$ 23.97	February 15, 2016	February 14, 2026	**
Nicholas Yik Kay Chong	*	US\$ 23.97	February 15, 2016	February 14, 2026	***
Directors and officers as a group	1,600,000	US\$ 23.97	February 15, 2016	February 14, 2026	**
		US\$ 23.97	February 15, 2016	February 14, 2026	***
Other individuals as a group	1,432,500	US\$ 23.97	February 15, 2016	February 14, 2026	Approximately 4 years from the date of grant

(1) No shares will be issued pursuant to awards granted under the 2016 Share Incentive Plan prior to the ratification of the 2016 Share Incentive Plan by our shareholders. In the event that the 2016 Share Incentive Plan is not ratified by our shareholders, all awards granted under the 2016 Share Incentive Plan will be null and void.

* Less than one percent of our total outstanding share capital.

** 25% of the awards will vest on each of January 1, 2017, 2018, 2019 and 2020.

*** 50% of the awards will vest on each of October 30, 2018 and 2019.

The following paragraphs describe the principal terms of the 2016 Share Incentive Plan:

Types of awards. The 2016 Share Incentive Plan permits the awards of options, restricted shares and restricted share units. The following briefly describe the principal features of the various awards that may be granted under the 2016 Share Incentive Plan.

- *Options.* Options provide for the right to purchase a specified number of our ordinary shares at a specified price and usually will become exercisable at the discretion of our plan administrator in one or more installments after the grant date. The option exercise price may be paid, subject to the discretion of the plan administrator, in cash or check, in our ordinary shares which have been held by the option holder for such period of time as may be required by our plan administrator, in other property with value equal to the exercise price, through a broker-assisted cashless exercise, or by any combination of the foregoing.
- *Restricted Shares.* A restricted share award is the grant of our ordinary shares which are subject to certain restrictions and may be subject to risk of forfeiture. Unless otherwise determined by our plan administrator, a restricted share is nontransferable and may be forfeited or repurchased by us upon termination of employment or service during a restricted period. Our plan administrator may also impose other restrictions on the restricted shares, such as limitations on the right to vote or the right to receive dividends.
- *Restricted share units.* A restricted share unit award is the grant of the right to receive an ordinary share at a future date and may be subject to forfeiture. Our plan administrator has the discretion to set performance objectives or other vesting criteria that will determine the number or value of restricted share units to be granted. Unless otherwise determined by our plan administrator, a restricted share unit is nontransferable and may be forfeited or repurchased by us upon termination of employment or service during a restricted period. Our plan administrator, at the time of grant, specifies the dates on which the restricted share units become fully vested.

[Table of Contents](#)

Plan Administration. Our board or a committee of one or more members of our board duly authorized for the purpose of the 2016 Share Incentive Plan can act as the plan administrator.

Award Agreement. Options, restricted shares or restricted share units granted under the 2016 Share Incentive Plan are evidenced by an award agreement that sets forth the terms, conditions and limitations for each grant.

Exercise Price. The exercise price in respect of any option shall be determined by the plan administrator and set forth in the award agreement which may be a fixed or variable price related to the fair market value of the shares. The exercise price per share subject to an option may be amended or adjusted in the absolute discretion of the plan administrator, the determination of which shall be final, binding and conclusive.

Eligibility. We may grant awards to our directors, employees or consultants.

Term of the Options. The term of each option grant shall be no more than ten years from the date of the grant.

Vesting Schedule. In general, the plan administrator determines the vesting schedule, which is set forth in the award agreement.

Transfer Restrictions. Unless otherwise determined by the plan administrator, no awards may be transferred other than by will or the laws of descent and distribution. Nevertheless, awards (other than incentive share-based awards) can be transferred to certain persons or entities related to the plan participants.

Termination. The 2016 Share Incentive Plan will expire ten years after it became effective and may be terminated earlier with the approval of our board.

C. Board Practices

Our board of directors consists of ten directors. A director is not required to hold any shares in the company by way of qualification. A director may vote with respect to any contract, proposed contract or arrangement in which he or she is materially interested provided (a) such director, if his or her interest in such contract or arrangement is material, has declared the nature of his or her interest at the earliest meeting of the board at which it is practicable for him or her to do so, either specifically or by way of a general notice and (b) if such contract or arrangement is a transaction with a related party, such transaction has been approved by the audit committee. The directors may exercise all the powers of the company to borrow money, mortgage its undertaking, property and uncalled capital, and issue debentures or other securities whenever money is borrowed or as security for any obligation of the company or of any third party. None of our non-executive directors has a service contract with us that provides for benefits upon termination of service.

Committees of the Board of Directors

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

Audit Committee. Our audit committee consists of Messrs. Ted Tak-Tai Lee, Guangfu Cui and Junling Liu. Mr. Ted Tak-Tai Lee is the chairman of our audit committee. We have determined that Messrs. Ted Tak-Tai Lee, Guangfu Cui and Junling Liu satisfy the "independence" requirements of Section 303A of the NYSE Listed Company Manual and Rule 10A-3 under the Securities Exchange Act of 1934. The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- appointing the independent auditors and preapproving all auditing and nonauditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Table of Contents

Compensation Committee. Our compensation committee consists of Dr. Ruey-Bin Kao, Mr. Han Willem Kotterman, Ms. Cynthia Whelan, Mr. James Zhi Qin and Mr. Guangfu Cui. Dr. Ruey-Bin Kao is the chairman of our compensation committee. We have determined that Mr. Guangfu Cui satisfies the “independence” requirements of Section 303A of the NYSE Listed Company Manual. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for our chief executive officer and other executive officers;
- reviewing and recommending to the board for determination with respect to the compensation of our nonemployee directors; and
- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee consists of Messrs. Tim Chen, Andrew Penn, James Zhi Qin and Ted Tak-Tai Lee. Mr. Tim Chen is the chairperson of our nominating and corporate governance committee. We have determined that Mr. Ted Tak-Tai Lee satisfies the “independence” requirements of Section 303A of the NYSE Listed Company Manual. The nominating and corporate governance committee assists the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee is responsible for, among other things:

- selecting and recommending to the board nominees for election by the shareholders or appointment by the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

Duties of Directors

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

Terms of Directors and Officers

Our officers are elected by and serve at the discretion of the board of directors. At each annual general meeting, one-third of our directors then existing, or if their number is not a multiple of three, then the number nearest to and not exceeding one-third, shall retire from office by rotation, provided that (i) the chairman of the board and/or our chief executive officer shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year, and (ii) a director appointed by the Telstra Shareholder shall not be subject to retirement by rotation and should not be taken into account in determining the number of directors who are to retire by rotation, so long as the Telstra Shareholder holds at least 51% of the voting rights represented by our issued and outstanding voting shares.

D. Employees

We had 1,191, 1,771 and 3,292 employees as of December 31, 2013, 2014 and 2015, respectively. The following table sets forth the number of our employees by function as of December 31, 2015:

Functional Area	Number of Employees
Sales and marketing	2,044
Content and editorial	328
Product development	787
Management and administrative	133
Total	3,292

[Table of Contents](#)

Our sales and marketing personnel increased from 975 as of December 31, 2014 to 2,044 as of December 31, 2015, as we were expanding our transaction business and our dealership network in 2015. Through a combination of short-term performance evaluations and long-term incentive arrangements, we intend to build a competent, loyal and highly motivated workforce. We have not experienced any work stoppages due to labor disputes.

E. Share Ownership

Class A Ordinary Shares

As of February 29, 2016, we had 51,505,946 Class A ordinary shares outstanding (excluding 632,026 Class A ordinary shares that are reserved for future grants under our share incentive plans). In addition, as of February 29, 2016, we have granted, and have outstanding, options to purchase a total of 2,570,765 Class A ordinary shares and 1,463,915 restricted shares to our employees, directors and consultants. For information regarding the Share Incentive Plans, see “Item 6. Directors, Senior Management and Employees—B. Compensation of Directors and Executive Officers.”

Class B Ordinary Shares

As of February 29, 2016, we had 61,824,328 Class B ordinary shares outstanding.

Beneficial Ownership of Ordinary Shares

Except as specifically noted in the table, the following table sets forth information with respect to the beneficial ownership of our ordinary shares as of February 29, 2016:

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

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Ordinary Shares Beneficially Owned as of February 29, 2016				% of Voting Rights(2)
	Class A		Class B		
	Number	%(1)	Number	%(1)	
Directors and Executive Officers:					
Timothy Y. (Tim) Chen(3)	—	—	—	—	—
James Zhi Qin(4)	3,340,025	2.9%	—	—	2.9%
Andrew Penn(5)	—	—	—	—	—
Xiang Li(6)	3,000,000	2.6%	—	—	2.6%
Nicholas Yik Kay Chong(7)	*	*	—	—	*
Cynthia Whelan(8)	—	—	—	—	—
Han Willem Kotterman(9)	—	—	—	—	—
Ruey-Bin Kao(10)	—	—	—	—	—
Ted Tak-Tai Lee(11)	*	*	—	—	*
Guangfu Cui(12)	*	*	—	—	*
Junling Liu(13)	*	*	—	—	*
All Directors and Executive Officers as a Group	6,507,302	5.7%	—	—	5.7%
Principal Shareholders:					
Telstra Holdings Pty Limited(14)	—	—	61,824,328	54.6%	54.6%

* Less than one percent of our total outstanding share capital.

(1) For each person and group included in this column, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of the total number of our Class A ordinary shares and Class B ordinary shares outstanding, which is 113,330,274 as of February 29, 2016, and the number of shares such person or group has the right to acquire upon exercise of option, warrant or other right within 60 days after February 29, 2016.

Table of Contents

- (2) For each person and group included in this column, the percentage of voting rights is calculated by dividing the voting rights beneficially owned by such person or group by the voting rights with respect to all of our Class A ordinary shares and Class B ordinary shares as a single class. Each Class A ordinary share is entitled to one vote. When the total number of ordinary shares held by Telstra Holdings Pty Limited and/or its affiliates, or the Telstra Shareholder, constitutes no less than 51% of all of our issued and outstanding ordinary shares, each Class B ordinary share is entitled to one vote; when the total number of ordinary shares held by the Telstra Shareholder, drops below 51% but is no less than 39.3% of all of our issued and outstanding ordinary shares, each Class B ordinary share will carry such number of votes that would result in the total number of ordinary shares held by the Telstra Shareholder carrying, in the aggregate, 51% of the voting rights represented by all of our issued and outstanding ordinary shares; when the total number of ordinary shares held by the Telstra Shareholder drops below 39.3% of all of our issued and outstanding ordinary shares, all Class B ordinary shares will be automatically converted into the same number of Class A ordinary shares.
- (3) The business address of Mr. Chen is No. 32, Jihu Rd., Neihu Dist., Taipei City 11492, Taiwan.
- (4) Represents (i) 3,088,929 Class A ordinary shares held by Right Brain Limited, which is wholly owned by Mr. Qin, (ii) 51,096 Class A ordinary shares in the form of ADSs converted from restricted shares held by Mr. Qin, and (iii) 200,000 Class A ordinary shares underlying the options that are exercisable within 60 days after February 29, 2016 held by Mr. Qin. The business address of Mr. Qin is 10th Floor, Tower B, CEC Plaza, No. 3 Dan Ling Street, Haidian District, Beijing 100080, People's Republic of China.
- (5) The business address of Mr. Penn is Telstra Corporation Ltd, 242 Exhibition Street, Melbourne, VIC 3000, Australia.
- (6) Represents 3,000,000 Class A ordinary shares held by AutoLee Ltd., which is wholly owned by Mr. Li. The business address of Mr. Li is No. 339 Dongxindian, Cuigezhuang, Chaoyang District, Beijing 100103, People's Republic of China.
- (7) Represents Class A ordinary shares in the form of ADSs held by Mr. Chong vested from restricted shares held by Mr. Chong. The business address of Mr. Chong is 10th Floor Tower B, CEC Plaza, No. 3 Dan Ling Street, Haidian District, Beijing 100080, People's Republic of China.
- (8) The business address of Ms. Whelan is Telstra, 400 George Street, Sydney NSW 2000, Australia.
- (9) The business address of Mr. Kotterman is 43/F, One Island East, 18 Westlands Road, Quarry Bay, Hong Kong.
- (10) The business address of Dr. Kao is Unit 2428, China World Tower One, No. 1 Jianguo Men Wai Avenue, Chaoyang District, Beijing 100004, People's Republic of China.
- (11) Represents Class A ordinary shares in the form of ADSs vested from restricted shares held by Mr. Lee. The business address of Mr. Lee is Room 3303, No. 17, Lane 668 Xizang South Road, Shanghai 200011, Peoples's Republic of China.
- (12) Represents Class A ordinary shares in the form of ADSs vested from restricted shares held by Mr. Cui. The business address of Mr. Cui is Apt 96202 Beida ZhongGuanXinYuan, 126 ZhongGuanCun North Street, Beijing 100871, People's Republic of China.
- (13) Represents Class A ordinary shares in the form of ADSs vested from restricted shares held by Mr. Liu. The business address of Mr. Liu is Floor 3, Building 9, No. 115 Lane 572, Bibo Rd, Pudong, Shanghai, 201203, People's Republic of China.
- (14) Represents 61,824,328 Class B ordinary shares. Telstra Holdings Pty Limited is an Australian company and a wholly owned subsidiary of Telstra Corporation Limited, which is a public company traded on the Australian Securities Exchange. Telstra Holdings Pty Limited's business address is Level 41, 242 Exhibition Street, Melbourne, VIC 3000, Australia.

To our knowledge, as of February 29, 2016, 44,709,123 Class A ordinary shares were held by one record holder in the United States, which was Deutsche Bank Trust Company Americas, the depository of our ADS program (excluding 632,026 Class A ordinary shares that are reserved for future grants under our share incentive plans). No Class B ordinary shares were held by record holders in the United States. The number of beneficial owners of our ADSs in the United States is likely to be much larger than the number of record holders of our ordinary shares in the United States.

As of February 29, 2016, Telstra beneficially owned 54.6% of the total voting rights in our company. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

Please refer to "Item 6. Directors, Senior Management and Employees—E. Share Ownership."

B. Related Party Transactions

Contractual Agreements with our Variable Interest Entities

PRC laws and regulations currently limit foreign ownership of companies that engage in internet services. We therefore conduct our part of our operations in China primarily through contractual agreements between the following entities:

- our wholly owned PRC subsidiary, Beijing Cheerbright Technologies Co., Ltd., or Autohome WFOE, and each of the three groups of entities and individuals—(i) Beijing Autohome Information Technology Co., Ltd., or Autohome Information, shareholders of Autohome Information and two subsidiaries of Autohome Information: Beijing Shengtuo Chengshi Advertising Co., Ltd., or Chengshi Advertising, and Beijing Shengtuo Autohome Advertising Co., Ltd., or Autohome Advertising, (ii) Shanghai You Che You Jia Advertising Co., Ltd., or Shanghai Advertising, and shareholders of Shanghai Advertising, and (iii) Guangzhou You Che You Jia Advertising Co., Ltd., or Guangzhou Advertising, and shareholders of Guangzhou Advertising; and
- our wholly owned PRC subsidiary, Beijing Chezhiying Technology Co., Ltd., or Chezhiying WFOE, and each of the group of entities and individuals, Beijing Shengtuo Hongyuan Information Technology Co., Ltd., or Shengtuo Hongyuan, shareholders of Shengtuo Hongyuan and two subsidiaries of Shengtuo Hongyuan: Beijing Autohome Used Car Appraisal Co., Ltd., or Autohome Used Car Appraisal, and Beijing Autohome Used Car Brokerage Co., Ltd., or Autohome Used Car Brokerage.

We treat these groups of entities as our VIEs under U.S. GAAP.

In July 2015, Autohome Information, Shengtuo Hongyuan and Autohome WFOE entered into a termination agreement, pursuant to which the parties terminated all contractual agreements among themselves, which includes the equity interest pledge agreement, exclusive technology consulting and service agreement, equity option agreement and power of attorney, and Autohome Information transferred all of its equity interest in Shengtuo Hongyuan to James Zhi Qin and Zheng Fan. In July 2015, Chezhiying WFOE, Shengtuo Hongyuan and each of its subsidiaries, and James Zhi Qin and Zheng Fan entered into contractual agreements.

The following is a summary of our current contractual arrangements among Autohome WFOE, Autohome Information and its subsidiaries and shareholders and among Chezhiying WFOE, Shengtuo Hongyuan and its subsidiaries and shareholders. The contractual agreements among Autohome WFOE and Shanghai Advertising and its shareholders and the contractual agreements among Autohome WFOE and Guangzhou Advertising and its shareholders are substantially the same as the contractual agreements among Autohome WFOE, Autohome Information and its shareholders.

Agreements that Provide Effective Control over Autohome Information and Shengtuo Hongyuan

Equity Interest Pledge Agreements. Pursuant to the equity interest pledge agreements between Autohome WFOE and each of the three shareholders of Autohome Information, each shareholder of Autohome Information pledges to Autohome WFOE all of his equity interests in Autohome Information to secure the performance of such shareholder's respective obligations and Autohome Information's obligations under the loan agreements, equity option agreements, and the exclusive technology consulting and service agreements. See “—Contractual Agreements with our Variable Interest Entities—Agreements that Transfer Economic Benefits of Autohome Information and Shengtuo Hongyuan to Us” and “—Contractual Agreements with our Variable Interest Entities—Agreements that Provide Us the Options to Purchase the Equity Interests in Autohome Information” for a brief description of these obligations. Without Autohome WFOE's consent, shareholders of Autohome Information shall not create or permit to create any encumbrances on the pledged equities in Autohome Information. In the event of default, Autohome WFOE is entitled to request immediate repayment of the outstanding amounts payable under the loan agreements, the equity option agreements and the exclusive technology consulting and service agreements or to dispose of the pledged equity interests at Autohome WFOE's sole discretion. The equity pledge agreements have an indefinite term and will terminate after all the secured obligations under these agreements have been satisfied in full or the pledged equity interests have been transferred to Autohome WFOE or its designee.

Pursuant to the equity interest pledge agreements between Autohome WFOE and Autohome Information, Autohome Information pledges to Autohome WFOE all of its equity interests in its two subsidiaries to secure the performance of its obligations under the exclusive technology consulting and service agreements and the equity option agreements. These equity interest pledge agreements contain substantially the same terms as the equity interest pledge agreements between Autohome WFOE and the shareholders of Autohome Information.

In July 2015, Chezhiying WFOE and each of the shareholders of Shengtuo Hongyuan entered into equity interest pledge agreements. The terms of these agreements are substantially the same as the equity interest pledge agreements between Autohome WFOE and each of the three shareholders of Autohome Information described above. In July 2015, Chezhiying WFOE and Shengtuo Hongyuan entered into equity interest pledge agreements. The terms of these agreements are substantially the same as the equity interest pledge agreements between Autohome WFOE and Autohome Information. We are in the process of obtaining registration for these equity interest pledge agreements.

[Table of Contents](#)

Power of Attorney. Autohome Information and each of the shareholders of Autohome Information have executed an irrevocable power of attorney appointing Autohome WFOE, or any person designated by Autohome WFOE, as their attorney-in-fact to vote on their behalf at the shareholders' meetings of Autohome Information's subsidiaries and Autohome Information and to exercise full voting rights as the shareholders of these companies with powers granted under PRC laws and regulations and the articles of association of each of the above companies, including the rights to appoint directors and management personnel.

In July 2015, Shengtuo Hongyuan and each of the shareholders of Shengtuo Hongyuan have executed an irrevocable power of attorney appointing Chezhiying WFOE, or any person designated by Chezhiying WFOE, as their attorney-in-fact to vote on their behalf at the shareholders' meetings of Shengtuo Hongyuan's subsidiaries and Shengtuo Hongyuan and to exercise full voting rights as the shareholders of these companies with powers granted under PRC laws and regulations and the articles of association of each of the above companies, including the rights to appoint directors and management personnel.

Agreements that Transfer Economic Benefits of Autohome Information and Shengtuo Hongyuan to Us

Exclusive Technology Consulting and Service Agreements. Pursuant to the exclusive technology consulting and service agreements between Autohome WFOE and each of Autohome Information and its subsidiaries, Autohome WFOE has the exclusive right to provide each of these VIEs comprehensive technology and management consulting services. In addition, Autohome WFOE is obligated to provide financing support to each of these VIEs to ensure the cash flow requirements of the day-to-day operations of these VIEs. Each of these VIEs is obligated to pay to Autohome WFOE service fees, which are calculated based on such VIE's revenues reduced by its business taxes and surcharges, operating expenses and an appropriate amount of retained profit that is determined pursuant to our tax planning strategies and relevant tax laws. Such service fees may be adjusted by Autohome WFOE at Autohome WFOE's sole discretion. Autohome WFOE owns the intellectual properties arising from the performance of these agreements. These agreements have a 30-year term that can be automatically extended for another 10 years at the option of Autohome WFOE and can only be terminated by the parties' mutual written consent or by Autohome WFOE's prior 30-day notice at its sole discretion. During the term of these agreements, these VIEs may not enter into any agreements with third parties for the provision of any technology or management consulting services without prior consent of Autohome WFOE.

In July 2015, Chezhiying WFOE and each of Shengtuo Hongyuan and its subsidiaries entered into exclusive technology consulting and service agreements. The terms of these agreements are substantially the same as the exclusive technology consulting and service agreements between Autohome WFOE and each of Autohome Information and its subsidiaries described above.

Autohome WFOE and Chezhiying WFOE recognized service fees from all the VIEs in the amount of RMB657.2 million in 2013, RMB980.5 million in 2014 and RMB365.5 million (US\$56.4 million) in 2015 in consideration for services provided to the VIEs.

Loan Agreements. Pursuant to the loan agreements between Autohome WFOE and each of the three shareholders of Autohome Information, Autohome WFOE granted interest-free loans to these three shareholders of Autohome Information. The loans are to be used solely for the purpose of making capital contributions to the registered capital of Autohome Information. The term of the loans is indefinite and must be repaid in the manner specified in the agreements upon written notice from Autohome WFOE at any time in Autohome WFOE's sole discretion or upon an event of default by the shareholders of Autohome Information.

In July 2015, Chezhiying WFOE and each of the shareholders of Shengtuo Hongyuan entered into loan agreements. The terms of these agreements are substantially the same as the loan agreements between Autohome WFOE and each of the three shareholders of Autohome Information described above.

Agreements that Provide Us the Options to Purchase the Equity Interests in Autohome Information and Shengtuo Hongyuan

Equity Option Agreements. Pursuant to the equity option agreements between Autohome WFOE and each of the three shareholders of Autohome Information, each shareholder of Autohome Information jointly and severally grants to Autohome WFOE an option to purchase all or part of his equity interests in Autohome Information at a price equivalent to the lowest price permitted by PRC law. The purchase price is to be offset against the loan repayments under the loan agreements. If there will be additional payments to be made by Autohome Information to these shareholders required by the PRC law, these shareholders must immediately return the received payments to Autohome WFOE. Autohome WFOE may exercise its option at any time or transfer the rights and obligations under the equity option agreement to any of its designated parties. The equity option agreements have an indefinite term and will terminate at the earlier of (i) the date on which the equity interests in Autohome Information have been transferred to Autohome WFOE or its designated parties, or (ii) the unilateral termination by Autohome WFOE.

[Table of Contents](#)

Pursuant to the equity option agreements among Autohome WFOE, Autohome Information and each of the two subsidiaries of Autohome Information, Autohome Information granted Autohome WFOE or its designated parties an option to purchase all or part of Autohome Information's equity interests in its subsidiaries at a price equivalent to the lowest price permitted by PRC law. Autohome WFOE may exercise its option at any time. The equity option agreements have an indefinite term and will terminate at the earlier of (i) the date on which all of Autohome Information's equity interests in its subsidiaries have been transferred to Autohome WFOE or its designated parties, or (ii) the unilateral termination by Autohome WFOE.

In July 2015, Chezhiying WFOE and each of the shareholders of Shengtuo Hongyuan entered into equity option agreements. The terms of these agreements are substantially the same as the equity option agreements between Autohome WFOE and each of the three shareholders of Autohome Information described above. In July 2015, Chezhiying WFOE, Shengtuo Hongyuan and each of the two subsidiaries of Shengtuo Hongyuan entered into equity option agreements. The terms of these agreements are substantially the same as the equity option agreements among Autohome WFOE, Autohome Information and each of the two subsidiaries of Autohome Information.

Transactions with Entities Affiliated with Our Shareholders

During 2013, Telstra International HK Limited provided network maintenance services amounting to RMB0.1 million to Autohome Information. In addition, Telstra International Limited provided network maintenance services amounting to RMB0.3 million, RMB0.4 million and RMB0.3 million (US\$0.05 million), respectively, to Autohome Information in 2013, 2014 and 2015, respectively. There was an outstanding balance of RMB0.4 million, RMB0.03 million and nil as of December 31, 2013, 2014 and 2015, respectively. In October 2013, Autohome HK acquired Autohome Media with a consideration of RMB1.9 million. Autohome Media was 50% owned by the spouse of Mr. Henry Hon, one of our former directors whose resignation was effective as of March 28, 2014.

On October 30, 2013, West Crest Limited and its sole shareholder Mr. Jiang Lan, a then-director of our company, requested that we repurchase its outstanding shares in our company, namely 6,684,711 ordinary shares, for a total purchase price of US\$130 million. On November 4, 2013, we and Telstra Holdings entered into a share purchase agreement with West Crest Limited, Mr. Jiang Lan and other shareholders of our company. Pursuant to the agreement, we and Telstra Holdings purchased 3,856,564 and 2,828,147 ordinary shares of our company held by West Crest Limited, or the West Crest Share Purchase, for US\$75 million and US\$55 million, respectively, in cash. We paid fifty percent of the purchase price on November 21, 2013, and paid the remainder on January 29, 2014 using proceeds from our initial public offering.

During 2013, we and Telstra International Limited entered into an agreement whereby a Telstra executive would provide consulting services to us. Under this agreement, the amount due to Telstra for services provided during 2013 and 2014 amounted to RMB0.4 million and RMB0.3 million, respectively. All outstanding balances have been paid in full as of December 31, 2015.

During 2013, we and Beijing Australian Telecommunications Technical Consulting Limited entered into an agreement whereby a Telstra executive would provide consulting services to us. Under this agreement, the amount due to Beijing Australian Telecommunications Technical Consulting Limited for services provided during 2013 and 2014 both amounted to RMB0.2 million.

In September 2015, we established a joint venture, the Financing JV, with Beijing Chehejia Information Technology Co., Ltd. and two companies unaffiliated with us. Xiang Li, our director, is the founder of Beijing Chehejia Information Technology Co., Ltd. We invested a full payment of RMB75 million into the Financing JV for a 25% equity interest of the Financing JV.

Investors Rights Agreement

We and certain of our current shareholders, including Telstra, entered into an investors rights agreement on November 4, 2013. Under the investors rights agreement, certain shareholders are entitled to registration rights, rights of access to information and pre-emptive rights.

Registration Rights

Pursuant to our investors rights agreement, we have granted registration rights to certain of our current shareholders. Set forth below is a description of the registration rights granted under the agreement.

Demand Registration Rights. The Telstra Shareholder has the right to demand that we file a registration statement covering the offer and sale of securities it holds. Upon receipt of a request by the Telstra Shareholder, we should offer other holders of registrable securities the opportunity to register the number of registrable shares as such holders may request. We, however, are not obligated to effect a demand registration if the dollar amount of securities to be sold to the public is of an aggregate price less than US\$5.0 million; and we are not obligated to effect a demand registration if, among other things, we have already filed three demand registrations and each of such registrations has been declared effective. We have the right to defer filing of a registration statement for up to 90 days if our board of directors determines in good faith that the filing of a registration statement would be materially detrimental to us, but we cannot exercise the deferral right more than three times in any 12-month period.

Piggyback Registration Rights. If we propose to file a registration statement for a public offering of our ordinary shares on a form that would be suitable for registrable securities, we must offer holders of registrable securities an opportunity to include in that registration all or any part of their registrable securities. The underwriters of any underwritten offering have the right to limit the number of shares with registration rights to be included in the registration statement if a piggyback registration is initiated as a primary underwritten offering on our behalf.

Form F-3 Registration Rights. When we are eligible for registration on Form F-3, upon a written request from the Telstra Shareholder, we shall file a registration statement on Form F-3 covering the offer and sale of the registrable securities owned and designated by them. Upon receipt of a request by the Telstra Shareholder, we should offer other holders of registrable shares the opportunity to register the number of registrable shares as such holders may request. We, however, are not obligated to effect an F-3 registration if the dollar amount of securities to be sold to the public is of an aggregate price less than US\$5.0 million. We have the right to defer filing of a registration statement for up to 90 days if our board of directors determines in good faith that the filing of a registration statement would be materially detrimental to us, but we cannot exercise the deferral right more than three times in any 12-month period.

Expenses of Registration. We will pay all expenses incurred by us in complying with any demand, Form F-3 or piggyback registration. We are not obligated to pay any underwriting discounts and selling commissions applicable to the sale of a holder's registrable securities or any fees and expenses of any counsel representing holders of registrable securities.

Termination of Obligations. We shall have no obligation to effect any demand, Form F-3, or piggyback registration if, in the opinion of counsel to us, all such registrable securities proposed to be sold by a holder may then be sold without registration and without regard to any volume limitation requirement under Rule 144 under the Securities Act. In addition, our obligations relating to registration rights under the investors rights agreement with respect to the Telstra Shareholder shall automatically terminate if the Telstra Shareholder beneficially owns less than 5% of our issued and outstanding shares.

Pre-emptive Rights

When we propose to issue any ordinary shares or securities convertible into ordinary shares, the Telstra Shareholder (for so long as the Telstra Shareholder beneficially owns any Class B ordinary shares) is entitled to purchase such number of new securities at its election so as to enable the Telstra Shareholder to beneficially hold a pro rata portion of the new securities equal to the respective percentage of our issued and outstanding share capital owned by the Telstra Shareholder prior to the issuance. If the Telstra Shareholder does not exercise its pre-emptive rights, we are entitled to issue such number of new securities at a price no less than that offered to the Telstra Shareholder (as applicable) within 90 business days, which period of time may be extended in order to comply with applicable laws and regulations (including receipt of any applicable regulatory or shareholder approvals).

[Table of Contents](#)

Employment Agreements

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

Share Incentive Plans

See “Item 6. Directors, Senior Management and Employees—B. Compensation of Directors and Executive Officers” for a description of share-based compensation awards we have granted to our directors, officers and other individuals as a group.

See footnote 12 to our financial statements for further information about our related party transactions.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See “Item 18. Financial Statements.”

Legal Proceedings

From time to time, we may be subject to various claims and legal actions that arise in the ordinary course of our business. There are currently no legal proceedings that, in the opinion of our management, may have a material adverse effect on our business and results of operations.

Dividend Policy

Our board of directors has complete discretion, subject to approval by a duly authorized representative of the Telstra Shareholder for so long as the Telstra Shareholder holds at least 51% of our issued and outstanding shares, to declare dividends. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant.

Our board of directors declared dividends of RMB49.9 million and RMB249.2 million in February 2012 and May 2013, respectively, to all of our shareholders. The dividends, net of applicable withholding taxes, were paid in April 2012 and June and July 2013, respectively. We do not have any plan to pay additional cash dividends on our ordinary shares in the foreseeable future. We currently intend to retain most, if not all, of our remaining available funds and any future earnings to operate and expand our business.

We are a holding company incorporated in the Cayman Islands. We may rely on dividends from our subsidiaries in China for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to us. See “Item 4. Information on the Company—B. Business Overview—PRC Regulation—Regulations on Dividend Distribution.”

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

B. Significant Changes

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

[Table of Contents](#)

ITEM 9. THE OFFER AND LISTING

A. Offering and Listing Details

See “—C. Markets.”

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs, each representing one Class A ordinary share, have been listed on the NYSE since December 2013 and trade under the symbol “ATHM.” The following table provides the high and low trading prices for our ADSs on the NYSE for the periods indicated.

	Trading Price	
	High US\$	Low US\$
Annual High and Low		
Fiscal Year 2013 (from December 11, 2013)	US\$37.88	US\$26.51
Fiscal Year 2014	US\$57.93	US\$28.50
Fiscal Year 2015	US\$56.59	US\$28.00
Quarterly Highs and Lows		
Fourth Fiscal Quarter of 2013 (from December 11, 2013)	US\$37.88	US\$26.51
First Fiscal Quarter of 2014	US\$51.98	US\$28.52
Second Fiscal Quarter of 2014	US\$42.68	US\$28.50
Third Fiscal Quarter of 2014	US\$57.93	US\$31.80
Fourth Fiscal Quarter of 2014	US\$53.56	US\$34.14
First Fiscal Quarter of 2015	US\$47.47	US\$34.50
Second Fiscal Quarter of 2015	US\$56.59	US\$43.27
Third Fiscal Quarter of 2015	US\$50.50	US\$28.00
Fourth Fiscal Quarter of 2015	US\$37.73	US\$29.18
Monthly Highs and Lows		
September 2015	US\$34.19	US\$28.13
October 2015	US\$37.73	US\$31.62
November 2015	US\$37.63	US\$29.18
December 2015	US\$37.17	US\$30.20
January 2016	US\$33.70	US\$23.35
February 2016	US\$26.34	US\$21.53

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

We are a Cayman Islands company and our affairs are governed by our memorandum and articles of association and the Companies Law of the Cayman Islands, referred to as the Companies Law below. The following are summaries of certain provisions of our memorandum and articles of association in effect as of the date of this annual report insofar as they relate to the material terms of our ordinary shares.

Registered Office and Objects

Our registered office in the Cayman Islands is located at Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The memorandum of association provides, *inter alia*, that the liability of the members of our company is limited to the amount, if any, for the time being unpaid on the ordinary shares. The objects for which our company is established are unrestricted (including acting as an investment company), and we shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of corporate benefit, as provided in section 27(2) of the Companies Law and in view of the fact that we are an exempted Company, we will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of our business carried on outside the Cayman Islands.

Board of Directors

See “Item 6. Directors, Senior Management and Employees—C. Board Practices—Duties of Directors” and “— Terms of Directors and Officers.”

Ordinary Shares

General

Our authorized share capital consists of (i) 99,931,211,060 Class A ordinary shares with a par value of US\$0.01 each and (ii) 68,788,940 Class B ordinary shares with a par value of US\$0.01 each. As of February 29, 2016, we had 51,505,946 Class A ordinary shares (excluding 632,026 Class A ordinary shares that are reserved for future grants under our share incentive plans) and 61,824,328 Class B ordinary shares issued and outstanding.

All of our outstanding ordinary shares, which consist of Class A ordinary shares and Class B ordinary shares, are fully paid and non-assessable. Certificates representing the ordinary shares are issued in registered form. Our shareholders who are non-residents of the Cayman Islands may freely hold and transfer their ordinary shares.

Class Rights of our Class A and Class B Ordinary Shares

Subject to our fourth memorandum and articles of association and any resolution of the shareholders to the contrary and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares, the Class A ordinary shares and Class B ordinary shares carry equal rights and rank *pari passu* with one another other than as set out below.

Conversion

Subject to the provisions of our fourth amended and restated memorandum and articles of association and in compliance with all fiscal and other laws and regulations applicable thereto, a holder of Class B ordinary shares shall have the right to convert all or any of its Class B ordinary shares into Class A ordinary shares on a one-for-one basis. Upon the transfer of any Class B ordinary shares by the Telstra Shareholder to any person that is not an affiliate of the Telstra Shareholder, such Class B ordinary shares will be converted into an equal number of Class A ordinary shares. When the total number of Class A and Class B ordinary shares held by the Telstra Shareholder represents less than 39.3% of all of our total issued and outstanding shares, all Class B ordinary shares will be automatically converted into the same number of Class A ordinary shares. In addition, if immediately following the transfer of any ordinary shares held by the Telstra Shareholder to any party that is not an affiliate of the Telstra Shareholder, the Telstra Shareholder holds less than 51% of our total number of outstanding shares, all Class B ordinary shares will be automatically converted into the same number of Class A ordinary shares. Furthermore, upon a change of control event involving the Telstra Shareholder, all Class B ordinary shares shall be automatically converted into the same number of Class A ordinary shares.

[Table of Contents](#)

A holder of Class A ordinary shares has no rights of conversion in respect of each such Class A ordinary share into Class B ordinary shares.

Dividends

The holders of our ordinary shares are entitled to such dividends as may be declared by us in general meeting or by our board of directors subject to the Companies Law and to the fourth amended and restated memorandum and articles of association. So long as the Telstra Shareholder holds at least 51% of our issued and outstanding shares, the board may not declare any dividend unless the dividend is approved by a duly authorized representative of the Telstra Shareholder.

Voting Rights

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting every holder of Class A ordinary shares who is present in person or by proxy (or, in the case of a shareholder being a corporation, by its duly authorized representative) shall have one vote on a show of hands, and on a poll every shareholder holding Class A ordinary shares present in person or by proxy (or, in the case of a shareholder being a corporation, by its duly appointed representative) shall have one vote for each fully paid Class A ordinary share of which such shareholder is the holder.

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting every holder of Class B ordinary shares who is present in person or by proxy (or, in the case of a shareholder being a corporation, by its duly authorized representative) shall have the number of votes for each fully paid Class B ordinary share calculated as described in the following paragraph.

When the total number of ordinary shares held by the Telstra Shareholder constitutes no less than 51% of all of our issued and outstanding ordinary shares, each Class B ordinary share is entitled to one vote; when the total number of ordinary shares held by the Telstra Shareholder drops below 51% but is no less than 39.3% of all of our issued and outstanding ordinary shares, each Class B ordinary share will carry such number of votes that would result in the total number of ordinary shares held by the Telstra Shareholder carrying, in the aggregate, 51% of the voting rights represented by all of our issued and outstanding ordinary shares; when the total number of ordinary shares held by the Telstra Shareholder drops below 39.3% of all of our issued and outstanding ordinary shares, all Class B ordinary shares will be automatically converted into the same number of Class A ordinary shares.

A quorum required for a meeting of shareholders consists of two shareholders entitled to vote and present in person or by proxy or, if a corporation or other non-natural person, by its duly authorized representative holding at least one third of the voting rights represented by the issued and outstanding ordinary shares throughout the meeting. However, if at any time the Telstra Shareholder holds at least 51% of voting rights represented by all of our issued and outstanding ordinary shares, two or more members entitled to vote and present in person or by proxy or (in the case of a member being a corporation) by its duly authorized representative representing not less than fifty percent (50%) of the voting rights represented by our issued and outstanding voting shares throughout the meeting will form a quorum for all purposes. We may, but are not obligated to, hold a general meeting in each year as our annual general meeting. The annual general meeting shall be held at such time and place as may be determined by the directors. Each general meeting, other than an annual general meeting, shall be an extraordinary general meeting. A majority of our board of directors or our chairman may call extraordinary general meetings. Advance notice of at least ten clear days is required for the convening of our annual general meeting and other shareholders meetings. The agenda of any extraordinary general meeting will be set by a majority of the directors then in office.

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 at least two-thirds of the votes cast attaching to the outstanding ordinary shares. A special resolution will be required for important matters such as a change of name or making changes to our fourth amended and restated memorandum and articles of association.

Transfer of Ordinary Shares

Subject to the restrictions of our fourth amended and restated memorandum and articles of association, as applicable, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of ordinary shares;
- the instrument of transfer is properly stamped, if required; and
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four.

If our directors refuse to register a transfer they shall, within three months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, after compliance with any notice required of the Designated Stock Exchange (as defined in the fourth amended and restated memorandum and articles of association), be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine, provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year.

Liquidation

On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of ordinary shares), assets available for distribution among the holders of ordinary shares shall be distributed among the holders of the ordinary shares on a pro rata basis. The amount received by holders of Class B ordinary shares and Class A ordinary shares should be the same in any liquidation event. 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 Ordinary Shares and Forfeiture of Ordinary Shares

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

Redemption of Ordinary Shares

Subject to the provisions of the Companies Law, we may repurchase or redeem shares at our option or at the option of the holders of these shares, on such terms and in such manner, including out of capital, as may be determined by our board of directors.

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 with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class. 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* with such existing class of shares.

[Table of Contents](#)

General Meetings of Shareholders

Shareholders' meetings may be convened by a majority of our board of directors or our chairman. Advance notice of at least ten clear days is required for the convening of our annual general shareholders' meeting and any other general meeting of our shareholders. In addition, general meetings will also be convened on the requisition in writing of any shareholder or shareholders entitled to attend and vote at our general meetings holding at least one third of the voting rights represented by our issued voting shares.

Appointment of Directors

So long as the Telstra Shareholder holds at least 51% of our voting rights, it will be entitled to appoint a majority of our directors and to remove any director so appointed. Subject to the foregoing, our shareholders may by ordinary resolution elect any person to fill a casual vacancy or as an addition to the existing board.

The directors will also have the power from time to time and at any time to appoint any person as a director to fill a casual vacancy on the board or as an addition to the existing board.

Inspection of Books and Records

Holders of our ordinary shares 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 allow our shareholders to inspect our register of members and provide our shareholders with annual audited financial statements.

Pursuant to the investors rights agreement we have with the Telstra Shareholder and other shareholders, the Telstra Shareholder has the right to access our books and records so long as it holds in aggregate at least 20% of our issued and outstanding share capital.

Issuance of Additional Preferred Shares

Our fourth amended and restated memorandum of association authorizes our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Our fourth amended and restated memorandum of association authorizes our board of directors to establish from time to time one or more series of preferred shares and to determine, with respect to any series of preferred shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights, voting rights; and
- the rights and terms of redemption and liquidation preferences.

Our board of directors may issue preferred shares without action by our shareholders to the extent authorized but unissued. The issuance of preferred shares may be used as an anti takeover device without further action on the part of the shareholders. Issuance of these shares may dilute the voting rights of holders of ordinary shares.

C. Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described elsewhere in "Item 4. Information on the Company—B. Business Overview," "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions," or elsewhere in this annual report.

D. Exchange Controls

See “Item 4. Information on the Company—B. Business Overview—PRC Regulation—Regulations on Foreign Exchange.”

E. Taxation

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 levied by the Government of the Cayman Islands that are likely to be material to holders of ADSs or Class A ordinary shares. The Cayman Islands is not party to any double tax treaties, except for a double tax treaty entered into with the United Kingdom in 2010. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Pursuant to Section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, we have obtained an undertaking from the Governor-in-Cabinet:

(a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to us or our operations; and

(b) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on our shares, debentures or other obligations.

The undertaking for us is for a period of 20 years from July 22, 2008.

People’s Republic of China Taxation

We are a holding company incorporated in the Cayman Islands, which indirectly holds Autohome WFOE, Chezhiying WFOE and other subsidiaries in the PRC. Our business operations are principally conducted through our PRC subsidiaries and VIEs.

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

The Enterprise Income Tax Law and its implementation rules permit certain “high and new technology enterprises strongly supported by the state” that hold independent ownership of core intellectual property and simultaneously meet a list of other criteria, financial or non-financial as stipulated in the implementation rules and other regulations, to enjoy a reduced 15% enterprise income tax rate subject to certain qualification criteria. On April 14, 2008, the State Administration of Taxation, the Ministry of Science and Technology and the Ministry of Finance jointly issued the Administrative Rules for the Certification of High and New Technology Enterprises delineating the specific criteria and procedures for the certification of “high and new technology enterprises,” or HNTEs.

Autohome WFOE, our PRC subsidiary, was recognized by the provincial level science and technology commission, finance bureau, and state and local tax bureaus as an HNTE on September 17, 2010, which is valid for three years. Therefore, Autohome WFOE is entitled to the preferential enterprise income tax rate of 15% from 2010 through 2012. We have obtained renewal of the HNTE qualification through 2015. Beijing Autohome Technologies was recognized as an HNTE in July 2015 and therefore was eligible for the preferential 15% enterprise income tax rate from 2015 to 2017 upon their filing with the relevant tax authority. Beijing Prbrownies was recognized as an HNTE on February 29, 2016, qualifying it for the preferential 15% enterprise income tax rate from 2015 to 2017 upon its filing with the relevant tax authority. However, if we lose this qualification, Autohome WFOE, Beijing Autohome Technologies and Beijing Prbrownies will no longer enjoy the 15% preferential tax rate, and the applicable enterprise income tax rate may increase to up to 25%.

[Table of Contents](#)

Although we believe we are not a PRC resident enterprise for enterprise income tax purposes, substantial uncertainty exists. In the event that our company or any of our Offshore Entities, is considered to be a PRC resident enterprise: (a) our company or our Offshore Entities, as the case may be, would be subject to the PRC enterprise income tax at the rate of 25% on worldwide income; and (b) dividend income that our company or our Offshore Entities, as the case may be, receives from our PRC subsidiaries would be exempt from the PRC withholding tax since such income is exempted under the Enterprise Income Tax Law for PRC resident enterprise; and (c) any dividends we pay to our non-PRC shareholders or ADS holders as well as gains realized by such shareholders or ADS holders from the transfer of our shares or ADSs may be regarded as China-sourced income and as a result become subject to PRC withholding tax at a rate of up to 10%, subject to reduction or exemption by an applicable treaty. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Our global income and the dividends that we may receive from our PRC subsidiaries, dividends distributed to our non-PRC shareholders and ADS holders, and gains recognized by such shareholders or ADS holders, may be subject to PRC taxes under the Enterprise Income Tax Law, which would have a material adverse effect on our results of operations.”

Dividend Withholding Tax

We are a Cayman Islands holding company and substantially all of our income will come from dividends distributed by our subsidiaries located in the PRC through our Offshore Entities. Pursuant to the Enterprise Income Tax Law and its implementation rules, dividends from our PRC subsidiaries paid out of profits generated after January 1, 2008, are subject to a withholding tax of 10%, unless there is a tax treaty with China that provides for a different withholding arrangement. The British Virgin Islands currently does not have any tax treaty with China with respect to withholding tax.

Pursuant to the Arrangement between mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, the withholding tax rate with respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise. Distributions of profits generated before January 1, 2008 are exempt from PRC withholding tax. Our board of directors declared dividends of RMB49.9 million and RMB249.2 million in February 2012 and May 2013, respectively, to all of our shareholders. The dividends, net of applicable withholding tax, were paid in April 2012 and June and July 2013, respectively. We do not have any plan to pay additional cash dividends on our ordinary shares in the foreseeable future. The board of Autohome WFOE has resolved to reinvest all its undistributed earnings indefinitely in Autohome WFOE. We currently intend to retain most, if not all, of our remaining available funds and any future earnings to operate and expand our business.

As uncertainties remain regarding the interpretation and implementation of the Enterprise Income Tax Law and its implementation rules, we cannot assure you that, if we are deemed a PRC resident enterprise, any dividends to be distributed by us to our non-PRC shareholders and ADS holders would not be subject to any PRC withholding tax. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Our global income and the dividends that we may receive from our PRC subsidiaries, dividends distributed to our non-PRC shareholders and ADS holders, and gains recognized by such shareholders or ADS holders, may be subject to PRC taxes under the Enterprise Income Tax Law, which would have a material adverse effect on our results of operations.”

United States Federal Income Tax Considerations

The following discussion is a summary of United States federal income tax considerations relating to the ownership and disposition of our ADSs or Class A ordinary shares by U.S. Holders (as defined below) that will hold ADSs or Class A ordinary shares as “capital assets” (generally, property held for investment) under the United States Internal Revenue Code of 1986, as amended (the “Code”). This discussion is based upon applicable provisions of the Internal Revenue Code, Treasury regulations (proposed, temporary and final) promulgated thereunder, pertinent judicial decisions, interpretive rulings of the Internal Revenue Service and such other authorities as we have considered relevant, which are subject to change, possibly with retroactive effect. This discussion does not address all aspects of United States federal income taxation that may be important to particular investors in light of their individual investment circumstances, including investors subject to special tax rules (for example, certain financial institutions, insurance companies, broker-dealers, pension plans, regulated investment companies, real estate investment trusts, cooperatives, and tax-exempt organizations (including private foundations), holders who are not U.S. Holders, holders who own (directly, indirectly, or constructively) 10% or more of our voting stock, investors that will hold their ADSs or Class A ordinary shares as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for United States federal income tax purposes, investors that are traders in securities that have elected the mark-to-market method of accounting, or investors that have a functional currency other than the United States dollar), all of whom may be subject to tax rules that differ significantly from those discussed below. In addition, this discussion does not address United States federal estate, gift, Medicare, and alternative minimum tax considerations, or any non-United States, state, or local tax considerations. Each U.S. Holder is urged to consult its tax advisors regarding the United States federal, state, local, and non-United States income and other tax considerations of an investment in ADSs or Class A ordinary shares.

General

For purposes of this summary, a “U.S. Holder” is a beneficial owner of our ADSs or Class A ordinary shares that is, for United States federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation, or other entity treated as a corporation for United States federal income tax purposes, created in, or organized under the laws of the United States or any state thereof or the District of Columbia, or treated as such for United States federal income tax purposes, (iii) an estate the income of which is includible in gross income for United States federal income tax purposes regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise validly elected to be treated as a United States person under the Code.

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) is a beneficial owner of our ADSs or Class A ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner of a partnership holding our ADSs or Class A ordinary shares, the U.S. Holder is urged to consult its tax advisors regarding an investment in our ADSs or Class A ordinary shares.

It is generally expected that a U.S. Holder of ADSs will be treated as the beneficial owner, for United States federal income tax purposes, of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. Holder of our ADSs will be treated in this manner. Accordingly, deposits or withdrawals of our Class A ordinary shares for our ADSs will not be subject to United States federal income tax.

Passive Foreign Investment Company Considerations

A non-United States corporation, such as our company, will be classified as a “passive foreign investment company” (or a “PFIC”), for United States federal income tax purposes for any taxable year, if either (i) 75% or more of its gross income for such year consists of certain types of “passive” income or (ii) 50% or more of the value of its assets (determined on the basis of a quarterly average) during such year produce or are held for the production of passive income (the “asset test”). Passive income generally includes dividends, interest, royalties, rents, annuities, net gains from the sale or exchange of property producing such income and net foreign currency gains. For this purpose, cash is categorized as a passive asset and the company’s goodwill and other unbooked intangibles associated with active business activity are taken into account as non-passive assets. 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.

Although the law in this regard is unclear, we treat our VIEs as being owned by us for United States federal income tax purposes, not only because we exercise effective control over the operation of such entities but also because we are entitled to substantially all of their economic benefits, and, as a result, we consolidate their results of operation in our consolidated financial statements. If it were determined, however, that we are not the owner of our VIEs for United States federal income tax purposes, we would likely be treated as a PFIC for our current and any subsequent taxable year.

[Table of Contents](#)

Furthermore, the determination of whether we will be or become a PFIC will depend, in part, on the composition of our income and assets. Fluctuations in the market price of our ADSs may cause us to become a PFIC for the current or subsequent taxable years because the value of assets for the purpose of the asset test may be determined by reference to the market price of our ADSs. The composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets. Under circumstances where our revenue from activities that produce passive income significantly increase relative to our revenue from activities that produce non-passive income, or where we determine not to deploy significant amounts of cash for active purposes, our risk of becoming classified as a PFIC may substantially increase. In addition, because there are uncertainties in the application of the relevant rules, it is possible that the Internal Revenue Service may challenge our classification of certain income and assets as non-passive or our valuation of our tangible and intangible assets, each of which may result in our becoming a PFIC for the current or subsequent taxable years.

Assuming we are the owner of our VIEs for U.S. federal income tax purposes, we believe that we primarily operate as an active provider of online automotive advertising solutions in China. Based on our current income and assets, we do not believe that we were a PFIC for the taxable year ended December 31, 2015 and do not anticipate becoming a PFIC in future taxable years. While we do not believe that we were a PFIC for the taxable year ended December 31, 2015 and do not anticipate becoming a PFIC for the current taxable year or the foreseeable future, no assurance can be given in this regard. Because the determination of whether we will be or become a PFIC is a fact-intensive inquiry made on an annual basis, the determination of whether we will be or become a PFIC will depend, in part, upon the value of our goodwill and other unbooked intangibles (which will depend upon the market value of our ADSs from time to time, which may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our current market capitalization. If our market capitalization subsequently declines, we may be or become classified as a PFIC for the current taxable year or future taxable years. It is also possible that the Internal Revenue Service may challenge our classification or valuation of our goodwill and other unbooked intangibles, which may result in our company being or becoming a PFIC for the current taxable year or foreseeable future.

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A ordinary shares, the PFIC tax rules discussed below under “Passive Foreign Investment Company Rules” generally will apply to such U.S. Holder for such taxable year and, unless the U.S. Holder makes certain elections, will apply in future years even if we cease to be a PFIC in subsequent years. The discussion below under “Dividends” and “Sale or Other Disposition of ADSs or Class A Ordinary Shares” is written on the basis that we will not be classified as a PFIC for United States federal income tax purposes.

Dividends

Any cash distributions (including the amount of any PRC tax withheld) paid on ADSs or Class A ordinary shares out of our earnings and profits, as determined under United States federal income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder, in the case of Class A ordinary shares, or by the depository bank, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of United States federal income tax principles, any distribution paid will generally be treated as a “dividend” for United States federal income tax purposes. Non-corporate U.S. Holders receiving dividend income generally will be subject to tax on such dividend income from a “qualified foreign corporation” at a lower applicable capital gains rate rather than the marginal tax rates generally applicable to ordinary income provided that certain holding period and other requirements are met. A non-United States corporation (other than a corporation that is classified as a PFIC for the taxable year in which the dividend is paid or the preceding taxable year) generally will be considered to be a qualified foreign corporation (i) with respect to any dividend it pays on stock (or ADSs in respect of such stock) which is readily tradable on an established securities market in the United States, or (ii) if it is eligible for the benefits of a comprehensive tax treaty with the United States that the Secretary of Treasury of the United States determines is satisfactory for purposes of this provision and that includes an exchange of information program. Our ADSs are listed on the NYSE, which is an established securities market in the United States, and will be considered readily tradable on an established securities market for as long as the ADSs continue to be listed on such exchange. Thus, we believe that we will be a qualified foreign corporation with respect to dividends we pay on our ADSs, but there can be no assurance that our ADSs will continue to be considered readily tradable on an established securities market in later years.

[Table of Contents](#)

Since we do not expect that our Class A ordinary shares be listed on established securities markets, it is unclear whether dividends that we pay on our ordinary shares that are not backed by ADSs currently meet the requirements for the reduced tax rate. However, in the event that we are deemed to be a PRC resident enterprise under the Enterprise Income Tax Law (see “People’s Republic of China Taxation”), we may be eligible for the benefits of the United States-PRC income tax treaty, which the United States Treasury Department has determined is satisfactory for this purpose, and be treated as a qualified foreign corporation with respect to dividends paid on our ADSs or Class A ordinary shares. Dividends received on our ADSs or Class A ordinary shares will not be eligible for the dividends-received deduction allowed to corporations. Each U.S. Holder is advised to consult its tax advisors regarding the availability of the reduced tax rate applicable to qualified dividend income for any dividends we pay with respect to our ADSs or Class A ordinary shares.

Dividends generally will be treated as income from foreign sources for United States foreign tax credit purposes. In the event that we are deemed to be a PRC resident enterprise under the Enterprise Income Tax Law, a U.S. Holder may be subject to PRC withholding taxes on dividends paid on our ADSs or Class A ordinary shares. A U.S. Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed on dividends received on ADSs or Class A ordinary shares. A U.S. Holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction, for United States federal income tax purposes, in respect of such withholding taxes, but only for a year in which such U.S. Holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex and U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition of ADSs or Class A Ordinary Shares

A U.S. Holder will generally recognize capital gain or loss upon the sale or other disposition of ADSs or Class A ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the holder’s adjusted tax basis in such ADSs or Class A ordinary shares. Any capital gain or loss will be long-term gain or loss if the ADSs or Class A ordinary shares have been held for more than one year and will generally be United States-source gain or loss for United States foreign tax credit purposes. Long-term capital gain of non-corporate U.S. Holders is generally eligible for reduced rates of taxation. In the event that gain from the disposition of the ADSs or Class A ordinary shares is subject to tax in the PRC, a U.S. Holder that is eligible for the benefits of the United States-PRC income tax treaty may elect to treat the gain as PRC-source income. The deductibility of a capital loss may be subject to limitations. U.S. Holders are urged to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our ADSs or Class A ordinary shares, including the availability of the foreign tax credit under their particular circumstances.

Passive Foreign Investment Company Rules

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A ordinary shares, and unless the U.S. Holder makes a mark-to-market election with respect to ADSs (as described below), the U.S. Holder will generally be subject to special tax rules that have a penalizing effect, regardless of whether we remain a PFIC, on (i) any excess distribution that we make to the U.S. Holder (which generally means any distribution paid during a taxable year that is greater than 125% of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. Holder’s holding period for the ADSs or Class A ordinary shares), and (ii) any gain realized on the sale or other disposition, including a pledge, under certain circumstances, of ADSs or Class A ordinary shares. Under these PFIC rules:

- the U.S. Holder’s excess distribution or gain will be allocated ratably over the U.S. Holder’s holding period for the ADSs or Class A ordinary shares;
- the amount allocated to the current taxable year and any taxable years in the U.S. Holder’s holding period prior to the first taxable year in which we are classified as a PFIC (each, a “pre-PFIC year”) will be taxable as ordinary income;

Table of Contents

- the amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect applicable to individuals or corporations, as appropriate, for that year;
- an additional tax equal to the interest charge generally applicable to underpayments of tax will be imposed on the tax attributable to each prior taxable year, other than a pre-PFIC year.

If we are a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A ordinary shares and any of our non-United States subsidiaries is also a PFIC (i.e., a lower-tier PFIC), such U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC and would be subject to the rules described above on certain distributions by a lower-tier PFIC and a disposition of shares of a lower-tier PFIC even though such U.S. Holder would not receive the proceeds of those distributions or dispositions. U.S. Holders are urged to consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, a U.S. Holder of “marketable stock” in a PFIC may make a mark-to-market election with respect to our ADSs, provided that the ADSs are regularly traded on the NYSE. We anticipate that the ADSs should qualify as being regularly traded, but no assurances may be given in this regard. If a U.S. Holder makes this election, the U.S. Holder will generally (i) include as ordinary income for each taxable year the excess, if any, of the fair market value of ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of such ADSs over the fair market value of such ADSs held at the end of the taxable year, but such deduction will be allowed only to the extent of the amount previously included in income as a result of the mark-to-market election. The U.S. Holder’s adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. Holder makes a mark-to-market election in respect of a corporation classified as a PFIC and such corporation ceases to be classified as a PFIC, the U.S. Holder will not be required to take into account the gain or loss described above during any year that such corporation is not classified as a PFIC. If a U.S. Holder makes a mark-to-market election, any gain such U.S. Holder recognizes upon the sale or other disposition of our ADSs in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election. In the case of a U.S. Holder who has held ADSs or Class A ordinary shares during any taxable year in respect of which we were classified as a PFIC and continues to hold such ADSs or Class A ordinary shares (or any portion thereof) and has not previously made a mark-to-market election, and if such U.S. Holder makes a mark-to-market election, special tax rules may apply relating to purging the PFIC taint of such ADSs or Class A ordinary shares.

Because, as a technical matter, a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules with respect to its indirect interest in any investments held by us that are treated as an equity interest in a PFIC for United States federal income tax purposes.

We do not intend to provide information necessary for U.S. Holders to make “qualified electing fund” elections which, if available, would result in tax treatment different from the general tax treatment for PFICs described above.

Dividends that we pay on our ADSs or Class A ordinary shares will not be eligible for the reduced tax rate that applies to qualified dividend income discussed above under “Dividends” if we are classified as a PFIC for the taxable year in which the dividend is paid or the preceding taxable year. If a U.S. Holder owns our ADSs or Class A ordinary shares during any taxable year that we are a PFIC, the U.S. Holder must generally file an annual report with the Internal Revenue Service, subject to certain limited exceptions. Each U.S. Holder is urged to consult its tax advisor concerning the United States federal income tax consequences of owning and disposing of our ADSs or Class A ordinary shares if we are or become a PFIC, including filing requirements, the possibility of making a mark-to-market election and the unavailability of the qualifying electing fund election.

Information Reporting

Certain U.S. Holders are required to report information to the Internal Revenue Service relating to an interest in “specified foreign financial assets,” including shares issued by a non-United States corporation, for any year in which the aggregate value of all specified foreign financial assets exceeds \$50,000 (or a higher dollar amount prescribed by the Internal Revenue Service), subject to certain exceptions (including an exception for shares held in custodial accounts maintained with a U.S. financial institution). These rules also impose penalties if a U.S. Holder is required to submit such information to the Internal Revenue Service and fails to do so.

[Table of Contents](#)

In addition, dividend payments with respect to our ADSs or Class A ordinary shares and proceeds from the sale or other disposition of our ADSs or Class A ordinary shares may be subject to information reporting to the Internal Revenue Service. U.S. Holders are urged to consult their tax advisors regarding the application of the United States information reporting rules to their particular circumstances.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We previously filed with the SEC a registration statement on Form F-1 under the Securities Act with respect to our initial public offering of our Class A ordinary shares represented by ADSs.

We are subject to the periodic reporting and other informational requirements of the Securities Exchange Act of 1934, or the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F within four months after the end of each fiscal year, which is December 31. The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. Copies of reports and other information, when filed, may also be inspected without charge, and may be obtained at prescribed rates at the public reference facilities maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. The public may obtain information regarding the Washington, D.C. Public Reference Room by calling the SEC at 1-800-SEC-0330. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

We will furnish Deutsche Bank Trust Company Americas, the depositary of our ADSs, with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports and communications available to holders of ADSs and, upon our request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

I. Subsidiary Information

For a listing of our subsidiaries, see "Item 4. Information on the Company—C. Organizational Structure."

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Our exposure to interest rate risk primarily relates to the interest income generated by excess cash, which is mostly held in interest-bearing bank deposits. We have not used derivative financial instruments in our investment portfolio. Interest earning instruments carry a degree of interest rate risk. We have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in market interest rates. However, our future interest income and interest expense may fluctuate due to changes in market interest rates.

Foreign Exchange Risk

We earn substantially all of our revenues and incur most of our expenses in RMB, and substantially all of our sales contracts are denominated in RMB. We do not believe that we currently have any significant direct foreign exchange risk and have not used any derivative financial instruments to hedge our exposure to such risk. Although in general, our exposure to foreign exchange risks should be limited, the value of your investment in our ADSs will be affected by the exchange rate between the U.S. dollar and the RMB because the value of our business is effectively denominated in RMB, while the ADSs will be traded in U.S. dollars. Based on the amount of our cash and cash equivalents and term deposits as of December 31, 2015, a 1.0% change in the exchange rate between the Renminbi and the U.S. dollar would result in an increase or decrease of approximately US\$1.4 million to our cash and cash equivalents and term deposits.

Significant revaluation of RMB against U.S. dollar may materially affect our earnings and financial position, the conversion of RMB into foreign currencies, including U.S. dollars, is based on rates set by the People's Bank of China. In July 2005, the PRC government changed its decades-old policy of pegging the value of the RMB to the U.S. dollar, and the RMB appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the RMB and the U.S. dollar remained within a narrow band. Since June 2010, the RMB has fluctuated against the U.S. dollar, at times significantly and unpredictably. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the U.S. dollar in the future.

To the extent that we need to convert U.S. dollars into RMB for capital expenditures and working capital and other business purposes, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, if we decide to convert RMB into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs, strategic acquisitions or investments or other business purposes, appreciation of the U.S. dollar against the RMB would have a negative effect on the U.S. dollar amount available to us.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Fees and Charges Our ADS Holders May Have to Pay

As an ADS holder, you will be required to pay the following service fees to the depositary bank:

<u>Service</u>	<u>Fees</u>
• Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property	Up to US\$0.05 per ADS issued
• Cancellation of ADSs, including in the case of termination of the deposit agreement	Up to US\$0.05 per ADS cancelled

Table of Contents

• Distribution of cash dividends or other cash distributions	Up to US\$0.05 per ADS held
• Distribution of ADSs pursuant to share dividends, free share distributions or exercise of rights	Up to US\$0.05 per ADS held
• Distribution of securities other than ADSs or rights to purchase additional ADSs	A fee equivalent to the fee that would be payable if securities distributed to you had been Class A ordinary shares and the Class A ordinary shares had been deposited for issuance of ADSs
• Depository services	Up to US\$0.05 per ADS held on the applicable record date(s) established by the depository bank
• Transfer of ADRs	US\$1.50 per certificate presented for transfer

As an ADS holder, you will also be responsible for paying certain fees and expenses incurred by the depository bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any of your ADSs) such as:

- Fees for the transfer and registration of Class A ordinary shares charged by the registrar and transfer agent for the Class A ordinary shares in the Cayman Islands (i.e., upon deposit and withdrawal of Class A ordinary shares).
- Expenses incurred for converting foreign currency into U.S. dollars.
- Expenses for cable, telex and fax transmissions and for delivery of securities.
- Taxes and duties upon the transfer of securities, including any applicable stamp duties, any stock transfer charges or withholding taxes (i.e., when Class A ordinary shares are deposited or withdrawn from deposit).
- Fees and expenses incurred in connection with the delivery or servicing of Class A ordinary shares on deposit.
- Fees and expenses incurred in connection with complying with exchange control regulations and other regulatory requirements applicable to Class A ordinary shares, deposited securities, ADSs and ADRs.
- Any applicable fees and penalties thereon.

The depository fees payable upon the issuance and cancellation of ADSs are typically paid to the depository bank by the brokers (on behalf of their clients) receiving the newly issued ADSs from the depository bank and by the brokers (on behalf of their clients) delivering the ADSs to the depository bank for cancellation. The brokers in turn charge these fees to their clients. Depository fees payable in connection with distributions of cash or securities to ADS holders and the depository services fee are charged by the depository bank to the holders of record of ADSs as of the applicable ADS record date.

The depository fees payable for cash distributions are generally deducted from the cash being distributed or by selling a portion of distributable property to pay the fees. In the case of distributions other than cash (i.e., share dividends, rights), the depository bank charges the applicable fee to the ADS record date holders concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or uncertificated in direct registration), the depository bank sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via DTC), the depository bank generally collects its fees through the systems provided by DTC (whose nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding ADSs in their DTC accounts. The brokers and custodians who hold their clients' ADSs in DTC accounts in turn charge their clients' accounts the amount of the fees paid to the depository banks.

[Table of Contents](#)

In the event of refusal to pay the depositary fees, the depositary bank may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to the ADS holder.

Fees and Other Payments Made by the Depositary to Us

Deutsche Bank Trust Company Americas, as depositary, has agreed to reimburse us for a portion of certain expenses we incur that are related to establishment and maintenance of the ADR program, including investor relations expenses. There are limits on the amount of expenses for which the depositary will reimburse us, but the amount of reimbursement available to us is not related to the amounts of fees the depositary collects from investors. Further, the depositary has agreed to reimburse us certain fees payable to the depositary by holders of ADSs. Neither we nor the depositary can determine the exact amount to be made available to us because (i) the number of ADSs that will be issued and outstanding, (ii) the level of service fees to be charged to holders of ADSs and (iii) our reimbursable expenses related to the program are not known at this time. In our most recent fiscal year, we have received from the depositary a reimbursement of approximately US\$63,000.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

See “Item 10. Additional Information” for a description of the rights of securities holders, which remain unchanged.

The following “Use of Proceeds” information relates to:

- the registration statement on Form F-1, as amended (File Number 333-192085) for our initial public offering of 8,993,000 ADSs (reflecting the full exercise of the over-allotment option by the underwriters to purchase an additional 1,173,000 ADSs), representing 8,993,000 Class A ordinary shares, which registration statement was declared effective by the SEC on December 10, 2013. Deutsche Bank Securities Inc. and Goldman Sachs (Asia) L.L.C. acted as the representatives of the underwriters in our initial public offering; and
- the registration statement on Form F-1, as amended (File Number 333-199862) for our 2014 Offering of 9,645,659 ADSs (reflecting the partial exercise of the over-allotment option by the underwriters to purchase an additional 1,145,659 ADSs), representing 9,645,659 Class A ordinary shares, which registration statement was declared effective by the SEC on November 19, 2014. Deutsche Bank Securities Inc. and Goldman Sachs (Asia) L.L.C. acted as the representatives of the underwriters in our 2014 Offering.

We incurred expenses and paid to others US\$12.8 million for underwriting discounts and commissions in connection with our initial public offering from the effective date of the registration statement for the initial public offering to December 31, 2014. We incurred expenses and paid to others US\$5.0 million for underwriting discounts and commissions in connection with our 2014 Offering from the effective date of the registration statement for the 2014 Offering to December 31, 2014. We received net proceeds of approximately US\$142.6 million and US\$97.3 million from our initial public offering and 2014 Offering (together, the “Offerings”), respectively.

In 2015, we used approximately US\$21 million of the net proceeds from the Offerings for payment of establishment of new subsidiaries, investment in joint venture, professional fees, insurance fees, compensation to directors and general corporate purposes.

We intend to use the remainder of the proceeds from the Offerings for general corporate purposes, including funding potential investments and acquisitions of complementary businesses, assets and technologies.

ITEM 15. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report, as required by Rule 13a-15(b) under the Exchange Act. Based on that evaluation, our management has concluded that, as of December 31, 2015, our disclosure controls and procedures were effective.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with U.S. GAAP and includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of a company's assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that a company's receipts and expenditures are being made only in accordance with authorizations of a company's management and directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of a company's assets that could have a material effect on the consolidated financial statements. Our management, with the participation of our chief executive officer and chief financial officer, conducted an evaluation of the effectiveness of our company's internal control over financial reporting as of December 31, 2015 based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2015.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, any evaluation of effectiveness as to future periods is subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Ernst & Young Hua Ming LLP, our independent registered public accounting firm, audited the effectiveness of our company's internal control over financial reporting as of December 31, 2015 and has issued an attestation report set forth below.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Autohome Inc.

We have audited Autohome Inc.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). Autohome Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

[Table of Contents](#)

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Autohome Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Autohome Inc. as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, cash flows and changes in shareholders' equity for each of the three years in the period ended December 31, 2015 of Autohome Inc. and our report dated March 17, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young Hua Ming LLP

Beijing, the People's Republic of China
March 17, 2016

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the year ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Mr. Ted Tak-Tai Lee is our audit committee financial expert, who is an independent director under the standards set forth in Section 303A of the NYSE Listed Company Manual and Rule 10A-3 of the Exchange Act. Mr. Lee is the chairman of our audit committee.

ITEM 16B. CODE OF ETHICS

Our board of directors has adopted a code of business conduct and ethics that applies to our directors, officers, employees and agents, including certain provisions that specifically apply to our chairman, chief executive officer, chief financial officer, controller, vice presidents and any other persons who perform similar functions for us. We filed our code of business conduct and ethics as Exhibit 99.1 to our registration statement on Form F-1, as amended, which was originally filed with the SEC on November 4, 2013 and subsequently amended and filed with this annual report. We have posted a copy of our code of business conduct and ethics on our website at <http://ir.autohome.com.cn>.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by Ernst & Young Hua Ming LLP, our independent registered public accounting firm, for the periods indicated. We did not pay any other fees to our independent registered public accounting firm during the periods other than those indicated below.

	For the Year Ended December 31,	
	2014	2015
	(in RMB thousands)	
Audit fees(1)	8,138	7,853
Audit-related fees(2)	2,168	—

[Table of Contents](#)

- (1) “Audit fees” means the aggregate fees billed for professional services rendered by our independent registered public accounting firm for the audit of our annual financial statements, the audit of our internal control over financial reporting and the review of our comparative interim financial information.
- (2) “Audit-related fees” represents aggregate fees billed for professional services rendered by our principal auditor for the assurance and related services, which were not included under “Audit Fees” above.

The policy of our audit committee is to preapprove all audit and nonaudit services provided by Ernst & Young Hua Ming LLP, including audit services and audit-related services as described above, other than those for *de minimis* services which are approved by the audit committee prior to the completion of the audit. Our audit committee has approved all of our audit fees for the year ended December 31, 2015.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

We have followed and intend to follow the applicable NYSE corporate governance listing standards.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS

The consolidated financial statements of Autohome Inc. are included at the end of this annual report.

ITEM 19. EXHIBITS

<u>Exhibit Number</u>	<u>Description of Document</u>
1.1	Fourth Amended and Restated Memorandum and Articles of Association of the Registrant, adopted on November 27, 2013 (incorporated herein by reference to Exhibit 3.2 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
2.1	Registrant's Specimen American Depositary Receipt (incorporated herein by reference to Exhibit 4.1 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
2.2	Registrant's Specimen Certificate for Ordinary Shares (incorporated herein by reference to Exhibit 4.2 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
2.3	Deposit Agreement among the Registrant, the depository and holders of the American Depositary Receipts dated as of December 10, 2013 (incorporated herein by reference to Exhibit 4.3 to the registration statement on Form S-8 (File No. 333-196006), filed with the Securities and Exchange Commission on May 16, 2014)
2.4	Investors Rights Agreement among the Registrant, Telstra Holdings Pty Limited and certain minority shareholders of the Registrant dated November 4, 2013 (incorporated herein by reference to Exhibit 4.63 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.1	2011 Share Incentive Plan of the Registrant (incorporated herein by reference to Exhibit 10.1 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.2	2013 Share Incentive Plan of the Registrant (incorporated herein by reference to Exhibit 10.2 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.3	Form of Indemnification Agreement between the Registrant and its directors and officers (incorporated herein by reference to Exhibit 10.3 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.4	English Translation of Form of Employment Agreement between Autohome WFOE and an executive officer of the Registrant (incorporated herein by reference to Exhibit 10.4 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.5	Restated Exclusive Technology Consulting and Service Agreement between Autohome WFOE and Autohome Information dated June 7, 2011 (incorporated herein by reference to Exhibit 4.5 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.6	Exclusive Technology Consulting and Service Agreement between Autohome WFOE and Chengshi Advertising dated November 12, 2010 (incorporated herein by reference to Exhibit 4.7 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.7	Exclusive Technology Consulting and Service Agreement between Autohome WFOE and Autohome Advertising dated September 21, 2010 (incorporated herein by reference to Exhibit 4.8 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)

Table of Contents

<u>Exhibit Number</u>	<u>Description of Document</u>
4.8	Restated Loan Agreement between Autohome WFOE and Zhi Qin dated June 7, 2011 (incorporated herein by reference to Exhibit 4.9 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.9	Restated Loan Agreement between Autohome WFOE and Zheng Fan dated June 7, 2011 (incorporated herein by reference to Exhibit 4.10 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.10	Restated Loan Agreement between Autohome WFOE and Xiang Li dated June 7, 2011 (incorporated herein by reference to Exhibit 4.11 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.11	Restated Equity Option Agreement among Autohome WFOE, Autohome Information and Zhi Qin dated June 7, 2011 (incorporated herein by reference to Exhibit 4.12 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.12	Restated Equity Option Agreement among Autohome WFOE, Autohome Information and Zheng Fan dated June 7, 2011 (incorporated herein by reference to Exhibit 4.13 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.13	Restated Equity Option Agreement among Autohome WFOE, Autohome Information and Xiang Li dated June 7, 2011 (incorporated herein by reference to Exhibit 4.14 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.14	Equity Option Agreement among Autohome WFOE, Autohome Information and Chengshi Advertising dated November 12, 2010 (incorporated herein by reference to Exhibit 4.16 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.15	Equity Option Agreement among Autohome WFOE, Autohome Information and Autohome Advertising dated September 21, 2010 (incorporated herein by reference to Exhibit 4.17 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.16	Restated Equity Interest Pledge Agreement between Autohome WFOE and Zhi Qin dated August 23, 2011 (incorporated herein by reference to Exhibit 4.18 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.17	Restated Equity Interest Pledge Agreement between Autohome WFOE and Zheng Fan dated August 23, 2011 (incorporated herein by reference to Exhibit 4.19 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.18	Restated Equity Interest Pledge Agreement between Autohome WFOE and Xiang Li dated August 23, 2011 (incorporated herein by reference to Exhibit 4.20 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)

Table of Contents

<u>Exhibit Number</u>	<u>Description of Document</u>
4.19	Equity Interest Pledge Agreement between Autohome WFOE and Autohome Information dated November 12, 2010 regarding Chengshi Advertising (incorporated herein by reference to Exhibit 4.22 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.20	Equity Interest Pledge Agreement between Autohome WFOE and Autohome Information dated September 21, 2010 regarding Autohome Advertising (incorporated herein by reference to Exhibit 4.23 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.21	Power of Attorney issued by Zhi Qin dated April 3, 2013 regarding Autohome Information (incorporated herein by reference to Exhibit 4.24 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.22	Power of Attorney issued by Zheng Fan dated April 3, 2013 regarding Autohome Information (incorporated herein by reference to Exhibit 4.25 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.23	Power of Attorney issued by Xiang Li dated April 3, 2013 regarding Autohome Information (incorporated herein by reference to Exhibit 4.26 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.24	Power of Attorney issued by Autohome Information dated April 3, 2013 regarding Chengshi Advertising (incorporated herein by reference to Exhibit 4.28 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.25	Power of Attorney issued by Autohome Information dated April 3, 2013 regarding Autohome Advertising (incorporated herein by reference to Exhibit 4.29 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.26	Supplementary Agreement to Exclusive Technology Consulting and Service Agreement between Autohome WFOE and Chengshi Advertising dated July 22, 2011 (incorporated herein by reference to Exhibit 4.31 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.27	Supplementary Agreement to Exclusive Technology Consulting and Service Agreement between Autohome Advertising and Autohome WFOE dated July 22, 2011 (incorporated herein by reference to Exhibit 4.32 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.28	Supplementary Agreement to Restated Exclusive Technology Consulting and Service Agreement between Autohome Information and Autohome WFOE dated July 22, 2011 (incorporated herein by reference to Exhibit 4.33 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.29	Exclusive Technology Consulting and Service Agreement between Autohome WFOE and Shanghai Advertising dated December 31, 2011 (incorporated herein by reference to Exhibit 4.34 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)

Table of Contents

<u>Exhibit Number</u>	<u>Description of Document</u>
4.30	Loan Agreement between Autohome WFOE and Zhi Qin dated December 31, 2011 (incorporated herein by reference to Exhibit 4.35 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.31	Loan Agreement between Autohome WFOE and Zheng Fan dated December 31, 2011 (incorporated herein by reference to Exhibit 4.36 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.32	Loan Agreement between Autohome WFOE and Xiang Li dated December 31, 2011 (incorporated herein by reference to Exhibit 4.37 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.33	Equity Option Agreement among Autohome WFOE, Shanghai Advertising and Zhi Qin dated July 2, 2012 (incorporated herein by reference to Exhibit 4.38 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.34	Equity Option Agreement among Autohome WFOE, Shanghai Advertising and Zheng Fan dated July 2, 2012 (incorporated herein by reference to Exhibit 4.39 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.35	Equity Option Agreement among Autohome WFOE, Shanghai Advertising and Xiang Li dated July 2, 2012 (incorporated herein by reference to Exhibit 4.40 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.36	Equity Interest Pledge Agreement between Autohome WFOE and Zhi Qin dated July 2, 2012 (incorporated herein by reference to Exhibit 4.41 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.37	Equity Interest Pledge Agreement between Autohome WFOE and Zheng Fan dated July 2, 2012 (incorporated herein by reference to Exhibit 4.42 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.38	Equity Interest Pledge Agreement between Autohome WFOE and Xiang Li dated July 2, 2012 (incorporated herein by reference to Exhibit 4.43 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.39	Power of Attorney issued by Zhi Qin dated April 3, 2013 regarding Shanghai Advertising (incorporated herein by reference to Exhibit 4.44 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.40	Power of Attorney issued by Zheng Fan dated April 3, 2013 regarding Shanghai Advertising (incorporated herein by reference to Exhibit 4.45 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)

Table of Contents

<u>Exhibit Number</u>	<u>Description of Document</u>
4.41	Power of Attorney issued by Xiang Li dated April 3, 2013 regarding Shanghai Advertising (incorporated herein by reference to Exhibit 4.46 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.42	Loan Agreement between Autohome WFOE and Zhi Qin dated July 2, 2012 (incorporated herein by reference to Exhibit 4.47 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.43	Loan Agreement between Autohome WFOE and Zheng Fan dated July 2, 2012 (incorporated herein by reference to Exhibit 4.48 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.44	Loan Agreement between Autohome WFOE and Xiang Li dated July 2, 2012 (incorporated herein by reference to Exhibit 4.49 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.45	Exclusive Technology Consulting and Service Agreement between Autohome WFOE and Guangzhou Advertising dated May 8, 2012 (incorporated herein by reference to Exhibit 4.50 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.46	Loan Agreement between Autohome WFOE and Zhi Qin dated May 8, 2012 (incorporated herein by reference to Exhibit 4.51 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.47	Loan Agreement between Autohome WFOE and Zheng Fan dated May 8, 2012 (incorporated herein by reference to Exhibit 4.52 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.48	Loan Agreement between Autohome WFOE and Xiang Li dated May 8, 2012 (incorporated herein by reference to Exhibit 4.53 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.49	Equity Option Agreement among Autohome WFOE, Guangzhou Advertising and Zhi Qin dated May 8, 2012 (incorporated herein by reference to Exhibit 4.54 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.50	Equity Option Agreement among Autohome WFOE, Guangzhou Advertising and Zheng Fan dated May 8, 2012 (incorporated herein by reference to Exhibit 4.55 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.51	Equity Option Agreement among Autohome WFOE, Guangzhou Advertising and Xiang Li dated May 8, 2012 (incorporated herein by reference to Exhibit 4.56 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.52	Equity Interest Pledge Agreement between Autohome WFOE and Zhi Qin dated May 8, 2012 (incorporated herein by reference to Exhibit 4.57 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)

Table of Contents

<u>Exhibit Number</u>	<u>Description of Document</u>
4.53	Equity Interest Pledge Agreement between Autohome WFOE and Zheng Fan dated May 8, 2012 (incorporated herein by reference to Exhibit 4.58 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.54	Equity Interest Pledge Agreement between Autohome WFOE and Xiang Li dated May 8, 2012 (incorporated herein by reference to Exhibit 4.59 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.55	Power of Attorney issued by Zhi Qin dated April 3, 2013 regarding Guangzhou Advertising (incorporated herein by reference to Exhibit 4.60 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.56	Power of Attorney issued by Zheng Fan dated April 3, 2013 regarding Guangzhou Advertising (incorporated herein by reference to Exhibit 4.61 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.57	Power of Attorney issued by Xiang Li dated April 3, 2013 regarding Guangzhou Advertising (incorporated herein by reference to Exhibit 4.62 to the registration statement on Form F-1, as amended (File No. 333-192085), initially filed with the Securities and Exchange Commission on November 4, 2013)
4.58*	Termination Agreement among Autohome Information, Shengtuo Hongyuan and Autohome WFOE dated July 8, 2015
4.59*	English Translation of Equity Interest Transfer Agreement between Autohome Information and Zhi Qin dated July 8, 2015
4.60*	English Translation of Equity Interest Transfer Agreement between Autohome Information and Zheng Fan dated July 8, 2015
4.61*	Exclusive Technology Consulting and Service Agreement between Chezhiying WFOE and Shengtuo Hongyuan dated July 8, 2015
4.62*	Exclusive Technology Consulting and Service Agreement between Chezhiying WFOE and Autohome Used Car Appraisal dated July 8, 2015
4.63*	Exclusive Technology Consulting and Service Agreement between Chezhiying WFOE and Autohome Used Car Brokerage dated July 8, 2015
4.64*	Equity Interest Pledge Agreement between Chezhiying WFOE and Shengtuo Hongyuan pledging equity interest in Autohome Used Car Appraisal dated July 8, 2015
4.65*	Equity Interest Pledge Agreement between Chezhiying WFOE and Shengtuo Hongyuan pledging equity interest in Autohome Used Car Brokerage, dated July 8, 2015
4.66*	Equity Interest Pledge Agreement between Chezhiying WFOE and Zhi Qin dated July 8, 2015
4.67*	Equity Interest Pledge Agreement between Chezhiying WFOE and Zheng Fan dated July 8, 2015
4.68*	Power of Attorney issued by Shengtuo Hongyuan dated July 8, 2015 regarding Autohome Used Car Appraisal.
4.69*	Power of Attorney issued by Shengtuo Hongyuan dated July 8, 2015 regarding Autohome Used Car Brokerage
4.70*	Power of Attorney issued by Zhi Qin dated July 8, 2015 regarding Shengtuo Hongyuan
4.71*	Power of Attorney issued by Zheng Fan dated July 8, 2015 regarding Shengtuo Hongyuan

Table of Contents

<u>Exhibit Number</u>	<u>Description of Document</u>
4.72*	Loan Agreement between Chezhiying WFOE and Zhi Qin dated July 8, 2015
4.73*	Loan Agreement between Chezhiying WFOE and Zheng Fan dated July 8, 2015
4.74*	Equity Option Agreement among Chezhiying WFOE, Shengtuo Hongyuan and Autohome Used Car Appraisal dated July 8, 2015
4.75*	Equity Option Agreement among Chezhiying WFOE, Shengtuo Hongyuan and Autohome Used Car Brokerage dated July 8, 2015
4.76*	Equity Option Agreement among Chezhiying WFOE, Shengtuo Hongyuan and Zhi Qin dated July 8, 2015
4.77*	Equity Option Agreement among Chezhiying WFOE, Shengtuo Hongyuan and Zheng Fan dated July 8, 2015
4.78*	2016 Share Incentive Plan of the Registrant
8.1*	List of Principal Subsidiaries
11.1	Amended and Restated Code of Business Conduct and Ethics of the Registrant (incorporated herein by reference to Exhibit 11.1 to the Form 20-F (File No. 001-36222), filed with the Securities and Exchange Commission on March 31, 2014)
12.1*	Certification by Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	Certification by Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	Certification by Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	Certification by Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Ernst & Young Hua Ming LLP, independent registered public accounting firm
15.2*	Consent of TransAsia Lawyers
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed with this annual report on Form 20-F.

** Furnished with this annual report on Form 20-F.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

AUTOHOME INC.

By: /s/ James Zhi Qin

Name: James Zhi Qin

Title: Director and Chief Executive Officer

Date: March 17, 2016

[Table of Contents](#)

AUTOHOME INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
Report of independent registered public accounting firm	F-2
Consolidated balance sheets as of December 31, 2014 and 2015	F-3-4
Consolidated statements of comprehensive income for the years ended December 31, 2013, 2014 and 2015	F-5
Consolidated statements of cash flows for the years ended December 31, 2013, 2014 and 2015	F-6
Consolidated statements of changes in shareholders' equity for the years ended December 31, 2013, 2014 and 2015	F-7
Notes to the consolidated financial statements	F-8-43

[Table of Contents](#)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Autohome Inc.

We have audited the accompanying consolidated balance sheets of Autohome Inc. (the “Company”) as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, cash flows and changes in shareholders’ equity for each of the three years in the period ended December 31, 2015. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Autohome Inc. at December 31, 2015 and 2014, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Autohome Inc.’s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 17, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young Hua Ming LLP

Beijing, the People’s Republic of China
March 17, 2016

[Table of Contents](#)

AUTOHOME INC.
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2014 AND 2015

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

	<u>Note</u>	<u>2014</u> RMB	<u>2015</u> RMB	US\$
ASSETS				
Current assets:				
Cash and cash equivalents		1,054,416	2,152,647	332,311
Restricted cash		—	61,091	9,431
Term deposits		1,717,775	1,955,315	301,849
Accounts receivable (net of allowance for doubtful accounts of RMB335 and RMB2,315 (US\$357) as of December 31, 2014 and 2015, respectively)	3	736,695	1,075,456	166,022
Inventories	4	—	111,667	17,238
Amount due from a related party	12	—	1,645	254
Prepaid expenses and other current assets	5	73,911	338,677	52,283
Deferred tax assets, current	6	57,969	45,977	7,098
Total current assets		3,640,766	5,742,475	886,486
Non-current assets:				
Property and equipment, net	7	74,882	103,554	15,986
Intangible assets, net	8	39,400	34,155	5,273
Goodwill	10	1,504,278	1,504,278	232,221
Long-term investments	9	—	124,102	19,158
Other non-current assets		19,189	21,512	3,321
Total non-current assets		1,637,749	1,787,601	275,959
Total assets		5,278,515	7,530,076	1,162,445
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accrued expenses and other payables (including accrued expenses and other payables of consolidated VIEs without recourse to Autohome WFOE and Chezhiying WFOE of RMB53,106 and RMB111,610 (US\$17,230) as of December 31, 2014 and 2015, respectively)	11	524,534	833,473	128,667
Advance from customers (including advance from customers of consolidated VIEs without recourse to Autohome WFOE and Chezhiying WFOE of RMB17,650 and RMB10,942 (US\$1,689) as of December 31, 2014 and 2015, respectively)		42,530	27,214	4,201
Deferred revenue (including deferred revenue of consolidated VIEs without recourse to Autohome WFOE and Chezhiying WFOE of RMB138,921 and RMB6,063 (US\$936) as of December 31, 2014 and 2015, respectively)		438,797	872,487	134,689
Notes payable (including notes payable of consolidated VIEs without recourse to Autohome WFOE and Chezhiying WFOE of nil and nil as of December 31, 2014 and 2015, respectively)		—	174,943	27,007
Income tax payable (including income tax payable of consolidated VIEs without recourse to Autohome WFOE and Chezhiying WFOE of RMB13,930 and RMB6,408 (US\$989) as of December 31, 2014 and 2015, respectively)		74,763	224,973	34,730
Amount due to a related party (including amount due to a related party of consolidated VIEs without recourse to Autohome WFOE and Chezhiying WFOE of RMB33 and RMB2,910 (US\$449) as of December 31, 2014 and 2015, respectively)	12	33	23,444	3,619
Total current liabilities (including current liabilities of consolidated VIEs without recourse to Autohome WFOE and Chezhiying WFOE of RMB223,640 and RMB137,933 (US\$21,293) as of December 31, 2014 and 2015, respectively)		1,080,657	2,156,534	332,913

The accompanying notes are an integral part of these consolidated financial statements

[Table of Contents](#)AUTOHOME INC.
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2014 AND 2015

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

	<u>Note</u>	<u>2014</u> <u>RMB</u>	<u>2015</u> <u>RMB</u>	<u>US\$</u>
Non-current liabilities:				
Other liabilities (including other liabilities of consolidated VIEs without recourse to Autohome WFOE and Chezhiying WFOE of RMB17,212 and RMB19,906 (US\$3,073) as of December 31, 2014 and 2015, respectively)		24,058	32,596	5,032
Deferred tax liabilities (including deferred tax liabilities of consolidated VIEs without recourse to Autohome WFOE and Chezhiying WFOE of RMB9,677 and RMB8,539 (US\$1,318) as of December 31, 2014 and 2015, respectively)	6	<u>508,377</u>	<u>489,910</u>	<u>75,629</u>
Total non-current liabilities (including non-current liabilities of consolidated VIEs without recourse to Autohome WFOE and Chezhiying WFOE of RMB26,889 and RMB28,445 (US\$4,391) as of December 31, 2014 and 2015, respectively)		<u>532,435</u>	<u>522,506</u>	<u>80,661</u>
Total liabilities (including total liabilities of consolidated VIEs without recourse to Autohome WFOE and Chezhiying WFOE of RMB250,529 and RMB166,378 (US\$25,684) as of December 31, 2014 and 2015, respectively)		<u>1,613,092</u>	<u>2,679,040</u>	<u>413,574</u>
Commitments and contingencies	13			
Shareholders' equity:				
Class A ordinary shares (par value of US\$0.01 per share; 99,931,211,060 shares authorized; 48,777,835 and 51,230,242 shares issued and outstanding as of December 31, 2014 and 2015, respectively)	15	3,301	3,452	533
Class B ordinary shares (par value US\$0.01 per share; 68,788,940 shares authorized; 61,824,328 and 61,824,328 shares issued and outstanding as of December 31, 2014 and 2015, respectively)	15	4,183	4,183	646
Additional paid-in capital	15	2,649,111	2,787,103	430,255
Accumulated other comprehensive income		5,932	62,753	9,687
Retained earnings		<u>1,002,896</u>	<u>1,993,545</u>	<u>307,750</u>
Total shareholders' equity		<u>3,665,423</u>	<u>4,851,036</u>	<u>748,871</u>
Total liabilities and shareholders' equity		<u>5,278,515</u>	<u>7,530,076</u>	<u>1,162,445</u>

The accompanying notes are an integral part of these consolidated financial statements

AUTOHOME INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013, 2014 AND 2015
(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

	Note	2013 RMB	2014 RMB	2015 RMB	US\$
Net revenues:					
Advertising services		894,937	1,499,516	2,400,023	370,500
Dealer subscription services		321,611	633,433	1,063,952	164,246
Total net revenues		1,216,548	2,132,949	3,463,975	534,746
Cost of revenues	14	(252,236)	(381,498)	(669,121)	(103,294)
Gross profit		964,312	1,751,451	2,794,854	431,452
Operating expenses:					
Sales and marketing expenses		(245,228)	(559,070)	(1,127,484)	(174,054)
General and administrative expenses		(82,529)	(129,751)	(193,655)	(29,895)
Product development expenses		(81,651)	(158,395)	(273,908)	(42,284)
Operating profit		554,904	904,235	1,199,807	185,219
Interest income		11,082	34,682	63,218	9,759
Interest expense		(414)	—	—	—
Earnings from equity method investments		—	—	102	16
Other income, net		2,884	2,544	13,064	2,017
Income before income taxes		568,456	941,461	1,276,191	197,011
Income tax expense	6	(112,294)	(192,781)	(285,542)	(44,080)
Net income		456,162	748,680	990,649	152,931
Earnings per share for ordinary shares:					
Basic	17	4.57	7.01	8.83	1.36
Diluted	17	4.37	6.64	8.57	1.32
Weighted average number of shares used to compute earnings per share attributable to Class A and Class B common stockholders:					
Basic	17	99,898,154	106,735,303	112,227,405	112,227,405
Diluted	17	104,329,226	112,831,585	115,646,826	115,646,826
Other comprehensive income, net of tax of nil					
Foreign currency translation adjustments		1,403	3,946	56,821	8,772
Comprehensive income		457,565	752,626	1,047,470	161,703

The accompanying notes are an integral part of these consolidated financial statements

AUTOHOME INC.
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED DECEMBER 31, 2013, 2014 AND 2015
 (Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

	2013	2014	2015	
	RMB	RMB	RMB	US\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	456,162	748,680	990,649	152,931
Adjustments to reconcile net income to net cash from operating activities:				
Depreciation of property and equipment	25,548	35,084	51,337	7,925
Amortization of intangible assets	6,250	6,053	5,247	810
Loss on disposal of property and equipment	90	163	570	88
Provision for doubtful accounts	251	42	2,179	336
Earnings from equity method investments	—	—	(102)	(16)
Share-based compensation	25,608	56,666	107,945	16,664
Deferred income taxes	3,327	5,334	(6,475)	(1,000)
Changes in operating assets and liabilities:				
Accounts receivable	(139,901)	(271,025)	(340,940)	(52,632)
Amount due from a related party	—	—	(1,645)	(254)
Prepaid expenses and other current assets	(855)	(60,528)	(264,391)	(40,816)
Inventories	—	—	(111,667)	(17,238)
Restricted cash	—	—	(61,091)	(9,431)
Other non-current assets	(6,149)	(12,936)	(1,965)	(303)
Accrued expenses and other payables	97,803	201,421	316,714	48,892
Advance from customers	2,340	40,190	(15,316)	(2,364)
Notes payable	—	—	174,943	27,007
Deferred revenue	118,848	225,557	433,690	66,950
Income tax payable	(8,469)	54,559	150,210	23,188
Amount due to a related party	567	(534)	23,411	3,614
Other liabilities	12,473	(4,983)	8,538	1,318
Net cash generated from operating activities	593,893	1,023,743	1,461,841	225,669
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(44,212)	(42,718)	(89,161)	(13,764)
Proceeds from disposal of property and equipment	535	1,084	595	92
Acquisition of intangible assets	(2,266)	(108)	—	—
Long-term investments	—	—	(124,000)	(19,142)
Purchase of term deposits	—	(2,155,360)	(3,715,074)	(573,509)
Maturity of term deposits	—	437,585	3,519,983	543,392
Net cash used in investing activities	(45,943)	(1,759,517)	(407,657)	(62,931)
CASH FLOWS FROM FINANCING ACTIVITIES				
(Increase)/decrease in restricted cash	(245,000)	245,000	—	—
Proceeds from short-term debt	232,398	—	—	—
Repayment of short-term debt	(230,040)	(2,358)	—	—
Net proceeds from the initial public offering (“IPO”) and follow-on offering of ADSs	863,200	603,980	—	—
Payments of offering cost for IPO	—	(11,998)	—	—
Payments for repurchase of common stock (Note 15)	(230,335)	(227,015)	—	—
Proceeds from exercise of share options	—	39,787	30,200	4,662
Payments of dividends	(220,925)	—	—	—
Net cash generated from financing activities	169,298	647,396	30,200	4,662
Effect of exchange rate changes on cash and cash equivalents	789	4,181	13,847	2,138
Net increase/(decrease) in cash and cash equivalents	718,037	(84,197)	1,098,231	169,538
Cash and cash equivalents at beginning of year	420,576	1,138,613	1,054,416	162,773
Cash and cash equivalents at end of year	1,138,613	1,054,416	2,152,647	332,311
Supplemental disclosures of cash flow information:				
Income taxes paid	107,134	137,826	133,265	20,573
Payable for repurchase of common stock (Note 15)	227,015	—	—	—
Capitalized IPO costs included in accrued expenses and other payables	13,079	—	—	—
Purchase of fixed assets included in accrued expenses and other payables	—	10,598	2,612	403

The accompanying notes are an integral part of these consolidated financial statements

AUTOHOME INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013, 2014 AND 2015

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US\$") except for number of shares and per share data)

	Ordinary shares, Class A ordinary shares and Class B ordinary shares		Additional paid-in capital RMB	Accumulated other comprehensive income RMB	Retained Earnings RMB	Total Shareholders' Equity RMB
	Shares Number	Amount RMB				
Balance as of January 1, 2013	100,000,000	6,867	1,128,314	583	422,211	1,557,975
Net income	—	—	—	—	456,162	456,162
Other comprehensive income:						
Foreign currency translation adjustments	—	—	—	1,403	—	1,403
Payments of dividends	—	—	—	—	(220,925)	(220,925)
Repurchase and retirement of treasury stock (Note 1, Note 15)	(3,856,564)	(265)	(53,853)	—	(403,232)	(457,350)
Issuance of Class A ordinary shares upon completion of the IPO, net of offering costs (Note 15)	8,993,000	547	848,944	—	—	849,491
Share-based compensation	—	—	25,608	—	—	25,608
Balance as of December 31, 2013	105,136,436	7,149	1,949,013	1,986	254,216	2,212,364
Net income	—	—	—	—	748,680	748,680
Other comprehensive income:						
Foreign currency translation adjustments	—	—	—	3,946	—	3,946
Issuance of Class A ordinary shares upon completion of follow-on offering of ADSs in November, 2014, net of offering costs (Note 15)	2,424,801	149	603,831	—	—	603,980
Exercise and vesting of share-based awards	3,040,926	186	39,601	—	—	39,787
Share-based compensation	—	—	56,666	—	—	56,666
Balance as of December 31, 2014	110,602,163	7,484	2,649,111	5,932	1,002,896	3,665,423
Net income	—	—	—	—	990,649	990,649
Other comprehensive income:						
Foreign currency translation adjustments	—	—	—	56,821	—	56,821
Exercise and vesting of share-based awards	2,452,407	151	30,047	—	—	30,198
Share-based compensation	—	—	107,945	—	—	107,945
Balance as of December 31, 2015	113,054,570	7,635	2,787,103	62,753	1,993,545	4,851,036
Balance as of December 31, 2015, in US\$		1,179	430,255	9,687	307,750	748,871

The accompanying notes are an integral part of these consolidated financial statements

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

1. ORGANIZATION

Autohome Inc., formerly known as Sequel Limited (the “Company”), was incorporated under the laws of the Cayman Islands on June 23, 2008. Upon incorporation, the Company was 100% owned by Telstra Holdings Pty Ltd. (“Telstra”). On June 27, 2008 (the “Acquisition date”), the Company acquired Cheerbright International Holdings Limited (“Cheerbright”), China Topside Co., Ltd. (“China Topside”), and Norstar Advertising Media Holdings Co., Ltd. (“Norstar”), and their respective wholly foreign-owned enterprises and variable interest entities (“VIEs”). Subsequent to the acquisition, the Company was owned 55% by Telstra, and 45% by the selling shareholders of Cheerbright, China Topside and Norstar. The Company, through its subsidiaries and VIEs (as disclosed in the table below), is principally engaged in the provision of online advertising and dealer subscription services in the People’s Republic of China (the “PRC”). In May 2012, Telstra acquired additional ordinary shares of the Company from other shareholders.

On June 14, 2011, the Company incorporated, under the laws of the Cayman Islands, a wholly-owned subsidiary, Sequel Media Inc. (“Sequel Media”). On June 30, 2011, the Company contributed all the shares of the entities that provided online advertising services to manufacturers and retailers in the information technology industry (collectively the “Distributed Entities”) to Sequel Media. On June 30, 2011, the Company distributed all the shares of Sequel Media to its shareholders. Accordingly, pursuant to ASC 205-20, *Discontinued Operations*, the Distributed Entities have been accounted for as a discontinued operation whereby the results of operations of these businesses have been eliminated from the results of continuing operations.

On October 8, 2011, the Shijiazhuang Industry and Commercial Bureau approved the termination of the business license of Shijiazhuang XinFeng Advertising Co., Ltd., formally dissolving the legal entity.

On November 4, 2013, the Company and Telstra entered into a Share Purchase Agreement with West Crest Limited, its sole shareholder and the other shareholders of the Company. Pursuant to the agreement, the Company and Telstra purchased 3,856,564 and 2,828,147 ordinary shares of the Company held by West Crest Limited for US\$75 million and US\$55 million, respectively, in cash to be paid in two instalments (“West Crest Limited Share Purchase”). The selling shareholder has resigned from the board of directors upon signing of the agreement. On November 15, 2013, the Company decided to retire the treasury stock purchased from West Crest.

The Company successfully completed its IPO and listing of 8,993,000 American Depositary Shares (“ADSs”) on the New York Stock Exchange in December, 2013, and raised net proceeds of US\$142,590 from the offering. Each ADS represents one ordinary share. Upon the completion of IPO in December, 2013, the Company’s dual-class ordinary share structure came into effect (Note 15). Upon the completion of follow-on offering in November 2014, 2,424,801 ADSs were issued by the Company and 6,964,612 Class B ordinary shares were converted into Class A ordinary shares. The net proceeds from the follow-on offering amounted to US\$97,344 net of issuance cost. As of December 31, 2015, the Company had ordinary shares outstanding, comprised of 51,230,242 Class A ordinary shares and 61,824,328 Class B ordinary shares. Telstra remains the Company’s controlling shareholder holding 54.7% of the total equity interest and voting rights, respectively in the Company as of December 31, 2015.

AUTOHOME INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

1. ORGANIZATION (CONTINUED)

As of December 31, 2015, the Company’s principal subsidiaries and VIEs where Autohome WFOE and Chezhiying WFOE are the primary beneficiaries include the following entities:

Entity	Date of incorporation or acquisition	Place of incorporation	Percentage of direct ownership by the Company	Principal activities
Subsidiaries				
Cheerbright International Holdings, Limited (“Cheerbright”)	June 13, 2006	British Virgin Islands	100%	Investment holding
Autohome E-commerce Inc.	February 6, 2015	Cayman Islands	100%	Investment holding
Autohome Link Inc.	January 29, 2015	Cayman Islands	100%	Investment holding
Autohome Financing Limited	March 23, 2015	Cayman Islands	100%	Investment holding
Autohome (Hong Kong) Limited (“Autohome HK”)	March 16, 2012	Hong Kong	100%	Provision of online advertising services
Autohome Media Limited (“Autohome Media”, formerly known as Prbrownies Marketing Limited)	October 18, 2013	Hong Kong	100%	Provision of online advertising services
Autohome E-commerce Hong Kong Limited	February 18, 2015	Hong Kong	100%	Provision of information technology services
Autohome Link Hong Kong Limited	February 16, 2015	Hong Kong	100%	Provision of information technology services
Autohome Financing Hong Kong Limited	April 15, 2015	Hong Kong	100%	Provision of financial services
Beijing Cheerbright Technologies Co., Ltd. (“Autohome WFOE”)	September 1, 2006	PRC	100%	Provision of technical and consulting services
Autohome Shanghai Advertising Co., Ltd.	September 29, 2013	PRC	100%	Provision of online advertising services
Beijing Prbrownies Software Co., Ltd. (formerly known as “Beijing Autohome Software Co., Ltd.”)	November 12, 2013	PRC	100%	Provision of information technology services
Beijing Autohome Technologies Co., Ltd.	November 12, 2013	PRC	100%	Provision of information technology services
Beijing Autohome Advertising Co., Ltd.	November 13, 2013	PRC	100%	Provision of online advertising services
Guangzhou Autohome Advertising Co., Ltd.	November 25, 2013	PRC	100%	Provision of online advertising services
Tianjin Autohome Technologies Co., Ltd.	October 20, 2014	PRC	100%	Provision of information technology services
Autohome (Tianjin) Automobile Sales Co., Ltd.	October 20, 2014	PRC	100%	Provision of automobile and component parts sales service

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

1. ORGANIZATION (CONTINUED)

<u>Entity</u>	<u>Date of incorporation or acquisition</u>	<u>Place of incorporation</u>	<u>Percentage of direct ownership by the Company</u>	<u>Principal activities</u>
Beijing Chezhiying Technology Co., Ltd. (“Chezhiying WFOE”)	May 26, 2015	PRC	100%	Provision of information technology services
Beijing Chezhiying Software Co., Ltd. (“Chezhiying Software”)	December 9, 2015	PRC	100%	Provision of information technology services
Beijing Kemoshijie Technology Co., Ltd.	September 11, 2015	PRC	100%	Provision of information technology services
Shanghai Baiche Julian Information Technology Co., Ltd.	December 29, 2014	PRC	100%	Provision of information technology services
<u>VIEs</u>				
Beijing Autohome Information Technology Co., Ltd. (“Autohome Information”)	August 28, 2006	PRC	—	Provision of online advertising and dealer subscription services
Beijing Shengtuo Autohome Advertising Co., Ltd.	September 21, 2010	PRC	—	Provision of online advertising services
Beijing Shengtuo Hongyuan Information Technology Co., Ltd. (“Shengtuo Hongyuan”)	November 8, 2010	PRC	—	Provision of online advertising and dealer subscription services
Beijing Shengtuo Chengshi Advertising Co., Ltd.	November 12, 2010	PRC	—	Provision of online advertising services
Shanghai You Che You Jia Advertising Co., Ltd. (“Shanghai Advertising”)	December 31, 2011	PRC	—	Provision of online advertising services
Guangzhou You Che You Jia Advertising Co., Ltd. (“Guangzhou Advertising”)	May 8, 2012	PRC	—	Provision of online advertising services
Beijing Autohome Used Car Appraisal Co., Ltd.	January 30, 2015	PRC	—	Provision of used car sales and evaluating service
Beijing Autohome Used Car Brokerage Co., Ltd.	June 10, 2015	PRC	—	Provision of used car brokerage service

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

1. ORGANIZATION (CONTINUED)

The Company, its subsidiaries and VIEs are hereinafter collectively referred to as the “Group”. The Group provides online advertising and dealer subscription services through its websites and mobile applications. These services are offered to automakers and dealers, and advertising agencies that represent automakers and dealers in the automobile industry. In 2015, the Group further developed transaction business which includes direct vehicle sales and commission-based services facilitating transactions through the transaction platform. The Group’s principal geographic market is in the PRC. The Company does not conduct any substantive operations of its own but conducts its primary business operations through its wholly-owned subsidiaries and VIEs in the PRC.

PRC laws and regulations prohibit or restrict foreign ownership of internet content and online advertising businesses. To comply with these foreign ownership restrictions, the Company and its subsidiaries operate websites and provide online advertising services and dealer subscription services in the PRC through VIEs. The paid-in capital of the VIEs was funded by the Company’s PRC subsidiaries, Autohome WFOE and Chezhiying WFOE, through loans extended to the VIEs’ shareholders (“Nominee Shareholders”). The effective control of the VIEs is held by WFOEs, through a series of contractual agreements (the “Contractual Agreements”). As a result of the Contractual Agreements, the WFOEs maintain the ability to control the VIEs, are entitled to substantially all of the economic benefits from the VIEs and are obligated to absorb all of the VIE’s expected losses.

In July 2015, Autohome Information, Shengtuo Hongyuan and Autohome WFOE entered into a termination agreement, pursuant to which the parties terminated the contractual agreements among themselves and Autohome Information transferred all of its equity interest in Shengtuo Hongyuan to James Zhi Qin and Zheng Fan. In July 2015, Chezhiying WFOE, Shengtuo Hongyuan and each of its subsidiaries, and James Zhi Qin and Zheng Fan entered into contractual agreements to effect the Company’s control over Shengtuo Hongyuan. The terms of these agreements are substantially the same as the contractual agreements between Autohome WFOE and each of the three shareholders of Autohome Information described below. This termination of contractual agreements and transfer of equity interest in Shengtuo Hongyuan from Autohome WFOE to Chezhiying WFOE had no impact on the Company’s operations and consolidated financial statements.

Despite the lack of technical majority ownership, there exists a parent-subsidiary relationship between the Company and the VIEs through the irrevocable power of attorney agreement, whereby the Nominee Shareholders effectively assigned all of their voting rights underlying their equity interest in the VIEs to the WFOEs. In addition, through the Contractual Agreements the Company demonstrates its ability and intention to continue to exercise the ability to absorb substantially all of the expected losses and majority of the profits of the VIEs through the WFOEs.

Thus, the Company is also considered the primary beneficiary of the VIEs through the WFOEs. As a result of the above, the Company consolidates the VIEs in accordance with SEC Regulation SX-3A-02 and Accounting Standards Codification (“ASC”) 810-10 (“ASC 810-10”) *Consolidation: Overall*.

The following is a summary of the Contractual Agreements:

Exclusive technical consulting and service agreements

Pursuant to the exclusive technical consulting and service agreements that have been entered into by the WFOEs and the VIEs, the VIEs have engaged the WFOEs as their exclusive provider of technical support and management consulting services. The VIEs shall pay to the WFOEs service fees determined based on the revenues of the VIEs. The service fees can be adjusted by the WFOEs unilaterally. The WFOEs shall exclusively own any intellectual property arising from the performance of this agreement. This agreement has a 30 year term that can be automatically extended for another 10 years at the option of the WFOEs. The agreement can only be terminated mutually by the parties in writing. During the term of the agreement, the VIEs may not enter into any agreement with third parties for the provision of any technical or management consulting services without prior consent of the WFOEs.

Loan agreements

Pursuant to the loan agreements between the Nominee Shareholders of the VIEs and the WFOEs, the WFOEs granted interest-free loans for the Nominee Shareholders’ contributions to the VIEs. The term of the loan is indefinite until the WFOEs requests repayment. The manner and timing of the repayment shall be at the sole discretion of the WFOEs and at the WFOEs’ option may be in the form of transferring the VIEs’ equity interest to the WFOEs or their designated persons.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

1. ORGANIZATION (CONTINUED)

Exclusive equity option agreements

Pursuant to the exclusive option agreements, entered into between the Nominee Shareholders of the VIEs and the WFOEs, the Nominee Shareholders jointly and severally granted to the WFOEs an option to purchase their equity interests in the VIEs. The purchase price will be offset against the loan repayments under the loan agreements. If the transfer price of the equity interest is greater than the loan amount, the Nominee Shareholders are required to immediately return the received transfer price in excess of the loan amount to the

WFOEs or any person designated by the WFOEs. The WFOEs may exercise such option at any time until it has acquired all equity interests of the VIEs or freely transfer the option to any third party and such third party may assume the right and obligations of the option agreement. The exclusive equity option agreements have an indefinite term and will terminate at the earlier of i) the date on which all of the equity interests have been transferred to the WFOEs or any person designated by the WFOEs; or ii) the unilateral termination by the WFOEs.

Equity interest pledge agreements

Pursuant to the equity interest pledge agreements entered into between the Nominee Shareholders of the VIEs and the WFOEs, the Nominee Shareholders pledged all of their equity interests in the VIEs to the WFOEs as collateral for all of their payments due to the WFOEs and to secure their obligations under the above agreements. The Nominee Shareholders may not transfer or assign the shares, the rights and obligations in the share pledge agreement or create or permit to create any pledges which may have an adverse effect on the rights or benefits of the VIEs without the WFOE’s preapproval. The WFOE is entitled to transfer or assign in full or in part the shares pledged. In the event of default, the WFOE as the pledgee will be entitled to request immediate repayment of the loan or to dispose of the pledged equity interests through transfer or assignment. There have been no dividends or distributions from inception to date. The equity interest pledge agreements have an indefinite term and will terminate after all the obligations under these agreements have been satisfied in full or the pledged equity interests have been transferred to the WFOEs or their designees.

Power of attorney agreements

Pursuant to the power of attorney agreements signed between the Nominee Shareholders of the VIEs and the WFOEs, the Nominee Shareholders have given the WFOEs an irrevocable proxy to act on their behalf on all matters pertaining to the VIEs and to exercise all of their rights as shareholders of the VIEs, including the right to attend shareholders meetings, to exercise voting rights and to transfer all or a part of his equity interests in the VIEs.

In June 2011, the Contractual Agreements were supplemented with the following terms:

- With respect to the exclusive equity option agreements, in the event of liquidation or dissolution of the VIEs, all assets shall be sold to the WFOEs at the lowest selling price permitted by applicable PRC law, and any proceeds from the transfer and any residual interests in the VIEs shall be remitted to the WFOEs immediately;
- With respect to the exclusive equity option agreements, dividends and distributions are not permitted without the prior consent of the WFOEs, to the extent there is a dividend or distribution, the Nominee Shareholders will remit the amounts in full to the WFOEs immediately;
- With respect to the exclusive technical consulting and service agreements and loan agreements, the WFOEs shall provide the necessary financial support to the VIEs whether or not the VIEs incur any losses, and not request for repayment if the VIEs are unable to do so.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

1. ORGANIZATION (CONTINUED)

Risk in relation to the VIE Structure

Internet and advertising related businesses are subject to significant restrictions under current PRC laws and regulations. Specifically, foreign investors are not allowed to own more than a 50% equity interest in any Internet Content Provider (“ICP”) business. In addition, PRC regulations require any foreign entities that invest in the advertising services industry to have at least a two-year track record with a principal business in the advertising industry outside of China.

The Group conducts its operations in China through Contractual Agreements entered into between the WFOEs and VIEs. In 2014, the Group began gradually migrating the advertising service business from the VIEs to the subsidiaries of Autohome Media, a transition that was completed to a substantial extent. The relevant regulatory authorities may find the current contractual agreements and businesses to be in violation of any existing or future PRC laws or regulations. If the Company or any of its current or future VIEs or subsidiaries are found in violation of any existing or future laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion in dealing with such violations, including levying fines, confiscating the income of Autohome WFOE, Chezhiying WFOE, Shanghai Advertising, Guangzhou Advertising, Autohome Information and its subsidiaries, revoking the business licenses or operating licenses of Autohome WFOE, Chezhiying WFOE, Shanghai Advertising, Guangzhou Advertising, Autohome Information and its subsidiaries, shutting down the Group’s servers or blocking the Group’s websites, discontinuing or placing restrictions or onerous conditions on the Group’s operations, requiring the Group to undergo a costly and disruptive restructuring, restricting the Group’s rights to use the proceeds from this offering to finance the Group’s business and operations in China, or enforcement actions that could be harmful to the Group’s business. Any of these actions could cause significant disruption to the Group’s business operations and severely damage the Group’s reputation, which would in turn materially and adversely affect the Group’s business and results of operations. In addition, if the imposition of any of these penalties causes the Company to lose the rights to direct the actives of VIEs or the Company’s right to receive their economic benefits, the Company would no longer be able to consolidate the VIEs.

In addition, if Shanghai Advertising, Guangzhou Advertising, Autohome Information and its subsidiaries or their shareholders fail to perform their obligations under the Contractual Agreements, the Company may have to incur substantial costs and expend resources to enforce the Company’s rights under the contracts. The Company may have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief and claiming damages, which may not be effective. All of these Contractual Agreements are governed by PRC law and provide for the resolution of disputes through arbitration in the PRC. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. The legal system in PRC is not as developed as in other jurisdictions, such as United States. As a result, uncertainties in the PRC legal system could limit the Company’s ability to enforce these Contractual Agreements. Under PRC law, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would incur additional expenses and delay. In the event the Company is unable to enforce these Contractual Agreements, the Company may not be able to exert effective control over its VIEs, and the Company’s ability to conduct its business may be negatively affected.

Based on the advice of the Company’s PRC legal counsel, the corporate structure and Contractual Agreements of the Company’s VIEs and WFOEs in China are in compliance with all existing PRC laws and regulations. Therefore, in the opinion of management, (i) the ownership structure of the Company and the VIEs are in compliance with existing PRC laws and regulations; (ii) the Contractual Agreements with VIEs and their nominee shareholder are valid and binding, and will not result in any violation of PRC laws or regulations currently in effect; and (iii) the Group’s business operations are in compliance with existing PRC law and regulations in all material respects.

VIEs contributed an aggregate of 100.0%, 69.1% and 7.8% of the consolidated net revenues for the years ended December 31, 2013, 2014 and 2015, respectively after elimination of inter-company transactions. As of December 31, 2014 and 2015, the VIEs accounted for an aggregate of 37.4% and 24.1%, respectively, of the consolidated total assets, and 15.6% and 6.2%, respectively, of the consolidated total liabilities after elimination of inter-company balances.

Relevant PRC laws and regulations restrict the VIE from transferring a portion of its net assets, equivalent to the balance of its statutory reserve and its share capital, to the company in the form of loans and advances or cash dividends. Please refer to Note 16 for disclosure of restricted net assets.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

1. ORGANIZATION (CONTINUED)

The following table sets forth the assets, liabilities, results of operations and cash flows of the VIEs included in the Company’s consolidated balance sheets, consolidated statements of comprehensive income and consolidated statements of cash flows:

	December 31,		
	2014	2015	
	RMB	RMB	US\$
Current assets	639,347	502,938	77,640
Non-current assets	1,612,276	1,618,469	249,849
Total assets	2,251,623	2,121,407	327,489
Current liabilities	498,209	412,994	63,755
Non-current liabilities	26,889	28,445	4,391
Total liabilities	525,098	441,439	68,146
Net assets	1,726,525	1,679,968	259,343

	Year ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US\$
Net revenues	1,216,410	1,473,401	271,198	41,866
Net income/(loss)	28,170	57,358	(68,272)	(10,539)

	Year ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	RMB
Net cash generated from/(used in) operating activities	29,925	102,403	(23,630)	(3,648)
Net cash used in investing activities	(38,100)	(33,773)	(73,318)	(11,318)
Net cash generated from financing activities	—	—	—	—

The revenue-producing assets that are held by the VIEs comprise of customer relationships, trademarks, websites, domain names and servers.

The current assets of the VIEs included amounts due from PRC subsidiaries of RMB280,857 and RMB310,096(US\$47,871), for the years ended December 31, 2014 and 2015, respectively, which were eliminated upon consolidation by the Company. The current liabilities of the VIEs included amounts due to PRC subsidiaries of RMB274,569 and RMB275,061(US\$42,462), for the years ended December 31, 2014 and 2015, respectively, which were eliminated upon consolidation by the Company. There was no pledge or collateralization of the VIEs’ assets and the WFOEs have not provided any financial support that they were not previously contractually required to provide to the VIEs. There were no assets of the VIEs that can only be used to settle their own obligations. Creditors of the VIEs have no recourse to the general credit of the WFOEs, which are the primary beneficiary of the VIEs.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The accompanying consolidated financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”).

(b) Principles of Consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the VIEs for which the Company or subsidiaries of the Company are the primary beneficiaries. All significant inter-company transactions and balances between the Company, its subsidiaries, and the VIEs are eliminated upon consolidation. Results of acquired subsidiaries and VIEs are consolidated from the date on which control is transferred to the Company.

(c) Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Areas where management uses subjective judgment include, but are not limited to, estimating the useful lives of long-lived assets and intangible assets, identifying separate accounting units and estimating rebates related to revenue transactions, assessing the initial valuation of the assets acquired and liabilities assumed in a business combination and the subsequent impairment assessment of long-lived assets, intangible assets and goodwill, long-term investments, determining the provision for accounts receivable and inventories, determining the value-added tax (“VAT”) receivables, accounting for deferred income taxes and accounting for the share-based compensation. Changes in facts and circumstances may result in revised estimates. Actual results could differ from those estimates, and as such, differences may be material to the consolidated financial statements.

(d) Foreign Currency

The functional currency of the Company, its Cayman subsidiaries and Cheerbright, is the United States dollar (“US\$”), whereas the functional currency of Hong Kong subsidiaries is the Hong Kong dollar (“HK\$”), and the functional currency of the PRC subsidiaries and VIEs is the Chinese Renminbi (“RMB”) as determined based on the criteria of ASC 830, *Foreign Currency Matters*. The Company uses the RMB as its reporting currency. Transactions denominated in foreign currencies are re-measured into the functional currency at the exchange rates prevailing on the transaction dates. Foreign currency denominated financial assets and liabilities are re-measured at the balance sheet date exchange rate. Exchange gains and losses are included in other income, net in the consolidated statements of comprehensive income.

Assets and liabilities of the Company, its Cayman subsidiaries, Cheerbright and Hong Kong subsidiaries are translated into RMB at fiscal year-end exchange rates. Income and expense items are translated at average exchange rates prevailing during the fiscal year.

(e) Convenience Translation

Amounts in United States dollars (“US\$”) are presented for the convenience of the reader and are translated at the noon buying rate of US\$1.00 to RMB6.4778 on December 31, 2015 in the City of New York for cable transfers of RMB as certified for customs purposes by the Federal Reserve Bank of New York. No representation is made that the RMB amounts could have been, or could be, converted into US\$ at such rate.

(f) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and time deposits placed with banks or other financial institutions which are unrestricted as to withdrawal and use and have original maturities less than three months.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Term deposits

All bank deposits with original maturities of greater than 3 months but less than 1 year are classified as term deposits which are stated at their approximate fair value.

(h) Restricted Cash

Restricted cash represents cash pledged to the bank as collateral for the Company’s notes payable.

(i) Deferred Offering Costs

Direct costs incurred by the Company attributable to its IPO of ordinary shares in December, 2013 and follow-on offering of ADSs in November, 2014 in the United States have been deferred and charged against the gross proceeds received from such offerings.

(j) Fair Value of Financial Instruments

Financial instruments of the Group primarily comprise of cash and cash equivalents, term deposits, restricted cash, accounts receivable, amount due from a related party, prepaid expenses and other current assets, notes payable, accrued expenses and other payables, and amount due to a related party. The carrying values of these financial instruments approximated their fair values due to the short-term maturity of these instruments.

(k) Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at net realizable value. An allowance for doubtful accounts is recorded in the period when a loss is probable based on an assessment of specific evidence indicating troubled collection, historical experience, accounts aging and other factors. An accounts receivable balance is written off after all collection effort has ceased.

(l) Inventories

Inventories consist of new vehicles held for sale, stated at the lower of cost or market. Cost is determined using the specific identification method. Amounts are removed from inventories using the specific identification method. The Company’s purchase arrangements with certain automakers entitle the Company to receive a specified amount of cash rebates if certain conditions are met during the stated rebate periods. The Company accounts for these rebates in accordance with ASC 605-50, *Revenue Recognition: Customer Payments and Incentives*. Rebates relating to new vehicles purchased but still held by the Company as of the balance sheet date are recorded as a reduction to cost of inventories while rebates relating to new vehicles purchased and sold during the reporting period are recorded as a reduction to cost of revenues.

(m) Property and Equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the assets, as follows:

<u>Category</u>	<u>Estimated useful life</u>
Electronic equipment	3 – 5 years
Office equipment	3 – 5 years
Motor vehicles	4 – 5 years
Purchased and internally-developed software	3–5 years
Leasehold improvements	Shorter of lease term or the estimated useful lives of the assets

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Repair and maintenance costs are charged to expense as incurred, whereas the costs of betterments that extend the useful life of property and equipment are capitalized as additions to the related assets. Retirements, sale and disposals of assets are recorded by removing the cost and accumulated depreciation with any resulting gain or loss reflected in the consolidated statements of comprehensive income.

(n) Intangible Assets

Intangible assets are carried at cost less accumulated amortization and any recorded impairment. Intangible assets acquired in a business combination were recognized initially at fair value at the date of acquisition. Intangible assets with finite useful lives are amortized using a straight-line method of amortization that reflects the estimated pattern in which the economic benefits of the intangible asset are to be consumed. The estimated useful life for the intangible assets is as follows:

<u>Category</u>	<u>Estimated useful life</u>
Trademark	15 years
Customer relationship	5 years
Websites	4 years
Domain names	4 years
Licensing agreements	1.75 years

(o) Long-term Investments

The Company’s long-term investments consist of equity method investments. Investments in entities in which the Company can exercise significant influence but does not own a majority equity interest or control are accounted for using the equity method of accounting in accordance with ASC topic 323 (“ASC 323”), *Investments-Equity Method and Joint Ventures*. Under the equity method, the Company initially records its investments at cost. The Company subsequently adjusts the carrying amount of the investments to recognize the Company’s proportionate share of each equity investee’s net income or loss into earnings after the date of investments. The Company evaluates the equity method investments for impairment under ASC 323. An impairment loss on the equity method investments is recognized in earnings when the decline in value is determined to be other-than-temporary.

(p) Goodwill

Goodwill represents the excess of the purchase price over the amounts assigned to the fair value of the assets acquired and the liabilities assumed of an acquired business. The Group’s goodwill at December 31, 2014 and 2015 were related to its acquisition of Cheerbright, China Topside and Norstar. In accordance with ASC 350, *Goodwill and Other Intangible Assets*, recorded goodwill amounts are not amortized, but rather are tested for impairment annually or more frequently if there are indicators of impairment present.

Goodwill is tested for impairment at the reporting unit level on an annual basis (December 31 for the Company) and between annual tests if an event occurs or circumstances change that would more-likely-than-not reduce the fair value of a reporting unit below its carrying value. These events or circumstances include a significant change in stock prices, business environment, legal factors, financial performances, competition, or events affecting the reporting unit. Application of the goodwill impairment test requires judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, assignment of goodwill to reporting units, and determination of the fair value of each reporting unit. The estimation of fair value of reporting unit using a discounted cash flow methodology also requires significant judgments, including estimation of future cash flows, which is dependent on internal forecasts, estimation of the long-term rate of growth for the Company’s business, estimation of the useful life over which cash flows will occur, and determination of the Company’s weighted average cost of capital. The estimates used to calculate the fair value of a reporting unit change from year to year based on operating results and market conditions. Changes in these estimates and assumptions could materially affect the determination of fair value and goodwill impairment for the reporting unit.

AUTOHOME INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management has determined that the Group represents the lowest level within the entity at which goodwill is monitored for internal management purposes. Management evaluated the recoverability of goodwill by performing a qualitative assessment before using a two-step impairment test approach at the reporting unit level. Based on an assessment of the qualitative factors, management determined that it is more-likely-than-not that the fair value of the reporting unit is in excess of its carrying amount. Therefore, management concluded that it was not necessary to proceed to the two-step goodwill impairment test. No impairment loss was recorded for any of the years presented.

If the Group reorganizes its reporting structure in a manner that changes the composition of one or more of its reporting units, goodwill is reassigned based on the relative fair value of each of the affected reporting units.

(q) Impairment of Long-Lived Assets and Intangibles

The Group evaluates its long-lived assets or asset group, including intangible assets with finite lives, for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying amount of an asset or a group of long-lived assets may not be recoverable. When these events occur, the Group evaluates impairment by comparing the carrying amount of the assets to future undiscounted net cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flow is less than the carrying amount of the assets, the Group would recognize an impairment loss based on the excess of the carrying amount of the asset group over its fair value. No impairment charge was recorded for any of the years presented.

(r) Revenue Recognition

The Group’s revenue is primarily derived from online advertising and dealer subscription services. Revenue is recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed and collectability of the related fee is reasonably assured based on the guidance in ASC 605, *Revenue Recognition*.

Contracts are signed to establish significant terms such as the price and online advertising services to be provided. The Group considers the price for its services to be fixed and determinable when the Group and its customers have signed the contracts. The Group assesses the creditworthiness of its customers prior to signing the contracts to ensure collectability is reasonably assured. Non-refundable payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as deferred revenue.

Advertising services

The Group provides online advertising services to automakers, dealers and agency companies that represent automakers and dealers. The majority of the Group’s online advertising service arrangements involve multiple deliverables such as banner advertisements, links and logos, other media insertions and promotional activities that are delivered over different periods of time. Multiple contracts with the same customers are accounted for as separate arrangements if the contracts are not linked together in a single transaction. Historically, the Company has not entered into multiple contracts with the same counterparty that should be combined and accounted for as a single arrangement.

In determining its best estimated selling price for each deliverable, the Group considered its overall pricing model and objectives, as well as market or competitive conditions that may impact the price at which the Group would transact if the deliverable were sold regularly on a standalone basis. The Group monitors the conditions that affect its determination of selling price for each deliverable and reassesses such estimates periodically. Revenue is recognized ratably when the advertisements are published over the stated display period in the case of websites or when the services have been rendered in the case of promotional activities. The amount recognized is limited to the amount that is not contingent upon the delivery of additional deliverables or meeting other specified performance conditions.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New vehicle transaction business

The new vehicle transaction business launched in mid- 2015 primarily includes direct vehicle sales and commission-based services to facilitate transactions on the Autohome Mall platform. For direct vehicle sales, the Company recognizes revenue on a gross basis as it acts as the principal, is the primary obligor of the sales arrangements and is subject to inventory risk. Revenue from direct vehicle sales are recognized when a sales contract has been executed and the vehicle has been delivered. Under the commission-based service arrangements, the Company earns commission for the new vehicle transactions facilitated through the Autohome Mall platform. Commission revenue is recognized after the vehicles are delivered to customers. For the year ended December 31, 2015, the revenues from new vehicle transaction business accounted for 5.2% of the consolidated net revenues of the Company and therefore, were not separately disclosed as a separate line item but included in advertising services in the consolidated statements of comprehensive income.

Dealer subscription services

The Group provides subscription services to automakers, dealers and agency companies that represent automakers and dealers. The Group makes available throughout the subscription period a webpage linked to its websites where the dealers can publish information such as the pricing of their products, locations and addresses and other related information. Revenue is recognized ratably as services are provided over the subscription period.

Rebates and cash incentives provided to customers

The Group provides rebates to agency companies based on cumulative annual advertising and service volume or surrounding occasional activities. The Group estimates its obligations under such agreements based on an evaluation of the likelihood of the agency companies’ achievement of the advertising and service volume targets, giving consideration to the actual activity during the incentive period and, as appropriate, evaluation of the agency companies’ purchase trends and history.

The Group also provides cash incentives to automakers and dealers who participated in various incentive programs on the Group’s online transaction platform. The cash incentives are accounted for as a reduction of revenue in accordance with ASC 605-50, “*Revenue Recognition: Customer Payments and Incentives*”.

Therefore, rebates and cash incentives are recorded as a reduction of revenue in the period revenue is recognized in the Group’s consolidated financial statements. The Group has estimated and recorded rebates and cash incentives to agency companies, dealers and automakers cumulatively amounting to RMB231,136, RMB395,175 and RMB578,548 (US\$89,312) for the years ended December 31, 2013, 2014 and 2015, respectively.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Cost of Revenues

Cost of revenues consist primarily of bandwidth and internet data center fees, depreciation of the Group’s long-lived assets, amortization of acquired intangible assets, VAT and surcharges, content-related costs and others. Content-related costs and others primarily comprise of salaries and benefits for employees directly involved in revenue generation activities and other overhead expenses directly attributable to the provision of the online advertising and dealer subscription services and new vehicle transaction business costs. New vehicle transaction business costs include vehicle purchase cost and other directly attributable costs. Rebates relating to new vehicles purchased and sold during the reporting period are recorded as a reduction to cost of revenues.

The Group’s business is subject to VAT, surcharges and cultural construction fees levied on advertising related sales in China. Pursuant to ASC 605-45, *Revenue Recognition—Principal Agent Considerations*, the group elected to present VAT, surcharges and cultural construction fees as cost of revenues on the consolidated statements of comprehensive income. For the years ended December 31, 2013, 2014 and 2015, the Company’s PRC subsidiaries and its VIEs are subject to a 6% VAT for the service provided and 17% for the new vehicles delivered under transaction business. Since November 2014, Beijing Prbrownies Software Co., Ltd. was entitled to a 14% VAT refund on the total VAT payable at the rate of 17% after registration of its software resolutions with the relevant authority.

(t) Advertising Expenditures

Advertising expenditures which amounted to RMB86,198, RMB266,942 and RMB533,632 (US\$82,379) for the years ended December 31, 2013, 2014 and 2015, respectively, are expensed as incurred and are included in sales and marketing expenses.

(u) Product Development Expenses

Product development expenses consist primarily of employee costs related to personnel involved in the development and enhancement of the Group’s service offerings on its websites, mobile application and related software. The Group recognizes these costs as expenses when incurred, unless they result in significant additional functionality, in which case they are capitalized.

(v) Leases

Leases are classified at the inception date as either a capital lease or an operating lease. The Group assesses a lease to be a capital lease if any of the following conditions exist: a) ownership is transferred to the lessee by the end of the lease term, b) there is a bargain purchase option, c) the lease term is at least 75% of the property’s estimated remaining economic life or d) the present value of the minimum lease payments at the beginning of the lease term is 90% or more of the fair value of the leased property to the lessor at the inception date. A capital lease is accounted for as if there was an acquisition of an asset and an incurrence of an obligation at the inception of the lease. The Group has no capital leases for the years presented.

All other leases are accounted for as operating leases wherein rental payments are expensed on a straight-line basis over the periods of their respective lease terms. The Group leases office space and employee accommodation under operating lease agreements. Certain of the lease agreements contain rent holidays. Rent holidays are considered in determining the straight-line rental expense to be recorded over the lease term. The lease term begins on the date of initial possession of the lease property for purposes of recognizing lease expense on straight-line basis over the term of the lease.

(w) Notes payable

Notes payable represents short-term bank acceptance notes issued by financial institutions that entitle the holder to receive the stated amount from the financial institutions at the maturity date of the notes. The Group has utilized notes payable to settle amounts owed to the automakers.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Income Taxes

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

The Group applies ASC 740, *Accounting for Income Taxes*, to account for uncertainty in income taxes. ASC 740 prescribes a recognition threshold a tax position is required to meet before being recognized in the financial statements. The Group has recorded unrecognized tax benefits in the other liabilities line item in the accompanying consolidated balance sheets. The Group has elected to classify interest and penalties related to unrecognized tax benefits, if and when required, as part of “income tax expense”, in the consolidated statements of comprehensive income.

The Group’s estimated liability for unrecognized tax benefits and the related interest and penalties are periodically assessed for adequacy and may be affected by changing interpretations of laws, rulings by tax authorities, changes and/or developments with respect to tax audits, and expiration of the statute of limitations. The actual benefits ultimately realized may differ from the Group’s estimates. As each audit is concluded, adjustments, if any, are recorded in the Company’s consolidated financial statements. Additionally, in future periods, changes in facts and circumstances, and new information may require the Group to adjust the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recognized in the period in which they occur.

(y) Treasury Stock

The Company accounts for treasury stock repurchases at cost in accordance with ASC 505-30, *Treasury Stock*. When a corporation’s stock is retired, an excess of repurchase price over par value may be allocated between additional paid-in capital and retained earnings.

(z) Earnings Per Share

Earnings per share are calculated in accordance with ASC 260-10, *Earnings per Share: Overall*. Basic earnings per share are computed by dividing net income attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year using the two-class method. Under the two-class method, net income is allocated between the Class A and Class B ordinary shares based on their participating rights in undistributed earnings as if all the earnings for the reporting period had been distributed.

Diluted earnings per ordinary share reflects the potential dilution that could occur if securities to issue ordinary shares were exercised. The dilutive effect of outstanding share-based awards is reflected in the diluted earnings per share by application of the treasury stock method. The computation of the dilutive net income per share of Class A ordinary share assumes the conversion of Class B ordinary shares, while the diluted income per share of Class B ordinary share does not assume the conversion of those shares.

The participating rights (liquidation and dividend rights) of the holders of the Company’s Class A and Class B ordinary shares are identical, except with respect to voting and conversion. As a result, and in accordance with ASC 260, the undistributed income for each year is allocated based on the contractual participating rights of the Class A and Class B ordinary shares as if the income for the year had been distributed. As the participating rights are identical, the undistributed income is allocated on a proportionate basis.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) Comprehensive Income

Comprehensive income is defined to include all changes in shareholders’ equity except those resulting from investments by owners and distributions to owners. Among other disclosures, ASC 220-10, *Comprehensive Income: Overall* requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. For each of the periods presented, the Company’s comprehensive income includes foreign currency translation adjustments and is presented in the consolidated statement of comprehensive income. There have been no reclassifications out of accumulated other comprehensive income to net income for the periods presented.

(bb) Segment Reporting

In accordance with ASC 280-10, *Segment Reporting: Overall*, the Group’s chief operating decision maker has been identified as the Chief Executive Officer who reviews the consolidated results of operations when making decisions about allocating resources and assessing performance of the Group as a whole; hence, the Group has only one operating segment. The Group does not distinguish between markets or segments for the purpose of internal reporting. As the Group’s long-lived assets and revenue are substantially located in and derived from the PRC, no geographical segments are presented.

(cc) Employee Benefits

The full-time employees of the Company’s PRC subsidiaries and VIEs are entitled to staff welfare benefits including medical care, housing fund, pension benefits and unemployment insurance, which are governmental mandated defined contribution plans. These entities are required to accrue for these benefits based on certain percentages of the employees’ respective salaries, subject to certain ceilings, in accordance with the relevant PRC regulations, and make cash contributions to the state-sponsored plans out of the amounts accrued. The total expenses for the employee benefits plans were RMB23,410, RMB61,532 and RMB134,125 (US\$20,705) for the years ended December 31, 2013, 2014 and 2015, respectively.

(dd) Share-based Compensation

Share-based awards granted to employees are accounted for under ASC 718, *Compensation—Stock Compensation*, which requires that share-based awards granted to employees be measured based on the grant date fair value and recognized as compensation expense over the requisite service period (which is generally the vesting period) in the consolidated statements of comprehensive income. The Company has elected to recognize compensation expense using the straight-line method for all share-based awards granted with service conditions that have a graded vesting schedule. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from initial estimates.

Forfeiture rates are estimated based on historical and future expectations of employee turnover rates and are adjusted to reflect future changes in circumstances and facts, if any. Share-based compensation expense is recorded net of estimated forfeitures such that expense is recorded only for those share-based awards that are expected to vest. To the extent the Company revises these estimates in the future, the share-based payments could be materially impacted in the period of revision, as well as in following periods. The Company, with the assistance of an independent third-party valuation firm, determined the fair value of the stock options granted to employees. The binomial option pricing model was applied in determining the estimated fair value of the options granted to employees. Subsequent to the IPO, fair value of the ordinary shares will be the price of the Company’s publicly traded shares.

(ee) Government Grants

Government grants primarily represent tax refunds for operating a business in certain jurisdictions and fulfilment of specified tax payment obligations, and subsidies. These grants are not subject to any specific requirements and are recorded when received in “other income, net” in the Company’s consolidated statements of comprehensive income. For the years ended December 31, 2013, 2014 and 2015, RMB3,567, RMB2,984 and RMB11,281 (US\$1,741) of government grants were recorded as other income, net.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ff) Recent Accounting Pronouncements

In August 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-15, *Presentation of Financial Statements—Going Concern* (Subtopic 205-40): *Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern*. The guidance requires an entity to evaluate whether there are conditions or events, in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern within one year after the date that the financial statements are issued and to provide related footnote disclosures in certain circumstances. The guidance is effective for the annual period ending after December 15, 2016, and for annual and interim periods thereafter. Early application is permitted. The adoption of this guidance is not expected to have a significant impact on the Company’s consolidated financial statements.

In July 2015, the FASB issued ASU No. 2015-11, *Simplifying the Measurement of Inventory* (“ASU 2015-11”). The amendments in this update simplify the measurement of inventory. ASU 2015-11 states that an entity should measure inventory at the lower of cost and net realizable value. The amendments in ASU 2015-11 are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The amendments in ASU 2015-11 should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The adoption of the guidance is not expected to have significant impact on the Company’s consolidated financial statements.

In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers—Deferral of the effective date* (“ASU 2015-14”). The amendments in ASU 2015-14 defer the effective date of ASU No. 2014-09, *Revenue from Contracts with Customers* issued in May 2014. According to the amendments in ASU 2015-14, the new revenue guidance ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Company is in the process of evaluating its contracts with customers under the new standard and cannot currently estimate the financial statement impact of adoption.

In November 2015, the FASB issued ASU No. 2015-17, *Income Taxes—Balance Sheet Classification of Deferred Taxes* (“ASU 2015-17”). The amendments in this update simplify the presentation of deferred income taxes. ASU 2015-17 requires that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The amendments in ASU 2015-17 are effective for fiscal years beginning after December 15, 2016 including interim periods within those fiscal years. Earlier application is permitted for all entities as of the beginning of an interim or annual reporting period. The adoption of the guidance is not expected to have significant impact on the Company’s consolidated financial statements.

(gg) Concentration of Risk

Credit risk

Financial instruments that potentially subject the Group to significant concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash, term deposits and accounts receivable. As of December 31, 2014 and 2015, cash and cash equivalents, restricted cash and term deposits altogether amounting to RMB2,772,191 and RMB4,169,053 (US\$643,591), respectively, were deposited with various major reputable financial institutions located in the PRC and international financial institutions outside of the PRC. Management believes that these financial institutions are of high credit quality and continually monitors the creditworthiness of these financial institutions. Historically, deposits in Chinese banks are secure due to the state policy on protecting depositors’ interests. However, China promulgated a new Bankruptcy Law in August 2006 that came into effect on June 1, 2007, which contains a separate article expressly stating that the State Council may promulgate implementation measures for the bankruptcy of Chinese banks based on the Bankruptcy Law. Under the new Bankruptcy Law, a Chinese bank may go into bankruptcy. In the event of bankruptcy of one of the banks which holds the Group’s deposits, it is unlikely to claim its deposits back in full since it is unlikely to be classified as a secured creditor based on PRC laws. The Group continues to monitor the financial strength of these financial institutions.

AUTOHOME INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable are typically unsecured and derived from revenue earned from customers in the PRC, which are exposed to credit risk. The risk is mitigated by the Group’s assessment of its customers’ creditworthiness and its ongoing monitoring process of outstanding balances. The Group maintains reserves for estimated credit losses and these losses have generally been within expectations. There was one customer and two customers that individually represented greater than 10% of the total accounts receivable as of December 31, 2014 and 2015, respectively.

Business, customer, political, social and economic risks

The Group participates in a dynamic high technology industry and believes that changes in any of the following areas could have a material adverse effect on the Group’s future financial position, results of operations or cash flows; changes in the overall demand for services and products; changes in business offerings; competitive pressures due to new entrants; acceptance of the Internet as an effective marketing platform by China’s automotive industry; changes in certain strategic relationships or customer relationships; growth in China’s automotive industry, regulatory considerations; and risks associated with the Group’s ability to attract and retain employees necessary to support its growth.

There were no customers that individually represented greater than 10% of the total net revenue for the years ended December 31, 2013, 2014 and 2015, respectively.

Currency convertibility risk

The Group transacts substantially all its business in RMB, which is not freely convertible into foreign currencies. On January 1, 1994, the PRC government abolished the dual-rate system and introduced a single rate of exchange as quoted daily by the People’s Bank of China (the “PBOC”). However, the unification of the exchange rates does not imply that the RMB may be readily convertible into US\$ or other foreign currencies. All foreign exchange transactions continue to take place either through the PBOC or other banks authorized to buy and sell foreign currencies at the exchange rates quoted by the PBOC. Approval of foreign currency payments by the PBOC or other institutions requires submitting a payment application form together with suppliers’ invoices, shipping documents and signed contracts.

As of December 31, 2015, cash and cash equivalents, restricted cash and term deposits in PRC were held by PRC subsidiaries and the VIEs. Cash and cash equivalents, restricted cash and term deposits of PRC subsidiaries and VIEs are all denominated in RMB and altogether amounted to RMB3,177,830(US\$490,572) and RMB70,989(US\$10,959), respectively. Cash distributed outside of the PRC by PRC subsidiaries and the VIEs may be subject to PRC dividend withholding tax.

Foreign Currency exchange rate risk

Since July 21, 2005, the RMB was permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. There was appreciation of RMB against US\$ of approximately 2.9% in the years ended December 31, 2013 and depreciation of 2.4% and 4.2% in the year ended December 31, 2014 and 2015, respectively. Appreciation of the U.S. dollar against the RMB would have a negative effect on the U.S. dollar amount available to the Company. In addition, a significant depreciation of the RMB against the U.S. dollar may significantly reduce the U.S. dollar equivalent of the Company’s earnings, which in turn could adversely affect the price of the Company’s ADSs.

AUTOHOME INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

3. ACCOUNTS RECEIVABLE, NET

Accounts receivable and allowance for doubtful accounts consist of the following:

	December 31,		
	2014	2015	
	RMB	RMB	US\$
Accounts receivable	737,030	1,077,771	166,379
Allowance for doubtful accounts	(335)	(2,315)	(357)
Total	736,695	1,075,456	166,022

As of December 31, 2014 and 2015, all accounts receivable were due from third party customers.

An analysis of the allowance for doubtful accounts is as follows:

	December 31,		
	2014	2015	
	RMB	RMB	US\$
Beginning balance	1,253	335	52
Additions charged to bad debt expense	348	2,621	404
Reversal	(306)	(442)	(68)
Write off	(960)	(199)	(31)
Ending balance	335	2,315	357

The Group recognized additions to allowance for doubtful accounts amounting to RMB251, RMB42 and RMB2,179 (US\$336) within general and administrative expenses, for the years ended December 31, 2013, 2014 and 2015, respectively.

4. INVENTORIES

Inventories consist of new vehicles held for sale amounting to nil and RMB111,667 (US\$17,238) as of December 31, 2014 and 2015, respectively.

No inventory obsolescence provision, or net losses on firm purchase commitments, measured based upon the lower of cost or market were recorded during any of the years presented.

5. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	December 31,		
	2014	2015	
	RMB	RMB	US\$
Prepayments	42,120	272,859	42,122
Rental deposits	843	10,051	1,552
Staff advances	2,435	6,529	1,008
Interest receivable	12,040	9,944	1,535
Receivables from third-party payment platform	12,283	4,598	710
Other receivables	4,190	34,696	5,356
	73,911	338,677	52,283

Prepayments primarily include prepaid purchase cost for new vehicles, prepaid marketing expenses and prepaid VAT and surcharges. As of December 31, 2014 and 2015, prepaid purchase cost for new vehicles were nil and RMB191,341 (US\$29,538), respectively.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

6. TAXATION

Enterprise income tax

Cayman Islands

The Company is incorporated in the Cayman Islands and conducts substantially all of its business through its PRC subsidiaries and VIEs. Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by these entities to their shareholders, no Cayman Islands withholding tax will be imposed.

British Virgin Islands

Cheerbright is incorporated in the British Virgin Islands and conducts substantially all of its businesses through its PRC subsidiary and VIEs. Under the current laws of the British Virgin Islands, Cheerbright is not subject to tax on income or capital gains. In addition, upon payments of dividends by these entities to their shareholders, no British Virgin Islands withholding tax will be imposed.

Hong Kong

Autohome HK is incorporated in Hong Kong on March 16, 2012. In October 2013, Autohome HK acquired Autohome Media, a Hong Kong advertising and marketing company. Also in 2015, three new entities are established in Hong Kong. Companies registered in Hong Kong are subject to Hong Kong Profits Tax on the taxable income as reported in their respective statutory financial statements adjusted in accordance with relevant Hong Kong tax laws. The applicable tax rate is 16.5% in Hong Kong. For the years ended December 31, 2013, 2014 and 2015, the Company did not make any provisions for Hong Kong profit tax as there were no assessable profits derived from or earned in Hong Kong during this period. Under the Hong Kong tax law, Autohome HK, Autohome Media, Autohome E-commerce Hong Kong Limited, Autohome Link Hong Kong Limited and Autohome Financing Hong Kong Limited are exempted from income tax on its foreign-derived income and there are no withholding taxes in Hong Kong on remittance of dividends.

The PRC

In September 2010, Autohome WFOE was recognized as a “High-New Technology Enterprise” (“HNTE”), and is eligible for a 15% preferential tax rate effective from 2010 to 2012 and thereafter for an additional three years through an administrative renewal process if it qualifies. Autohome WFOE met the HNTE requirements and completed the administrative renewal process in November 2013, qualifying for a 15% preferential tax rate for three years from 2013 to 2015. In July 2015, Beijing Autohome Technologies Co., Ltd obtained the certificate of HNTE and is eligible for a 15% preferential tax rate from 2015 to 2017. The aggregate effects of the preferential tax rate were RMB49,551, RMB89,394 and RMB56,389 (US\$8,705) for the years ended December 31, 2013, 2014 and 2015, respectively. The basic earnings per share effects related to the preferential tax rate were RMB0.50, RMB0.84 and RMB0.50 (US\$0.08) for the years ended December 31, 2013, 2014 and 2015, respectively.

The Company’s remaining PRC subsidiaries and all the VIEs were subject to Enterprise Income Tax (“EIT”) at a rate of 25% for the years ended December 31, 2013, 2014 and 2015.

Under the New EIT Law, dividends paid by PRC enterprises out of profits earned post-2007 to non-PRC tax resident investors are subject to PRC withholding tax of 10%. A lower withholding tax rate may be applied based on applicable tax treaty with certain countries.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

6. TAXATION(CONTINUED)

The New EIT Law also provides that enterprises established under the laws of foreign countries or regions and whose “place of effective management” is located within the PRC are considered PRC tax resident enterprises and subject to PRC income tax at the rate of 25% on worldwide income. The definition of “place of effective management” refers to an establishment that exercises, in substance, overall management and control over the production and business, personnel, accounting, properties, and other aspects of an enterprise. As of December 31, 2015, no detailed interpretation or guidance has been issued to define “place of effective management”. Furthermore, as of December 31, 2015, the administrative practice associated with interpreting and applying the concept of “place of effective management” is unclear. If the Company is deemed as a PRC tax resident, it would be subject to PRC tax under the New EIT Law. The Company has analyzed the applicability of this law and will continue to monitor the related development and application.

The Company had minimal operations in jurisdictions other than the PRC. Income before income tax expense consists of:

	Year ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US\$
PRC	570,659	946,261	1,292,104	199,468
Non PRC	(2,203)	(4,800)	(15,913)	(2,457)
	<u>568,456</u>	<u>941,461</u>	<u>1,276,191</u>	<u>197,011</u>

The income tax expense is comprised of:

	Year ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US\$
Current	136,047	187,447	292,017	45,080
Deferred	(23,753)	5,334	(6,475)	(1,000)
	<u>112,294</u>	<u>192,781</u>	<u>285,542</u>	<u>44,080</u>

The reconciliation of income tax expense for the years ended December 31, 2013, 2014 and 2015 is as follows:

	Year ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US\$
Income before income tax expense	568,456	941,461	1,276,191	197,011
Income tax expense computed at applicable tax rates (25%)	142,114	235,365	319,047	49,252
Non-deductible expenses	697	8,344	16,372	2,528
Change in valuation allowances	2,114	5,493	16,054	2,478
Outside basis difference	14,254	27,789	(17,329)	(2,675)
Effect of international tax rate difference	551	1,200	3,978	614
Interest expense relating to unrecognized tax benefits	2,115	3,984	3,809	588
Effect of preferential tax rate	(49,551)	(89,394)	(56,389)	(8,705)
Income tax expense	<u>112,294</u>	<u>192,781</u>	<u>285,542</u>	<u>44,080</u>

AUTOHOME INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

6. TAXATION(CONTINUED)

Deferred tax

The significant components of deferred taxes are as follows:

	December 31,		
	2014	2015	
	RMB	RMB	US\$
Deferred tax assets			
<i>Current</i>			
Allowance for doubtful accounts	84	937	144
Accrued staff cost	31,463	3,396	524
Accrued expenses	7,802	8,972	1,385
Revenue recognition	17,941	30,912	4,772
Tax losses	2,962	4,071	629
VAT refund	—	4,111	635
Less: Valuation allowances	(2,283)	(6,422)	(991)
Net current deferred tax assets	<u>57,969</u>	<u>45,977</u>	<u>7,098</u>
<i>Non-current</i>			
Tax losses	5,324	17,239	2,661
Less: Valuation allowances	(5,324)	(17,239)	(2,661)
Net non-current deferred tax assets	—	—	—
Total deferred tax assets	<u>57,969</u>	<u>45,977</u>	<u>7,098</u>
Deferred tax liabilities			
<i>Non-current</i>			
Intangible assets	9,677	8,539	1,318
Outside basis difference	498,700	481,371	74,311
Total non-current deferred tax liabilities	<u>508,377</u>	<u>489,910</u>	<u>75,629</u>
Total deferred tax liabilities	<u>508,377</u>	<u>489,910</u>	<u>75,629</u>

In assessing the realizability of deferred tax assets, the Group has considered whether it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Group records a valuation allowance to reduce deferred tax assets to a net amount that management believes is more-likely-than-not of being realizable based on the weight of all available evidence. The Company recorded valuation allowances against the deferred tax assets of five VIEs as of December 31, 2014 and eleven PRC subsidiaries and VIEs as of December 31, 2015, respectively, due to the cumulative tax loss positions and insufficient forecasted future taxable income.

As of December 31, 2015, the Group had net operating losses of approximately RMB85,244 (US\$13,159), which can be carried forward to offset taxable income. The net operating loss will start to expire in 2017 if not utilized.

As of December 31, 2014 and 2015, the Company intended to indefinitely reinvest the undistributed earnings of its PRC subsidiaries. As of December 31, 2014 and 2015, the total amount of undistributed earnings from the Company’s PRC subsidiaries that are considered to be permanently reinvested was RMB1,265,273 and RMB2,330,698 (US\$359,798), respectively. As of December 31, 2014 and 2015, determination of the amount of unrecognized deferred tax liability related to the earnings that are indefinitely reinvested is not practical.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

6. TAXATION(CONTINUED)**Unrecognized tax benefits**

As of December 31, 2014 and 2015, the Company recorded an unrecognized tax benefit of RMB24,058 and RMB32,596 (US\$5,032), respectively, of which nil and nil, respectively, are presented on a net basis against the deferred tax assets related to tax loss carry forwards on the consolidated balance sheets. This primarily represents the estimated income tax expense the Group would pay should its income tax returns have been prepared in accordance with the current PRC tax laws and regulations. It is possible that the amount of uncertain tax position will change in the next twelve months, however, an estimate of the range of the possible outcomes cannot be made at this time. As of December 31, 2014 and 2015, unrecognized tax benefits of RMB15,222 and RMB19,951 (US\$3,080), respectively, if ultimately recognized, will impact the effective tax rate.

A roll-forward of unrecognized tax benefits is as follows:

	December 31,		
	2014	2015	
	RMB	RMB	US\$
Beginning balance	26,659	17,274	2,667
Additions based on tax positions related to current year	4,662	4,729	730
Decreases based on tax positions related to prior years	(14,047)	—	—
Ending balance	<u>17,274</u>	<u>22,003</u>	<u>3,397</u>

During the years ended December 31, 2013, 2014 and 2015, the Company recorded late payment interest expense of RMB2,115, RMB3,984 and RMB3,809 (US\$588), and penalties of nil, nil and nil, respectively, as part of income tax expense. As of December 31, 2014 and 2015, the Company recorded RMB6,784 and RMB10,593 (US\$1,635) for late payment interest expense, and nil and nil for penalties.

The tax years ended December 31, 2010 through 2015 for the Company’s PRC subsidiaries and VIEs remain subject to examination by the PRC tax authorities.

7. PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following:

	December 31,		
	2014	2015	
	RMB	RMB	US\$
At cost:			
Electronic equipment	120,872	177,862	27,458
Office equipment	792	851	131
Motor vehicles	2,729	2,511	388
Purchased software	9,440	16,629	2,567
Leasehold improvements	14,749	29,872	4,611
	<u>148,582</u>	<u>227,725</u>	<u>35,155</u>
Less: Accumulated depreciation	(73,700)	(124,171)	(19,169)
	<u>74,882</u>	<u>103,554</u>	<u>15,986</u>

Depreciation expense was RMB25,548, RMB35,084 and RMB51,337 (US\$7,925) for the years ended December 31, 2013, 2014 and 2015, respectively.

AUTOHOME INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

8. INTANGIBLE ASSETS, NET

The following tables present the Group’s intangible assets with definite lives as of the respective balance sheet dates:

	December 31, 2015			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	
	RMB	RMB	RMB	US\$
Trademarks	68,310	(34,155)	34,155	5,273
Customer relationship	9,050	(9,050)	—	—
Websites	27,000	(27,000)	—	—
Domain names	1,870	(1,870)	—	—
Licensing agreements	2,498	(2,498)	—	—
	<u>108,728</u>	<u>(74,573)</u>	<u>34,155</u>	<u>5,273</u>

	December 31, 2014		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
	RMB	RMB	RMB
Trademarks	68,310	(29,601)	38,709
Customer relationship	9,050	(9,050)	—
Websites	27,000	(27,000)	—
Domain names	1,870	(1,870)	—
Licensing agreements	2,352	(1,661)	691
	<u>108,582</u>	<u>(69,182)</u>	<u>39,400</u>

The intangible assets are amortized using the straight-line method, which is the Group’s best estimate of how these assets will be economically consumed over their respective estimated useful lives ranging from approximately 1.75 to 15 years. Amortization expense was RMB6,250, RMB6,053 and RMB5,247 (US\$810) for the years ended December 31, 2013, 2014 and 2015, respectively.

The annual estimated amortization expenses for the acquired intangible assets for each of the next five years are as follows:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
	RMB	RMB	RMB	RMB	RMB
Trademarks	4,554	4,554	4,554	4,554	4,554

9. LONG-TERM INVESTMENTS

The Company’s long-term investments consist of equity method investments.

Hunan Mango Autohome Automobile Sales Co., Ltd. (“Mango JV”)

In May, 2015, the Group entered into a shareholder agreement with HappiGo Home Shopping Co. (“HappiGo”) to establish a strategic joint venture, Mango JV, with total capital contribution of RMB100,000, of which the Company subscribed for RMB49,000 or 49% of the ordinary shares. As of December 31, 2015, the carrying value of the long-term investment was RMB49,102 (US\$7,580).

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

9. LONG-TERM INVESTMENTS(CONTINUED)

Shanghai Youcheyoujia Financing Co., Ltd. (“Financing JV”)

In September 2015, the Group signed a memorandum of understanding to establish a joint venture with three parties, one of which is Beijing Chehejia Information Technology Co., Ltd. that was founded by a director of the Company. As of December 31, 2015, the Group made a full payment of RMB75,000, for a 25% equity interest of the Financing JV and the carrying value of the long-term investment was RMB75,000 (US\$11,578).

No impairment charges associated with the equity method investments were recognized during any of the years presented.

10. GOODWILL

At December 31, 2014 and 2015, goodwill was RMB1,504,278 and RMB1,504,278 (US\$232,221), respectively.

Goodwill was assessed for impairment as of December 31, 2014 and 2015, and no impairment loss was recognized in any of the years presented.

11. ACCRUED EXPENSES AND OTHER PAYABLES

The components of accrued expenses and other payables are as follows:

	December 31,		
	2014	2015	
	RMB	RMB	US\$
VAT and surcharges payable	22,535	38,037	5,872
Payroll and welfare payable	160,404	239,945	37,041
Accrued rebates and cash incentives	283,025	410,893	63,431
Deposit from customers	13,289	19,458	3,004
Accrued expenses	15,565	71,961	11,109
Payable for purchase of fixed assets	10,598	2,612	403
Professional service fees	3,798	17,262	2,666
Others	15,320	33,305	5,141
	<u>524,534</u>	<u>833,473</u>	<u>128,667</u>

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

12. RELATED PARTY TRANSACTIONS

<u>Name of related parties</u>	<u>Relationship with the Group</u>
Telstra International Limited	A wholly-owned subsidiary of the Company’s major shareholder
Beijing Australian Telecommunications Technical Consulting Limited	A wholly-owned subsidiary of the Company’s major shareholder
Mango JV	A equity-method investee of the Company’s subsidiary

During the year ended December 31, 2014, Telstra International Limited provided network maintenance services amounting to RMB384 to Autohome Information.

During the year ended December 31, 2014, an executive of Telstra International Limited provided consulting services amounting to RMB266 to the Group. The outstanding balance has been paid in full as of December 31, 2014.

During the year ended December 31, 2014, an executive of Beijing Australian Telecommunications Technical Consulting Limited provided consulting services amounting to RMB218 to the Group. The outstanding balance has been paid in full as of December 31, 2014.

During the year ended December 31, 2015, Telstra International Limited provided network services amounting to RMB261 (US\$40) to Autohome Information. The outstanding balance has been paid in full as of December 31, 2015.

During the year ended December 31, 2015, the Group facilitated the sales of Mango JV’s vehicles through the Autohome Mall platform and charged commission fee amounting to RMB1,645 (US\$254). The outstanding receivable has not been settled as of December 31, 2015.

As of December 31, 2015, the outstanding payable of RMB23,444 (US\$3,619) to Mango JV represents the proceeds from vehicle sales on the Autohome Mall platform collected by the Group on behalf of Mango JV.

The Group had the following related party receivables outstanding as of December 31, 2014 and 2015:

	<u>December 31,</u>		
	<u>2014</u>	<u>2015</u>	
	<u>RMB</u>	<u>RMB</u>	<u>US\$</u>
Mango JV	—	1,645	254

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

12. RELATED PARTY TRANSACTIONS(CONTINUED)

The Group had the following related party payables outstanding as of December 31, 2014 and 2015:

	December 31,		
	2014	2015	
	RMB	RMB	US\$
Telstra International Limited	33	—	—
Mango JV	—	23,444	3,619
	<u>33</u>	<u>23,444</u>	<u>3,619</u>

13. COMMITMENTS AND CONTINGENCIES***Operating lease commitments***

The Group leases office space and employee accommodation in the PRC under non-cancellable operating leases expiring on various dates. Payments under operating leases are expensed on a straight-line basis, after considering rent holidays, over the periods of the respective lease terms. The terms of the leases do not contain rent escalation or contingent rents for the years ended December 31, 2013, 2014 and 2015, total rental expenses for all operating leases amounted to RMB17,898, RMB30,461 and RMB49,892 (US\$7,702) respectively.

As of December 31, 2015, the Group has future minimum lease payments under non-cancellable operating leases, with initial terms in excess of one year, for office premises consisting of the following:

	RMB	US\$
2016	66,352	10,243
2017	30,594	4,723
2018	20,910	3,228
2019 and thereafter	—	—
	<u>117,856</u>	<u>18,194</u>

Capital commitments

As of December 31, 2015, the Company had commitment to make an investment of RMB10,000 in a joint venture to be established, accounting for a 20% shareholding. The joint venture is expected to provide data searching and analysis service.

Taxation

As of December 31, 2014 and 2015, the Group has recognized liabilities of RMB24,058 and RMB32,596 (US\$5,032), respectively, related to unrecognized tax benefits (Note 6). The final outcome of the tax uncertainty is dependent upon various matters including tax examinations, interpretation of tax laws or expiration of statutes of limitation. However, due to the uncertainties associated with the status of examinations, including the protocols of finalizing audits by the relevant tax authorities, there is a high degree of uncertainty regarding the future cash outflows associated with these tax uncertainties. The Group classified the accrual for unrecognized tax benefits as a non-current liability.

With respect to display advertising services, consistent with industry practice in the PRC, the Company regularly provides such services at a discount to its standard rates. These discounts are in the form of free advertising elements, of which the duration and other terms of services are specified as part of the revenue contract. The VAT pilot program replaced the business tax rules for advertising services in Beijing effective from September 1, 2012. There are uncertainties under the current VAT rules as to whether these free elements should constitute deemed services in addition to the chargeable elements rather than discounts to the overall revenue arrangements for tax purposes and thus be subject to VAT at the standard rates of services. The Company currently considers that such free elements do not give rise to deemed services for VAT purposes and the value-added tax for a revenue contract is calculated based on the contract price for the overall arrangements. The rules related to the VAT pilot program are still evolving and the timing of the promulgation of the final tax rules or related interpretation is uncertain. The estimated amount of this contingency as of December 31, 2015 is not determinable.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

14. COST OF REVENUES

	Year ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US\$
Content-related costs and others	95,987	127,929	298,160	46,027
Depreciation and amortization	26,439	31,703	43,160	6,663
Bandwidth and internet data center	21,047	30,713	38,893	6,004
VAT and surcharges	108,763	191,153	288,908	44,600
	<u>252,236</u>	<u>381,498</u>	<u>669,121</u>	<u>103,294</u>

15. ORDINARY SHARES

On November 4, 2013, the Company entered into the West Crest Limited Share Purchase agreement and repurchased 3,856,564 treasury stock. On November 15, 2013, the Company decided to retire the treasury stocks repurchased. As of December 31, 2013, there was an outstanding payable of RMB 227,015 due to West Crest Limited, which was fully repaid in 2014.

Upon the effectiveness of the IPO registration statement, the Company’s ordinary shares were redeemed and cancelled in consideration for the issuance of an equivalent number of Class A ordinary shares and Class B ordinary shares to the holders of former ordinary shares, respectively. Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for conversion and voting rights. Each Class B ordinary share is convertible into one Class A ordinary share at any time, while Class A ordinary shares cannot be converted into Class B ordinary shares under any circumstances. Each Class A ordinary share is entitled to one vote. When the total number of ordinary shares held by Telstra constitutes no less than 51% of all of the Company’s issued and outstanding ordinary shares, each Class B ordinary share is entitled to one vote; when the total number of ordinary shares held by Telstra drops below 51% but is no less than 39.3% of all of the Company’s issued and outstanding ordinary shares, each Class B ordinary share will carry such number of votes that would result in the total number of ordinary shares held by Telstra carrying, in the aggregate, 51% of the voting rights represented by all of the Company’s issued and outstanding ordinary shares; when the total number of ordinary shares held by Telstra drops below 39.3% of all of the Company’s issued and outstanding ordinary shares, all Class B ordinary shares will be automatically converted into the same number of Class A ordinary shares.

Immediately prior to the completion of the IPO in December 2013, the Company had 27,354,496 Class A ordinary shares and 68,788,940 Class B ordinary shares outstanding. During the IPO, the Company issued 8,993,000 Class A ordinary shares. As of December 31, 2013, the Company had ordinary shares outstanding comprised of 36,347,496 Class A ordinary shares and 68,788,940 Class B ordinary shares.

Upon the completion of follow-on offering in November, 2014, 2,424,801 ADSs were issued by the Company and the net proceeds from the follow-on offering amounts to US\$97,344 net of issuance costs. There were nil, 6,964,612 and nil class B ordinary shares converted into Class A ordinary shares for the years ended December 31, 2013, 2014 and 2015. As of December 31, 2015, the Company had ordinary shares outstanding, comprised of 51,230,242 Class A ordinary shares and 61,824,328 Class B ordinary shares.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

16. RESTRICTED NET ASSETS

The Company’s ability to pay dividends is primarily dependent on the Company receiving distributions of funds from its subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the Company’s PRC subsidiaries only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the consolidated financial statements prepared in accordance with U.S.GAAP differ from those reflected in the statutory financial statements of the Company’s PRC subsidiaries.

Under PRC law, the Company’s PRC subsidiaries are required to provide for certain statutory reserves, namely a general reserve, an enterprise expansion fund and a staff welfare and bonus fund. The subsidiary is required to allocate at least 10% of their after tax profits on an individual company basis as determined under PRC accounting standards to the general reserve and has the right to discontinue allocations to the general reserve if such reserve has reached 50% of registered capital on an individual company basis. In addition, the registered capital of the Company’s PRC subsidiaries and VIEs is also restricted.

Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the Board of Directors of the subsidiary. The Company’s VIEs in the PRC are also subject to similar statutory reserve requirements. These reserves can only be used for specific purposes and are not transferable to the Group in the form of loans, advances or cash dividends. As of December 31, 2013, 2014 and 2015, the Company’s PRC subsidiaries and VIEs had appropriated RMB7,113, RMB8,836 and RMB19,175 (US\$2,960), respectively, of retained earnings for its statutory reserves.

As a result of these PRC laws and regulations subject to the limit discussed above that require annual appropriations of 10% of after-tax income to be set aside, prior to payment of dividends as general reserve fund, the Company’s PRC subsidiaries and VIEs are restricted in their ability to transfer a portion of their net assets to the Company. Foreign exchange and other regulations in the PRC may further restrict the Company’s PRC subsidiaries and VIEs from transferring funds to the Company in the form of dividends, loans and advances. As of December 31, 2014 and 2015, amounts restricted are the net assets of the Company’s PRC subsidiaries and VIEs, which amounted to RMB2,626,141 and RMB3,740,507 (US\$577,435), respectively.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

17. EARNINGS PER SHARE

Basic and diluted earnings per share for each of the years presented are calculated as follows:

	Year ended December 31,							
	2013		2014		2015			
	Class A RMB	Class B RMB	Class A RMB	Class B RMB	Class A RMB	Class A US\$	Class B RMB	Class B US\$
Basic earnings per share:								
Numerator:								
Net income	142,053	314,109	270,988	477,692	444,916	68,684	545,733	84,247
Denominator:								
Weighted average ordinary shares outstanding	31,109,214	68,788,940	38,633,284	68,102,019	50,403,077	50,403,077	61,824,328	61,824,328
Basic earnings per share	4.57	4.57	7.01	7.01	8.83	1.36	8.83	1.36
Diluted earnings per share:								
Numerator:								
Net income	155,394	300,768	296,797	451,883	461,052	71,174	529,597	81,757
Reallocation of net income as a result of conversion of Class B into Class A ordinary shares (Note 15)	300,768	—	451,883	—	529,597	81,757	—	—
Net income	<u>456,162</u>	<u>300,768</u>	<u>748,680</u>	<u>451,883</u>	<u>990,649</u>	<u>152,931</u>	<u>529,597</u>	<u>81,757</u>
Denominator:								
Weighted average ordinary shares outstanding	31,109,214	68,788,940	38,633,284	68,102,019	50,403,077	50,403,077	61,824,328	61,824,328
Conversion of Class B into Class A ordinary shares (Note 15)	68,788,940	—	68,102,019	—	61,824,328	61,824,328	—	—
Dilutive effect of share-based awards	<u>4,431,072</u>	<u>—</u>	<u>6,096,282</u>	<u>—</u>	<u>3,419,421</u>	<u>3,419,421</u>	<u>—</u>	<u>—</u>
Weighted-average number of shares outstanding- diluted	<u>104,329,226</u>	<u>68,788,940</u>	<u>112,831,585</u>	<u>68,102,019</u>	<u>115,646,826</u>	<u>115,646,826</u>	<u>61,824,328</u>	<u>61,824,328</u>
Diluted earnings per share	4.37	4.37	6.64	6.64	8.57	1.32	8.57	1.32

The effects of 43,846, nil and nil stock options were excluded from the calculation of diluted earnings per share as their effect would have been anti-dilutive during the years ended December 31, 2013, 2014 and 2015, respectively. The effects of 62,637, 300,185 and 256,165 restricted shares were excluded from the calculation of diluted earnings per share as their effect would have been anti-dilutive during the years ended December 31, 2013, 2014 and 2015, respectively.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

18. SHARE-BASED COMPENSATION

In order to provide additional incentives to employees and to promote the success of the Company’s business, the Company adopted a share incentive plan in 2011 (the “2011 Plan”) and a share incentive plan in 2013 (the “2013 Plan”), (collectively “the Plans”). The Company may grant share-based awards to its employees, directors and consultants to purchase an aggregate of no more than 7,843,100 and 3,350,000 ordinary shares of the Company under the 2011 Plan and 2013 Plan, respectively. The Plans were approved by the Board of Directors and shareholders of the Company on May 4, 2011 and November 4, 2013, respectively. The Plans are administered by the Board of Directors or any of its committees as set forth in the Plans.

Share options

The following table summarizes the options granted to employees and directors during the years ended December 31, 2013, 2014 and 2015.

<u>Grant Date</u>	<u>Contractual Terms</u>	<u>Number of Awards</u>	<u>Exercise Price (US\$)</u>	<u>Vesting Schedule</u>
May 27, 2013	10 years	560,000	2.20	(a)
October 22, 2013	10 years	78,000	2.20	(a)
October 22, 2013	10 years	150,000	2.20	(b)
January 16, 2014	10 years	57,600	2.20	(c)
January 16, 2014	10 years	120,000	2.20	(d)

As of December 31, 2015, share-based awards to purchase 4,338,634 Class A ordinary shares were outstanding and share-based awards to purchase 1,361,133 Class A ordinary shares were available for future grant under the 2011 Plan and 2013 Plan, respectively.

- (a) 25% of the awards have vested on each of January 1, 2014 and 2015 and the remainder of the awards will vest on an annual basis each January 1, thereafter, until January 1, 2017.
- (b) 25% of the awards have vested on each of July 1, 2014 and 2015 and the remainder of the awards will vest on an annual basis each July 1, thereafter, until July 1, 2017.
- (c) 25% of the awards have vested on each of January 16, 2014 and 2015 and the remainder of the awards will vest on an annual basis each January 16, thereafter, until January 16, 2017.
- (d) 25% of the awards have vested on January 1, 2015 and the remainder of the awards will vest on an annual basis each January 1, thereafter, until January 1, 2018.

The following table summarizes the Company’s employee share option activity under the share option plans:

	<u>Number of options</u>	<u>Weighted average exercise price</u> US\$	<u>Weighted average grant date fair value</u> US\$	<u>Weighted average remaining contractual term</u> Years	<u>Aggregate intrinsic value</u> US\$
Outstanding, January 1, 2015	4,868,237	2.20	3.77	6.89	166,299
Granted	—				
Exercised	(2,228,172)	2.20			96,268
Forfeited	(45,000)	2.20			
Outstanding, December 31, 2015	<u>2,595,065</u>	2.20	5.00	6.21	84,911
Vested and expected to vest at December 31, 2015	<u>2,579,525</u>	2.20	4.95	6.20	84,402
Exercisable as of December 31, 2015	<u>1,669,765</u>	2.20	3.55	5.84	54,635

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

18. SHARE-BASED COMPENSATION (CONTINUED)

The aggregate intrinsic value in the table above is calculated as the difference between the exercise price of the underlying awards and US\$34.92, the closing stock price of the Company’s ordinary shares on December 31, 2015. The weighted-average grant-date fair value of options granted during the years ended December 31, 2013, 2014 and 2015 was US\$4.95, US\$34.57 and nil, respectively. The total grant date fair value of options vested during the years ended December 31, 2013, 2014 and 2015 was RMB25,173, RMB29,968 and RMB37,582(US\$5,802). Total intrinsic value of options exercised during the years ended December 31, 2013, 2014 and 2015 was nil, RMB693,878 and RMB623,605(US\$96,268), respectively.

The aggregate fair value of the outstanding options at the grant dates were determined to be RMB84,043(US\$12,974) and such amount shall be recognized as compensation expenses using the straight-line method for all employee share options granted with graded vesting. As of December 31, 2015, there was RMB25,697(US\$3,967) of total unrecognized share-based compensation expenses, net of estimated forfeitures, related to unvested share-based awards which are expected to be recognized over a weighted-average period of 1.60 years. Total unrecognized compensation expenses may be adjusted for future changes in estimated forfeitures.

Restricted shares

The following table summarizes the restricted shares granted till December 31, 2015.

<u>Grant Date</u>	<u>Vesting Schedule</u>	<u>Number of Awards</u>	<u>Fair Value per Share at the Grant date (US\$)</u>
November 4, 2013	(a)	400,000	12.38
May 8, 2014	(b)	100,000	29.00
October 9, 2014	(c)	406,000	39.35
December 9, 2014	(d)	1,063	36.71
January 23, 2015	(e)	781,000	35.00
April 1, 2015	(f)	68,000	44.03
April 30, 2015	(g)	7,054	51.04
August 19, 2015	(h)	248,500	31.49
October 1, 2015	(i)	136,000	32.32
October 30, 2015	(j)	100,000	36.14

- (a) 25% of the awards vested on each of September 29, 2014 and 2015 and the remainder of the awards will vest on an annual basis each September 29, thereafter, until September 29, 2017.
- (b) 25% of the awards having vested on various dates ranging from March 14, 2015 to May 13, 2015, and the remainder of the awards vesting on an annual basis thereafter, until 2018.
- (c) 25% of the awards having vested on various dates ranging from January 1, 2015 to October 1, 2015, and the remainder of the awards vesting on an annual basis thereafter, until 2018.
- (d) The restricted shares granted on December 9, 2014 were fully vested on the grant date.
- (e) 25% of the awards having vested on January 1, 2016, and the remainder of the awards will vest on an annual basis each January 1, thereafter, until January 1, 2019.
- (f) 25% of the awards vesting on April 1, 2016, and the remainder of the awards vesting on an annual basis each April 1, thereafter, until April 1, 2019.
- (g) 25% of the awards vesting on various dates ranging from December 8, 2015 to January 11, 2016 and the remainder of the awards vesting on an annual basis thereafter.
- (h) 25% of the awards vesting on July 1, 2016, and the remainder of the awards vesting on an annual basis each July 1, thereafter, until July 1, 2019
- (i) 25% of the awards vesting on dates of January 1, 2016 and October 1, 2016, and the remainder of the awards vesting on an annual basis thereafter, until 2019.
- (j) 25% of the awards vesting on January 1, 2016, and the remainder of the awards vesting on an annual basis thereafter, until 2019.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

18. SHARE-BASED COMPENSATION (CONTINUED)

Restricted shares activity for the year ended December 31, 2015 was as follows:

	Number of shares	Weighted average grant date fair value US\$
Outstanding, January 1, 2015	795,000	27.87
Granted	1,340,554	34.70
Vested	(224,235)	26.23
Forfeited	(167,750)	36.12
Outstanding, December 31, 2015	<u>1,743,569</u>	<u>32.54</u>
Expected to vest, December 31, 2015	<u>1,697,350</u>	<u>32.48</u>

The weighted average grant-date fair value of restricted shares granted during the years ended December 31, 2013, 2014 and 2015 was US\$12.38, US\$37.30 and US\$34.70, respectively, which was derived from the fair value of the underlying ordinary shares. The total grant date fair value of restricted shares vested during the years ended December 31, 2013, 2014 and 2015 was nil, RMB7,925 and RMB38,104 (US\$5,882). The aggregate fair value of the outstanding restricted shares at the grant dates were determined to be RMB367,550 (US\$56,740) and such amount shall be recognized as compensation expense using the straight-line method for all restricted shares granted with graded vesting. As of December 31, 2015, there was RMB297,344 (US\$45,902) of total unrecognized share-based compensation expenses, net of estimated forfeitures, related to unvested restricted shares which are expected to be recognized over a weighted-average period of 2.89 years. Total unrecognized compensation expenses may be adjusted for future changes in estimated forfeitures.

The binomial option pricing model was applied in determining the estimated fair value of the options granted to employees. The model requires the input of highly subjective assumptions including the estimated expected stock price volatility and the exercise multiple for which employees are likely to exercise share options. For expected volatilities, the Company has made reference to the historical price volatilities of ordinary shares of several comparable companies in the same industry as the Company. For the exercise multiple, the Company has no historical exercise patterns as reference, thus the exercise multiple is based on management’s estimation, which the Company believes is representative of the future exercise pattern of the options. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury Bills yield curve in effect at the time of grant. The estimated fair value of the ordinary shares, at the option grant dates prior to the IPO, was determined with assistance from an independent third party valuation firm. The Company’s management is ultimately responsible for the determination of the estimated fair value of its ordinary shares. Subsequent to the IPO, fair value of the ordinary shares was the price of the Company’s publicly traded shares.

The Company calculated the estimated fair value of the share-based awards on the respective grant dates using the binomial option pricing model with the following assumptions:

	2013	2014
Fair value of ordinary share	US\$4.58-US\$11.64	US\$36.62
Risk-free interest rates	2.07%-2.60%	2.909%
Expected exercise multiple	2.2	2.2
Expected volatility	53.70%-55.49%	53.5%
Expected dividend yield	0.00%	0.00%
Weighted average fair value per option granted	US\$3.03-US\$9.69	US\$34.52-US\$34.59

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

18. SHARE-BASED COMPENSATION (CONTINUED)

Share-based compensation expenses relating to options and restricted shares granted to employees recognized for the year ended December 31, 2013, 2014 and 2015 is as follows:

	Year ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US\$
Cost of revenues	6,534	8,048	6,939	1,071
Sales and marketing expenses	4,375	14,644	36,584	5,648
General and administrative expenses	11,738	20,557	40,142	6,197
Product development expenses	2,961	13,417	24,280	3,748
	<u>25,608</u>	<u>56,666</u>	<u>107,945</u>	<u>16,664</u>

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

19. CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

CONDENSED BALANCE SHEETS

	December 31,		
	2014 RMB	2015 RMB	US\$
ASSETS			
Current assets:			
Cash and cash equivalents	234,034	136,810	21,120
Term deposits	685,633	667,911	103,108
Prepaid expenses and other current assets	7,591	10,397	1,605
Total current assets	927,258	815,118	125,833
Non-current assets:			
Other non-current assets	8,421	7,173	1,107
Investment in subsidiaries	2,737,009	4,047,714	624,859
Total non-current assets	2,745,430	4,054,887	625,966
Total assets	3,672,688	4,870,005	751,799
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accrued expenses and other payables	4,772	16,327	2,520
Due to subsidiaries	2,493	2,642	408
Total current liabilities	7,265	18,969	2,928
Total liabilities	7,265	18,969	2,928
Commitments and Contingencies			
Shareholders' equity:			
Class A ordinary shares(par value of US\$0.01 per share; 99,931,211,060 shares authorized; 48,777,835 and 51,230,242 shares issued and outstanding as of December 31, 2014 and 2015, respectively)	3,301	3,452	533
Class B ordinary shares(par value US\$0.01 per share; 68,788,940 shares authorized; 61,824,328 and 61,824,328 shares issued and outstanding as of December 31, 2014 and 2015, respectively)	4,183	4,183	646
Additional paid-in capital	2,649,111	2,787,103	430,255
Accumulated other comprehensive income	5,932	62,753	9,687
Retained earnings	1,002,896	1,993,545	307,750
Total shareholders' equity	3,665,423	4,851,036	748,871
Total liabilities and shareholders' equity	3,672,688	4,870,005	751,799

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

19. CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY (CONTINUED)

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US\$
Operating expenses:				
General and administrative expenses	(1,125)	(9,178)	(24,235)	(3,741)
Operating losses	(1,125)	(9,178)	(24,235)	(3,741)
Interest income	—	4,973	11,526	1,779
Equity in income of subsidiaries	457,287	752,885	1,003,358	154,893
Income before income taxes	456,162	748,680	990,649	152,931
Income tax expense	—	—	—	—
Net income	456,162	748,680	990,649	152,931
Other comprehensive income, net of tax of nil				
Foreign currency translation adjustments	1,734	3,946	56,821	8,772
Comprehensive income	457,896	752,626	1,047,470	161,703

CONDENSED STATEMENTS OF CASH FLOWS

	Year ended December 31,			
	2013	2014	2015	
	RMB	RMB	RMB	US\$
Net cash used in operating activities	(3,294)	(8,908)	(2,017)	(311)
Net cash used in investing activities	—	(796,209)	(132,976)	(20,528)
Net cash generated from financing activities	632,865	404,754	30,200	4,662
Effect of exchange rate changes on cash and cash equivalents	1,099	3,727	7,569	1,168
Net increase/(decrease) in cash and cash equivalents	630,670	(396,636)	(97,224)	(15,009)
Cash and cash equivalents at beginning of year	—	630,670	234,034	36,129
Cash and cash equivalents at end of year	<u>630,670</u>	<u>234,034</u>	<u>136,810</u>	<u>21,120</u>

(a) *Basis of accounting*

For the Company only condensed financial information, the Company records its investment in its subsidiaries and VIEs under the equity method of accounting as prescribed in ASC 323-10, *Investments-Equity Method and Joint Ventures: Overall*. Such investment is presented on the condensed balance sheets as “Investment in subsidiaries” and share of their income as “Equity in income of subsidiaries” on the condensed statements of comprehensive income. The parent company’s condensed financial statements should be read in conjunction with the Company’s consolidated financial statements.

(b) *Commitments*

The Company does not have any significant commitments or long-term obligations as of any of the years presented.

AUTOHOME INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”) except for number of shares and per share data)

20. SUBSEQUENT EVENTS

In February 2016, the Board of Directors of the Company adopted the 2016 Share Incentive Plan (“2016 Plan”) to attract and retain the best available personnel, provide additional incentives to employees, directors and consultants and promote the success of the Company’s business. As of the date of this report, 2016 Plan is pending for ratification by the shareholders of the Company.

On February 29, 2016, Beijing Prbrownies Software Co., Ltd. was recognized as an HNTE, qualifying for a preferential tax rate of 15% for three years from 2015 to 2017. This change in the enacted tax rate will result in a decrease in income tax expense of RMB69,422 (US\$10,717), which will be recorded in the first quarter of 2016.

TERMINATION AGREEMENT

This **TERMINATION AGREEMENT** (“Agreement”) is entered into as of July 8, 2015 in Beijing of the People’s Republic of China (“PRC”)

by and among

- A. Beijing Autohome Information Technology Co., Ltd., a company duly organized and existing under the PRC laws with its legal address at Room 1001, F/10, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China. (Party A)
- B. Beijing Shengtuo Hongyuan Information Technology Co., Ltd., with its registered address at Room 1005, F/10, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China (Party B);
- C. Beijing Cheerbright Technologies Co., Ltd., with its registered address at 1102, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China (Party C).

(Individually a “Party”, and collectively the “Parties”)

RECITALS

- D. The Parties entered into a series of agreements, with the signatories and dates of execution set forth in Schedule A (“Control Documents”)
- E. After the execution of the Control Documents, Party A transferred all its equity interest in Party B to Fan Zheng (50%) and Qin Zhi (50%) on July 8, 2015; and
- F. The Parties hereby decide and agree to terminate and to be no longer bound by any rights or obligations arising from the Control Documents.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and other promises set forth herein, the mutual benefits to be gained by the performance thereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the Parties hereby agree as follows:

ARTICLE I TERMINATION

- 1.1 The Parties hereby confirm that all Control Documents to which any Party is bound are irrevocably terminated on the effective date of this Agreement (“**Termination Date**”). As of the Termination Date, the Control Documents shall have no further force and effect. The Parties acknowledge that each Party thereto has no obligation, legal or otherwise, express or implied, on the part of any other Party thereto. Except as expressly set forth herein, the Parties hereto have not stipulated any other obligation or undertaking, express or implied.

- 1.2 The Parties undertake and covenant that, as of the Termination Date of this Agreement, the parties will not make any claim (whether monetary or not) against other parties and/or any of their affiliated entities in respect of all matters which have been agreed by the Parties as stipulated in the Control Documents or this Agreement.
- 1.3 This Agreement will become effective as of the execution date by the Parties or their authorized representatives first written above.

ARTICLE II CONFIDENTIALITY

- 2.1 The Parties agree not to discuss, disclose, publish, or otherwise transmit this Agreement including, but not limited to, the identity and personal information of any Party to anyone other than: (i) as required by any law, regulation, court order, or similar legal requirement, or in connection with any filing with any governmental authority; and (ii) to comply with any obligations contained in this Agreement.
- 2.2 Notwithstanding the above, the Parties shall have the right to discuss, disclose, publish or transmit this Agreement to their affiliates, officers, shareholders, members, legal counsel and advisors.

ARTICLE III APPLICABLE LAW AND DISPUTE RESOLUTION

- 3.1 The execution, validity, interpretation and implementation of this Agreement and the settlement of disputes under it shall be governed by the laws of PRC.
- 3.2 Any dispute, controversy or claim arising out of or in connection with this Agreement shall be submitted to China International Economic and Trade Arbitration Commission ("CIETAC") for arbitration, which shall be conducted in accordance with CIETAC's rules in effect at the time of submission of the dispute for arbitration. The place of arbitration shall be Beijing. The language for arbitration shall be English. The tribunal shall consist of three (3) arbitrators. The arbitral award is final and binding upon the parties.

ARTICLE IV MISCELLANEOUS

- 4.1 This Agreement shall constitute the entire agreement among the Parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements related thereto,
- 4.2 This Agreement shall be amended only by a written agreement signed by the Parties, which amendment shall be attached to this Agreement. If required by law, the Parties shall obtain all requisite approvals from the relevant authorities to give effect to the amendment.

- 4.3 Unless otherwise agreed upon by the Parties in writing, any failure or delay on the part of any Party to exercise any right, authority or privilege under this Agreement, or under any other agreement relating hereto, shall not operate as a waiver thereof; nor shall any single or partial exercise of any right, authority or privilege preclude any other future exercise thereof.
- 4.4 The provisions of this agreement are severable from each other. The invalidity of any provision of this agreement shall not affect the validity or enforceability of any other provision of this agreement,
- 4.5 This Agreement shall be valid and binding on the Parties, their successors and permitted assigns.
- 4.6 No Party shall assign any of its rights or obligations hereunder without the prior written consent of the other Parties.
- 4.7 This Agreement is written in Chinese and English versions and in three (3) counterparts in each language version. The two language versions shall have equal validity and legal effect. Each of the Parties acknowledges that it has reviewed both language versions of this Agreement and that they are the same in all material respects.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed, all as of the date first written above.

For and on Behalf of

Party A Beijing Autohome Information Technology Co., Ltd.

By: /s/ Li Xiang
Name: Li Xiang
Title: Legal Representative
Company Seal: /s/ Beijing Autohome Information
Technology Co., Ltd.

For and on Behalf of

Party B: Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

By: /s/ Qin Zhi
Name: Qin Zhi
Title: Legal Representative
Company Seal: /s/ Beijing Shengtuo Hongyuan
Information Technology Co., Ltd

For and on Behalf of

Party C: Beijing Cheerbright Technologies Co., Ltd.

By: /s/ Li Xiang
Name: Li Xiang
Title: Legal Representative
Company Seal: /s/ Beijing Cheerbright
Technologies Co., Ltd

Exclusive Technology Service Agreement (Chinese and English) dated 8 November 2010 between Beijing Shengtuo Hongyuan Information Technology Co., Ltd. and Beijing Cheerbright Technologies Co., Ltd.;

Equity Interest Pledge Agreement (Chinese and English) dated 8 November 2010 between Beijing Autohome Information Technology Co., Ltd. and Beijing Cheerbright Technologies Co., Ltd.;

Power Of Attorney dated 12 November 2010 by Beijing Autohome Information Technology Co., Ltd.; and

Equity Option Agreement(Chinese and English) dated 12 November 2010 between Beijing Autohome Information Technology Co., Ltd. and Beijing Cheerbright Technologies Co., Ltd.

Supplementary Agreement to Exclusive Technical Consulting and Services Agreement(Chinese and English) dated 12 July 2011 between Beijing Shengtuo Hongyuan Information Technology Co., Ltd. and Beijing Cheerbright Technologies Co., Ltd.

Equity Transfer Agreement

This **Equity Transfer Agreement** (this “**Agreement**”) is entered into in Beijing, the People’s Republic of China (the “**PRC**”) on July 8, 2015 by and between:

- (1) Beijing Autohome Information Technology Co., Ltd. (“**Party A**”), a limited liability company duly incorporated and validly existing under the PRC laws, with its address at Room 1011-1015 Block B, 3 Dan Leng Street, Haidian District, Beijing, and its legal representative being Li Xiang; and
- (2) Qin Zhi (“**Party B**”), with its residence located at 452 Door 4, 31 Yuetan Street (S) C, Xicheng District, Beijing, and ID No.: ***.

(each a “**Party**,” and both the “**Parties**”).

WHEREAS

- A. Beijing Shengtuo Hongyuan Information Technology Co., Ltd. (the “**Company**”), a limited liability company duly incorporated and validly existing under the PRC Laws (as defined below), with a registered capital of RMB10 million.
- B. As of the date first above written herein, Party A holds 100% equity interests of the Company.
- C. Party A intends to transfer to Party B 50% of its equity interests in the Company (the “**Equity**”) in accordance with the following terms and conditions (the “**Equity Transfer**”).

In consideration of the above, the Parties hereby agree as follows:

Article 1 Definitions and Interpretation

1.1 Definitions

Unless otherwise specified, the following terms herein shall have the following meanings:

Affiliate with respect to any Party, means any third party that controls, is controlled by or under common control with, directly or indirectly, such Party; “control” (including “controlled” and “common control”) means direct or indirect power to direct or cause the direction of the management or decision-making, whether realized through holding of securities, partnership or other owner’s equity, or by contract or otherwise.

PRC Laws	all currently effective PRC laws and regulations, including laws, regulations; resolutions, decisions, decrees, orders of the government authorities and other documents having legislative, administrative or judicial nature.
Related Documents	all documents executed under the PRC Laws for consummation of the Equity Transfer, including without limitation applications, authorizations, written consents and Board resolutions.

1.2 Interpretation

The headings used herein are for reference only and shall not affect the meaning or interpretation of any provision hereof. Any term or exhibit mentioned herein refers to the specific term or exhibit hereof. Words in plural forms include the singular form and vice versa. Unless otherwise specified, any day, month or year mentioned herein shall refer to a calendar day, month and year, and any reference to business day shall mean any date the PRC commercial banks are open for business. Words importing masculine gender shall include feminine gender, and vice versa.

Article 2 Equity Transfer

2.1 Equity Transfer

2.1.1 Party A shall sell to Party B, and Party B shall purchase from Party A, 50% of Party A's equity interests in the Company.

2.1.2 Party A acknowledges and agrees to provide all assistance necessary for obtaining the approval from the approval authority in connection with the Equity Transfer, including without limitation procuring the Company's directors to sign on all the documents necessary for relevant filings and applications.

2.2 Purchase Price

2.2.1 The purchase price payable by Party B to Party A for the Equity shall be RMB five million (RMB5,000,000);

2.2.2 Party B shall bear any bank charges relating to the payment of the purchase price, and Party A shall bear all taxes and other fees relating to the Equity Transfer.

Article 3 Representations and Warranties

3.1 Mutual Representations and Warranties

Each Party represents and warrants that as of the date of the Equity Transfer:

- 3.1.1 it has all necessary rights and authority to sign, deliver and perform this Agreement and all other Related Documents to which it is a party;
- 3.1.2 the execution, delivery and performance of this Agreement and any Related Document to which it is party will not conflict, contravene or violate its constitutional documents or any contract, agreement, understanding or other legal arrangement, law or regulation it shall comply with; and
- 3.1.3 in connection with the execution, delivery and performance of this Agreement and any Related Document to which it is a party, it has obtained necessary consents, approvals or authorizations from, or made representations, filings or registrations to, any government or other person.

3.2 Representations and Warranties of Party A

Party A further represents and warrants to Party B that as of the date of the Equity Transfer:

- 3.2.1 there is no pledge or other encumbrance on the Equity;
- 3.2.2 the Equity Transfer is not restricted due to the Company's violation of any PRC Law for reasons attributable to Party A;
- 3.2.3 there is no pending litigation, third party claim, order or investigation initiated against the Company by any third party, court, government authority or arbitration body for reasons attributable to Party A;
- 3.2.4 the Equity Transfer is not subject to any agreement relating to any other entity owned or formerly owned by the Company, any of the Company's Affiliates, Party A or individual shareholders of Party A;
- 3.2.5 prior to the execution of this Agreement, Party A has caused the directors and/or persons it appoints to the Board of the Company to sign Related Documents; and
- 3.2.6 at the execution of this Agreement, Party A will issue a dismissal letter to the directors and/or persons it appoints to the Board of the Company.

Article 4 Effective Date and Termination

4.1 Effective Date

This Agreement shall become effective as of the date when the registration authority issues the Company's amended approval certificate confirming that the Equity Transfer has been approved.

4.2 Termination

Either Party may decide, at its own discretion, to cancel this Agreement with immediate effect by sending a written notice to the other Party within 120 days upon the execution hereof.

Article 5 Default

5.1 Event of Default

Any one or more of the following events shall constitute a breach hereof:

5.1.1 either Party substantially breaches the provisions hereof, or fails to perform its obligations hereunder in any material respect, and fails to correct such breach or non-performance within 10 days after receipt of a written notice from the other Party requiring such correction; and

5.1.2 any representation or warranty of either Party hereunder is proved to be fake or misleading.

5.2 Loss Compensation

Either Party who violates this Agreement shall compensate the other Party for all losses incurred as a result of such violation, excluding the indirect losses.

5.3 Continued Performance

After the occurrence of an default hereunder, if the non-defaulting Party requires continued performance of this Agreement, the defaulting Party shall continue to perform this agreement, regardless of whether an indemnity exists in connection with such default or whether such indemnity has been paid.

Article 6 General

6.1 Confidentiality

Each Party agrees to keep in strict confidence and not to disclose to any third party any information relating to the negotiations of the Equity Transfer and other related information a Party deems confidential and discloses to the other during the negotiations of this Agreement, including without limitation the information relating to either Party's business and intellectual property.

6.2 Language and Counterparts

This Agreement is made in 2 counterparts, one for each Party, and the rest shall be submitted to approval authority and registration authority for approval.

6.3 Notices

All notices and correspondences between the Parties shall be made in written form and in Chinese language, to be delivered to the proper addresses listed as follows by facsimile, personal delivery (including express courier service) or registered mail:

If to Party A:

Beijing Autohome Information Technology Co., Ltd.

Address: 10F Block B, 3 Dan Leng Street, Haidian District, Beijing

Tel: 010-59857001

Fax: 010-59857004

Attention: Li Xiang

If to Party B:

Qin Zhi

Address: 10F Block B, 3 Dan Leng Street, Haidian District, Beijing

Tel: 010-59857002

Fax: 010-59857387

Attention Qin Zhi

The notices or correspondences shall be deemed served at the following time:

- 6.3.1 if by fax, at the time shown on the transmission record, except that if such fax is sent after 5 pm or on a non-business day in the recipient's place, the delivery date shall be the immediately following business day;
- 6.3.2 if by personal delivery (including express courier service), on the date when the recipient signs for acceptance; if the recipient refuses to sign, then on the last delivery date specified on the delivery proof or the date when the delivery is refused, whichever is later; or
- 6.3.3 if by registered mail, on the 7th day after the postal office issues the receipt.

6.4 Governing Law and Dispute Resolution

- 6.4.1 The formation, validity, interpretation, execution and resolution of disputes hereunder shall be governed by the PRC Laws.
- 6.4.2 In case of any dispute in connection with this Agreement, both Parties shall first try to resolve such dispute through amicable negotiations or mediation. If such dispute fails to be resolved as aforementioned within 30 days after the negotiation begins, either Party may submit such dispute to China International Economic and Trade Arbitration Commission for resolution by arbitration.

6.5 Waiver

Either Party's failure or delay in exercising any of its rights hereunder shall not jeopardize such right or constitute a waiver of such rights, nor shall it constitute an acquiesce in breach of any of its representations, warranties, covenants and agreement.

6.6 Amendment

Any amendment or other revisions hereto must be executed by the authorized representatives of the Parties hereto.

6.7 Assignment

Neither Party may assign its rights and/or obligations hereunder without prior written consent of the other Party.

6.8 Severability

Subject to Article 6.4 hereof, to the extent any provision hereof is subject to any dispute or is adjudicated as invalid or unenforceable by a competent court, arbitration body or government authority, the remaining parts of this Agreement shall remain fully valid and enforceable.

[The rest of this page is intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been duly executed by the Parties on the date first above written.

Party A:
Beijing Autohome Information Technology Co., Ltd.
(official seal: /s/ Beijing Autohome Information Technology Co., Ltd.)
/s/ Li Xiang

Legal Representative: Li Xiang
Date: July 8, 2015

Party B:

/s/ Qin Zhi

Qin Zhi
Date: July 8, 2015

Equity Transfer Agreement

This **Equity Transfer Agreement** (this “**Agreement**”) is entered into in Shanghai, the People’s Republic of China (the “**PRC**”) on July 8, 2015 by and between:

- (1) Beijing Autohome Information Technology Co., Ltd. (“**Party A**”), a limited liability company duly incorporated and validly existing under the PRC laws, with its address at Room 1011-1015 Block B, 3 Dan Leng Street, Haidian District, Beijing, and its legal representative being Li Xiang; and
- (2) Fan Zheng (“**Party B**”), with its residence located at Room 302, Suite 2, Block 2, 336 Xin Shi Road (N), Qiao Xi District, Shijiazhuang, Hebei Province, and ID No.: ***.

(each a “**Party**,” and both the “**Parties**”).

WHEREAS

- A. Beijing Shengtuo Hongyuan Information Technology Co., Ltd. (the “**Company**”), a limited liability company duly incorporated and validly existing under the PRC Laws (as defined below), with a registered capital of RMB10 million.
- B. As of the date first above written herein, Party A holds 100% equity interests of the Company.
- C. Party A intends to transfer to Party B 50% of its equity interests in the Company (the “**Equity**”) in accordance with the following terms and conditions (the “**Equity Transfer**”).

In consideration of the above, the Parties hereby agree as follows:

Article 1 Definitions and Interpretation

1.1 Definitions

Unless otherwise specified, the following terms herein shall have the following meanings:

Affiliate with respect to any Party, means any third party that controls, is controlled by or under common control with, directly or indirectly, such Party; “control” (including “controlled” and “common control”) means direct or indirect power to direct or cause the direction of the management or decision-making, whether realized through holding of securities, partnership or other owner’s equity, or by contract or otherwise.

PRC Laws	all currently effective PRC laws and regulations, including laws, regulations; resolutions, decisions, decrees, orders of the government authorities and other documents having legislative, administrative or judicial nature.
Related Documents	all documents executed under the PRC Laws for consummation of the Equity Transfer, including without limitation applications, authorizations, written consents and Board resolutions.

1.2 Interpretation

The headings used herein are for reference only and shall not affect the meaning or interpretation of any provision hereof. Any term or exhibit mentioned herein refers to the specific term or exhibit hereof. Words in plural forms include the singular form and vice versa. Unless otherwise specified, any day, month or year mentioned herein shall refer to a calendar day, month and year, and any reference to business day shall mean any date the PRC commercial banks are open for business. Words importing masculine gender shall include feminine gender, and vice versa.

Article 2 Equity Transfer

2.1 Equity Transfer

2.1.1 Party A shall sell to Party B, and Party B shall purchase from Party A, 50% of Party A's equity interests in the Company.

2.1.2 Party A acknowledges and agrees to provide all assistance necessary for obtaining the approval from the approval authority in connection with the Equity Transfer, including without limitation procuring the Company's directors to sign on all the documents necessary for relevant filings and applications.

2.2 Purchase Price

2.2.1 The purchase price payable by Party B to Party A for the Equity shall be RMB five million (RMB5,000,000);

2.2.2 Party B shall bear any bank charges relating to the payment of the purchase price, and Party A shall bear all taxes and other fees relating to the Equity Transfer.

Article 3 Representations and Warranties

3.1 Mutual Representations and Warranties

Each Party represents and warrants that as of the date of the Equity Transfer:

- 3.1.1 it has all necessary rights and authority to sign, deliver and perform this Agreement and all other Related Documents to which it is a party;
- 3.1.2 the execution, delivery and performance of this Agreement and any Related Document to which it is party will not conflict, contravene or violate its constitutional documents or any contract, agreement, understanding or other legal arrangement, law or regulation it shall comply with; and
- 3.1.3 in connection with the execution, delivery and performance of this Agreement and any Related Document to which it is a party, it has obtained necessary consents, approvals or authorizations from, or made representations, filings or registrations to, any government or other person.

3.2 Representations and Warranties of Party A

Party A further represents and warrants to Party B that as of the date of the Equity Transfer:

- 3.2.1 there is no pledge or other encumbrance on the Equity;
- 3.2.2 the Equity Transfer is not restricted due to the Company's violation of any PRC Law for reasons attributable to Party A;
- 3.2.3 there is no pending litigation, third party claim, order or investigation initiated against the Company by any third party, court, government authority or arbitration body for reasons attributable to Party A;
- 3.2.4 the Equity Transfer is not subject to any agreement relating to any other entity owned or formerly owned by the Company, any of the Company's Affiliates, Party A or individual shareholders of Party A;
- 3.2.5 prior to the execution of this Agreement, Party A has caused the directors and/or persons it appoints to the Board of the Company to sign Related Documents; and
- 3.2.6 at the execution of this Agreement, Party A will issue a dismissal letter to the directors and/or persons it appoints to the Board of the Company.

Article 4 Effective Date and Termination

4.1 Effective Date

This Agreement shall become effective as of the date when the registration authority issues the Company's amended approval certificate confirming that the Equity Transfer has been approved.

4.2 Termination

Either Party may decide, at its own discretion, to cancel this Agreement with immediate effect by sending a written notice to the other Party within 120 days upon the execution hereof.

Article 5 Default

5.1 Event of Default

Any one or more of the following events shall constitute a breach hereof:

5.1.1 either Party substantially breaches the provisions hereof, or fails to perform its obligations hereunder in any material respect, and fails to correct such breach or non-performance within 10 days after receipt of a written notice from the other Party requiring such correction; and

5.1.2 any representation or warranty of either Party hereunder is proved to be fake or misleading.

5.2 Loss Compensation

Either Party who violates this Agreement shall compensate the other Party for all losses incurred as a result of such violation, excluding the indirect losses.

5.3 Continued Performance

After the occurrence of an default hereunder, if the non-defaulting Party requires continued performance of this Agreement, the defaulting Party shall continue to perform this agreement, regardless of whether an indemnity exists in connection with such default or whether such indemnity has been paid.

Article 6 General

6.1 Confidentiality

Each Party agrees to keep in strict confidence and not to disclose to any third party any information relating to the negotiations of the Equity Transfer and other related information a Party deems confidential and discloses to the other during the negotiations of this Agreement, including without limitation the information relating to either Party's business and intellectual property.

6.2 Language and Counterparts

This Agreement is made in 2 counterparts, one for each Party, and the rest shall be submitted to approval authority and registration authority for approval.

6.3 Notices

All notices and correspondences between the Parties shall be made in written form and in Chinese language, to be delivered to the proper addresses listed as follows by facsimile, personal delivery (including express courier service) or registered mail:

If to Party A:

Beijing Autohome Information Technology Co., Ltd.

Address: 10F Block B, 3 Dan Leng Street, Haidian District, Beijing

Tel: 010-59857001

Fax: 010-59857004

Attention: Li Xiang

If to Party B:

Fan Zheng

Address: 10F Block B, 3 Dan Leng Street, Haidian District, Beijing

Tel: 010-59857002

Fax: 010-59857387

Attention Fan Zheng

The notices or correspondences shall be deemed served at the following time:

- 6.3.1 if by fax, at the time shown on the transmission record, except that if such fax is sent after 5 pm or on a non-business day in the recipient's place, the delivery date shall be the immediately following business day;
- 6.3.2 if by personal delivery (including express courier service), on the date when the recipient signs for acceptance; if the recipient refuses to sign, then on the last delivery date specified on the delivery proof or the date when the delivery is refused, whichever is later; or
- 6.3.3 if by registered mail, on the 7th day after the postal office issues the receipt.

6.4 Governing Law and Dispute Resolution

- 6.4.1 The formation, validity, interpretation, execution and resolution of disputes hereunder shall be governed by the PRC Laws.
- 6.4.2 In case of any dispute in connection with this Agreement, both Parties shall first try to resolve such dispute through amicable negotiations or mediation. If such dispute fails to be resolved as aforementioned within 30 days after the negotiation begins, either Party may submit such dispute to China International Economic and Trade Arbitration Commission for resolution by arbitration.

6.5 Waiver

Either Party's failure or delay in exercising any of its rights hereunder shall not jeopardize such right or constitute a waiver of such rights, nor shall it constitute an acquiesce in breach of any of its representations, warranties, covenants and agreement.

6.6 Amendment

Any amendment or other revisions hereto must be executed by the authorized representatives of the Parties hereto.

6.7 Assignment

Neither Party may assign its rights and/or obligations hereunder without prior written consent of the other Party.

6.8 Severability

Subject to Article 6.4 hereof, to the extent any provision hereof is subject to any dispute or is adjudicated as invalid or unenforceable by a competent court, arbitration body or government authority, the remaining parts of this Agreement shall remain fully valid and enforceable.

[The rest of this page is intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been duly executed by the Parties on the date first above written.

Party A:
Beijing Autohome Information Technology Co., Ltd.
(official seal: /s/ Beijing Autohome Information Technology Co., Ltd.)

Party B:

/s/ Li Xiang _____

/s/ Fan Zheng _____

Legal Representative: Li Xiang

Fan Zheng

Date: July 8, 2015

Date: July 8, 2015

**Exclusive Technical Consulting and
Services Agreement**

between

Beijing Chezhiying Technologies Co., Ltd.

and

Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

July 8, 2015

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1. APPOINTMENT AND PROVISION OF SERVICES	3
2. INTELLECTUAL PROPERTY RIGHTS	4
3. SERVICE FEE AND PAYMENT	4
4. REPRESENTATIONS AND WARRANTIES	4
5. CONFIDENTIALITY	5
6. BREACH	5
7. FORCE MAJEURE	5
8. EFFECTIVE DATE AND TERM	6
9. TERMINATION	7
10. MISCELLANEOUS	7
EXHIBIT:	
I. SCOPE OF SERVICES	
II. CALCULATION AND PAYMENT OF THE SERVICE FEE	

THIS EXCLUSIVE TECHNICAL CONSULTING AND SERVICES AGREEMENT (**Agreement**) is entered into on July 8, 2015 (**Execution Date**) in Beijing, the People's Republic of China (**PRC**).

between

(1) **Beijing Cheerbright Chezhiying Technologies Co., Ltd.** (北京车智赢科技有限公司), a company duly organized and existing under the PRC laws with its legal address at Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China. (**Party A**);

and

(2) **Beijing Shengtuo Hongyuan Information Technology Co., Ltd.** (北京盛拓鸿远信息技术有限公司), with its registered address at Room 1005, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China (**Party B**).

Recitals

- A. Party A is a domestic company duly incorporated and validly existing under the laws of the PRC, which engages in the business of advertising agency. Party A wishes to develop its technology, improve its management and increase and enhance its market position.
- B. Party B is a wholly foreign owned enterprise duly incorporated and validly existing under the laws of the PRC, which holds the resources and qualifications for technical and consulting services. Party B is engaged in research and development relating to networks and has expertise in providing technical training and consulting services.

NOW, THEREFORE, the parties agree as follows:

1. **APPOINTMENT AND PROVISION OF SERVICES**

- 1.1 **Scope of Services.** Party A hereby appoints Party B to provide Party A with the Services detailed in the Exhibit I (**Services**).
- 1.2 **Provision of Services.** The Parties agree that Party B shall provide the Services to Party A on an exclusive basis, for the duration of the term of this Agreement and at standards commonly accepted in the market.
- 1.3 **Financial Support.** To ensure that the cash flow requirements of Party A's ordinary operations are met and/or to set off any loss accrued during such operations, Party B is obligated, only to the extent permissible under PRC law, to provide financing support for Party A, whether or not Party A actually incurs any such operational loss. Party B's financing support for Party A may take the form of bank entrusted loans or borrowings. Contracts for any such entrusted loans or borrowings shall be executed separately. Party B will not request repayment if Party A is unable to do so.

2. INTELLECTUAL PROPERTY RIGHTS

The Parties agree that the intellectual property rights created by Party B in the course of performing this Agreement (including without limitation any copyrights, trademarks or logos registered or not, patents and proprietary technology), shall belong to Party B.

3. SERVICE FEE AND PAYMENT

3.1 **Service Fee.** The Parties agree that the Service Fee under this Agreement shall be determined according to the Exhibit II.

3.2 **Payment Method.** Party B shall, within the first 5 days of each month, provide Party A with written statement of the service fee spent providing the Services during the previous month. Party A shall confirm to Party B in writing within 3 business days of receipt that the service fee is correct. If Party A fails to provide such confirmation on time, Party A shall be deemed to have confirmed Party B's statement. Party A shall pay the service fee to Party B's designated account within 10 days after confirming the service fee provided in Party B's statement.

4. REPRESENTATIONS AND WARRANTIES

Each party represents and warrants to the other that, as of the date of signing hereof:

4.1 it has full power and authority as an independent legal person to execute and deliver this Agreement and to carry out its responsibilities and obligations hereunder;

4.2 its execution and performance of this Agreement will not result in a breach of any law, regulation, authorization or agreement to which it is subject.

5. CONFIDENTIALITY

- 5.1 **Confidentiality Obligations.** The parties shall protect and maintain the confidentiality of all information relating to or arisen from this Agreement, or made available under this Agreement to a party or any associate thereof (**Confidential Information**). Without the prior written consent of the other party, no party shall disclose any Confidential Information to any third party unless the disclosure is required by law or by enforceable orders of the court or related government departments. Under such circumstances, the party required to disclose the Confidential Information shall notify the other party immediately, take all possible measures to minimize the disclosure, and notify the persons to whom information is being disclosed of the confidentiality obligation. Notwithstanding anything to the contrary above, Party A shall have the full right to disclose any Confidential Information to its shareholders, affiliates or professional advisors.
- 5.2 **Obligations upon Termination.** Upon termination of this Agreement, either party shall, at the request of the other party, return any document, material, database, equipment, or software containing the Confidential Information to the other party. If, for any reason, such document, material, database, equipment, or software cannot be returned, either party shall destroy all the Confidential Information belonging to the other party and delete such Confidential Information from any memory devices. No party shall be permitted to continue using the Confidential Information in any way after the termination of this Agreement.
- 5.3 **No Time Limit.** There is no time limit to the confidentiality obligations stipulated in this Article, which obligations will survive the termination of this Agreement unless the Confidential Information is disclosed to the public for reasons not due to the breach of this Agreement by any party.

6. BREACH

- 6.1 **Written Notice.** If a party breaches any of its respective representations, warranties or obligations under this Agreement, the non-breaching party may send a written notice to the breaching party demanding rectification within 10 days.
- 6.2 **Compensation.** The breaching party shall be liable to compensate the non-breaching party for any losses it has sustained as a result of the breach, including loss of profits.

7. FORCE MAJEURE

- 7.1 **Definition.** The term Force Majeure refers to any unforeseeable (or if foreseeable, reasonably unavoidable), event beyond the reasonable control of any party which prevents the performance of this Agreement, including without limitation acts of government, acts of nature, fire, explosion, typhoon, flood, earthquake, tide, lightning and war, but excluding any shortage of credit.

- 7.2 **Exemption.** Where either party fails to perform this Agreement in full or in part due to Force Majeure, such party shall be exempted from its responsibilities hereunder, to the extent of the Force Majeure in question and except where PRC law provides otherwise. For the avoidance of doubt, a party shall not be excused from performing its obligations hereunder where Force Majeure occurs following the delay by that party to perform this Agreement.
- 7.3 **Notice.** Should either party be unable to perform this Agreement as a result of Force Majeure, it shall inform the other party, as soon as possible following the occurrence of such Force Majeure, of the situation and the reason(s) for non-performance, so as to minimize any losses incurred by the other party as a consequence thereof. Furthermore, within a reasonable time after notice of Force Majeure has been given, the party encountering Force Majeure shall provide to the other party a legal certificate issued by a public notary (or other appropriate organization) of the place wherein the Force Majeure occurred, in witness of the same.
- 7.4 **Mitigation.** The party affected by Force Majeure may suspend the performance of its obligations under this Agreement until any disruption resulting from the Force Majeure has been resolved. However, such party shall make every effort to eliminate any obstacles resulting from the Force Majeure, thereby minimizing to the greatest extent possible the adverse effects of such, as well as any resulting losses.

8. EFFECTIVE DATE AND TERM

- 8.1 **Term.** This Agreement shall enter into effect as of the date first indicated above and shall continue for a period of 30 years unless it is extended according to Article 8.2 or terminated early according to Article 9.
- 8.2 **Extension.** This Agreement shall be automatically extended for another ten (10) years except Party B gives its written notice terminating this Agreement three (3) months before the expiration of this Agreement.

9. **TERMINATION**

- 9.1 **Early Termination.** This Agreement may be terminated early in the following situations:
- 9.1.1 with the mutual written consent of the parties following consultation;
 - 9.1.2 in case of a Force Majeure event prevailing for 30 days or longer, the Parties shall discuss whether performance under this Agreement shall be partially exempted or postponed according to the degree by which such performance is affected by the Force Majeure event; or
 - 9.1.3 by Party B, with 30 days' prior written notice to Party A at any time.
- 9.2 **Survival of Obligations.** The expiry or early termination of this Agreement for any reason whatsoever shall not affect the payment obligations of the parties hereunder, the respective liability of the parties for damages or the confidentiality obligations of the parties.

10. **MISCELLANEOUS**

- 10.1 **Notices and Delivery.** All notices and communications between the parties shall be written in English and delivered in person (including courier service), by facsimile transmission or by registered mail to the appropriate addresses set forth below:

Party A

Address : Room 1117, F/10, Tower B, No. 3, Danling Street, Haidian District, Beijing, China
Tel : 86-10-59857387
Fax : 86-10-59857001
Attn : Qin Zhi

Party B

Address : Room 1005, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Tel : 86-10-59857001
Fax : 86-10-59857400
Attn : Qin Zhi

- 10.2 **Timing.** The time of receipt of the notice or communication shall be deemed to be:
- 10.2.1 if in person (including courier), at the time of signing of a receipt by the receiving party or a duly authorized person at the receiving party's address;

- 10.2.2 if by facsimile transmission, at the time displayed in the corresponding transmission record, unless such facsimile is sent after 5:00 p.m. or on a non-business day in the place of receipt, in which case the date of receipt shall be deemed to be the following business day; or
- 10.2.3 if by registered mail, on the 10th day after the date of the receipt of the registered mail.
- 10.3 **No Waiver.** Unless otherwise agreed upon by the parties in writing, any failure or delay on the part of either party to exercise any right, authority or privilege under this Agreement, or under any other agreement relating hereto, shall not operate as a waiver thereof; nor shall any single or partial exercise of any right, authority or privilege preclude any other future exercise thereof.
- 10.4 **Severability.** The provisions of this Agreement are severable from each other. The invalidity of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.
- 10.5 **Successors.** This Agreement shall be valid and binding upon the parties and upon their respective successors and assigns (if any).
- 10.6 **Assignment.** Party A shall not assign its rights or obligations under this Agreement to any third party without the prior written consent of Party B. Party B may transfer its rights or obligations under this Agreement to any third party without the consent of Party A, but shall inform Party A of the above assignment.
- 10.7 **Governing Law.** The execution, validity, interpretation and implementation of this Agreement and the settlement of disputes hereunder shall be governed by PRC law.
- 10.8 **Arbitration.**
- 10.8.1 If any dispute arises in connection with this Agreement, the parties shall attempt in the first instance to resolve such dispute through friendly consultation or mediation.
- 10.8.2 If the dispute cannot be resolved in the above manner within 30 days after the commencement of the consultation or mediation, either party may submit the dispute to arbitration as follows:
- 10.8.2.1 all disputes arising out of or in connection with this Agreement shall be submitted to the China International Economic and Trade Arbitration Commission for arbitration in accordance with the Commission's then-current rules; and
- 10.8.2.2 the arbitration shall be held in Beijing and conducted in the English language, with the arbitral award being final and binding upon the parties.
- 10.8.3 When any dispute is submitted to arbitration, the parties shall continue to perform their obligations under this Agreement.

- 10.9 **Entire Agreement.** This Agreement and its Exhibits shall constitute the entire agreement between the parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements, including without limitation, the Original Agreement.
- 10.10 **Amendments.** Without the prior written consent of Party B, Party A shall not amend this Agreement. If required by law, the parties shall obtain all requisite approvals from the relevant authorities to give effect to the amendment.
- 10.11 **Language and Copies.**
This Agreement is prepared in both English and Chinese, and both language versions have the same legal effect. This Agreement shall be executed in 2 originals, with 1 original copy for each party.

[The space below is intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their duly authorized representatives on the date first indicated above.

Party A: Beijing Chezhiying Technologies Co., Ltd.
(北京车智赢科技有限公司)

/s/ Qin Zhi

Name: Qin Zhi
Title: Legal Representative
Company Seal: /s/ Beijing Chezhiying Technologies Co., Ltd.

Party B: Beijing Shengtuo Hongyuan Information Technology Co., Ltd.
(北京盛拓鸿远信息技术有限公司)

/s/ Qin Zhi

Name: Qin Zhi
Title: Legal Representative
Company seal: /s/ Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

Exclusive Technical Consulting and Services Agreement

Scope of Services

1. **Technical Services.** Party B will provide technical services and training to Party A, taking advantage of Party B's advanced network, website and multimedia technologies to improve Party A's system integration. Such technical services shall include:
 - (a) administering, managing and maintaining Party A's information application system and website system infrastructure;
 - (b) providing system optimization plans and implementing optimization features;
 - (c) assuring the security and reliability of the website application systems;
 - (d) procuring, installing and supporting the relevant products produced by Party B, and providing training in the use of those products;
 - (e) managing and maintaining all network and providing technologies to assure the reliability and efficiency thereof;
 - (f) providing information technology services and assuring the reliable operation of the information infrastructure.
2. **Marketing and Management Consulting.** For the purposes of expanding Party A's market share, popularizing its products and creating an efficient internal operations, Party B will provide consulting services regarding marketing and management, which shall include:
 - (a) providing strategic co-operation proposals and recommending relevant partners to Party A, and assisting Party A to establish and develop cooperative relationships with such partners with respect to advertising;
 - (b) providing Party A with market development strategies, including but not limited to the design and improvement of Party A's products, services and business model as well as strategic on its market position and brand-building; and
 - (c) training management personnel and providing management consultation services, including but not limited to regular business training for Party A's management personnel and formulating realistic and effective solutions to existing problems in Party A's business operations.

Calculation and Payment of the Service Fee

DURING THE TERM OF THIS AGREEMENT, THE SERVICE FEE PAYABLE BY PARTY A TO PARTY B FOR SERVICES RENDERED ACCORDING TO EXHIBIT I SHALL BE A FEE IN RMB DETERMINED BY THE FOLLOWING FORMULA:

SERVICE FEE PAYABLE = PARTY A'S REVENUE – TURNOVER TAXES – PARTY A'S TOTAL COSTS – PROFIT TO BE RETAINED BY PARTY A;

Where:

- Party A's Revenue is revenue received by Party A from third parties in the course of its ordinary business;
- Turnover Taxes include, but are not limited to, business tax (if applicable), value-added tax, urban maintenance and construction tax and education surcharges;
- Party A's Total Costs include all costs and expenses, such as costs of goods sold and operating costs incurred by Party A for carrying out the business; and
- Profit to be retained by Party A shall be determined by a reputable certified public accountant designated by Party B.

During the term of this Agreement, Party B shall have the right to adjust the above Fees at its sole discretion without the consent of Party A.

Exclusive Technical Consulting and Services Agreement

**Exclusive Technical Consulting and
Services Agreement**

between

Autohome Used Car Appraisal Co., Ltd.

and

Beijing Chezhiying Technology Co., Ltd.

July 8, 2015

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1. APPOINTMENT AND PROVISION OF SERVICES	3
2. INTELLECTUAL PROPERTY RIGHTS	4
3. SERVICE FEE AND PAYMENT	4
4. REPRESENTATIONS AND WARRANTIES	4
5. CONFIDENTIALITY	5
6. BREACH	5
7. FORCE MAJEURE	5
8. EFFECTIVE DATE AND TERM	6
9. TERMINATION	7
10. MISCELLANEOUS	7
EXHIBIT:	
I. SCOPE OF SERVICES	
II. CALCULATION AND PAYMENT OF THE SERVICE FEE	

Exclusive Technical Consulting and Services Agreement - 2 -

THIS EXCLUSIVE TECHNICAL CONSULTING AND SERVICES AGREEMENT (**Agreement**) is entered into on July 8, 2015 (**Execution Date**) in Beijing, the People's Republic of China (**PRC**).

between

(1) **Autohome Used Car Appraisal Co., Ltd.** (北京必信行二手车鉴定评估有限公司), with its registered address at Room 201, No. 35 Road West, Guchengxi Street, Shijingshan District, Beijing 100043, China (**Party A**);

and

(2) **Beijing Chezhiying Technology Co., Ltd.** (北京车智赢科技有限公司), with its registered address at Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China (**Party B**).

Recitals

- A. Party A is a domestic company duly incorporated and validly existing under the laws of the PRC, and engages in the business of used car appraisal, Party A wishes to develop its technology, improve its management and increase and enhance its market position.
- B. Party B is a wholly foreign owned enterprise duly incorporated and validly existing under the laws of the PRC, which holds the resources and qualifications for technical and consulting services. Party B is engaged in research and development relating to networks and has expertise in providing technical training and consulting services.

NOW, THEREFORE, the parties agree as follows:

1. APPOINTMENT AND PROVISION OF SERVICES

- 1.1 **Scope of Services.** Party A hereby appoints Party B to provide Party A with the Services detailed in the Exhibit I (**Services**).
- 1.2 **Provision of Services.** The Parties agree that Party B shall provide the Services to Party A on an exclusive basis, for the duration of the term of this Agreement and at standards commonly accepted in the market.
- 1.3 **Financial Support.** To ensure that the cash flow requirements of Party A's ordinary operations are met and/or to set off any loss accrued during such operations, Party B is obligated, only to the extent permissible under PRC law, to provide financing support for Party A, whether or not Party A actually incurs any such operational loss. Party B's financing support for Party A may take the form of bank entrusted loans. Contracts for any such entrusted loans shall be executed separately. Party B will not request repayment if Party A is unable to do so.

2. INTELLECTUAL PROPERTY RIGHTS

The Parties agree that the intellectual property rights created by Party B in the course of performing this Agreement (including without limitation any copyrights, trademarks or logos registered or not, patents and proprietary technology), shall belong to Party B.

3. SERVICE FEE AND PAYMENT

3.1 **Service Fee.** The Parties agree that the Service Fee under this Agreement shall be determined according to the Exhibit II.

3.2 **Payment Method.** Party B shall, within the first 5 days of each month, provide Party A with written statement of the service fee spent providing the Services during the previous month. Party A shall confirm to Party B in writing within 3 business days of receipt that the service fee is correct. If Party A fails to provide such confirmation on time, Party A shall be deemed to have confirmed Party B's statement. Party A shall pay the service fee to Party B's designated account within 10 days after confirming the service fee provided in Party B's statement.

4. REPRESENTATIONS AND WARRANTIES

Each party represents and warrants to the other that, as of the date of signing hereof:

4.1 it has full power and authority as an independent legal person to execute and deliver this Agreement and to carry out its responsibilities and obligations hereunder;

4.2 its execution and performance of this Agreement will not result in a breach of any law, regulation, authorization or agreement to which it is subject.

5. CONFIDENTIALITY

- 5.1 **Confidentiality Obligations.** The parties shall protect and maintain the confidentiality of all information relating to or arisen from this Agreement, or made available under this Agreement to a party or any associate thereof (**Confidential Information**). Without the prior written consent of the other party, no party shall disclose any Confidential Information to any third party unless the disclosure is required by law or by enforceable orders of the court or related government departments. Under such circumstances, the party required to disclose the Confidential Information shall notify the other party immediately, take all possible measures to minimize the disclosure, and notify the persons to whom information is being disclosed of the confidentiality obligation. Notwithstanding anything to the contrary above, Party A shall have the full right to disclose any Confidential Information to its shareholders, affiliates or professional advisors.
- 5.2 **Obligations upon Termination.** Upon termination of this Agreement, either party shall, at the request of the other party, return any document, material, database, equipment, or software containing the Confidential Information to the other party. If, for any reason, such document, material, database, equipment, or software cannot be returned, either party shall destroy all the Confidential Information belonging to the other party and delete such Confidential Information from any memory devices. No party shall be permitted to continue using the Confidential Information in any way after the termination of this Agreement.
- 5.3 **No Time Limit.** There is no time limit to the confidentiality obligations stipulated in this Article, which obligations will survive the termination of this Agreement unless the Confidential Information is disclosed to the public for reasons not due to the breach of this Agreement by any party.

6. BREACH

- 6.1 **Written Notice.** If a party breaches any of its respective representations, warranties or obligations under this Agreement, the non-breaching party may send a written notice to the breaching party demanding rectification within 10 days.
- 6.2 **Compensation.** The breaching party shall be liable to compensate the non-breaching party for any losses it has sustained as a result of the breach, including loss of profits.

7. FORCE MAJEURE

- 7.1 **Definition.** The term Force Majeure refers to any unforeseeable (or if foreseeable, reasonably unavoidable), event beyond the reasonable control of any party which prevents the performance of this Agreement, including without limitation acts of government, acts of nature, fire, explosion, typhoon, flood, earthquake, tide, lightning and war, but excluding any shortage of credit.

- 7.2 **Exemption.** Where either party fails to perform this Agreement in full or in part due to Force Majeure, such party shall be exempted from its responsibilities hereunder, to the extent of the Force Majeure in question and except where PRC law provides otherwise. For the avoidance of doubt, a party shall not be excused from performing its obligations hereunder where Force Majeure occurs following the delay by that party to perform this Agreement.
- 7.3 **Notice.** Should either party be unable to perform this Agreement as a result of Force Majeure, it shall inform the other party, as soon as possible following the occurrence of such Force Majeure, of the situation and the reason(s) for non-performance, so as to minimize any losses incurred by the other party as a consequence thereof. Furthermore, within a reasonable time after notice of Force Majeure has been given, the party encountering Force Majeure shall provide to the other party a legal certificate issued by a public notary (or other appropriate organization) of the place wherein the Force Majeure occurred, in witness of the same.
- 7.4 **Mitigation.** The party affected by Force Majeure may suspend the performance of its obligations under this Agreement until any disruption resulting from the Force Majeure has been resolved. However, such party shall make every effort to eliminate any obstacles resulting from the Force Majeure, thereby minimizing to the greatest extent possible the adverse effects of such, as well as any resulting losses.

8. EFFECTIVE DATE AND TERM

- 8.1 **Term.** This Agreement shall enter into effect as of the date first indicated above and shall continue for a period of 30 years unless it is extended according to Article 8.2 or terminated early according to Article 9.
- 8.2 **Extension.** This Agreement shall be automatically extended for another ten (10) years except Party B gives its written notice terminating this Agreement three (3) months before the expiration of this Agreement.

9. **TERMINATION**

- 9.1 **Early Termination.** This Agreement may be terminated early in the following situations:
- 9.1.1 with the mutual written consent of the parties following consultation;
 - 9.1.2 in case of a Force Majeure event prevailing for 30 days or longer, the Parties shall discuss whether performance under this Agreement shall be partially exempted or postponed according to the degree by which such performance is affected by the Force Majeure event; or
 - 9.1.3 by Party B, with 30 days' prior written notice to Party A at any time.
- 9.2 **Survival of Obligations.** The expiry or early termination of this Agreement for any reason whatsoever shall not affect the payment obligations of the parties hereunder, the respective liability of the parties for damages or the confidentiality obligations of the parties.

10. **MISCELLANEOUS**

- 10.1 **Notices and Delivery.** All notices and communications between the parties shall be written in English and delivered in person (including courier service), by facsimile transmission or by registered mail to the appropriate addresses set forth below:

Party A

Address : Room 201, No. 35 Road West, Guchengxi Street, Shijingshan District, Beijing 100043, China
Tel : 86-10-59857001
Fax : 86-10-59857387
Attn : Qin Zhi

Party B

Address : Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Tel : 86-10-59857001
Fax : 86-10-59857387
Attn : Qin Zhi

- 10.2 **Timing.** The time of receipt of the notice or communication shall be deemed to be:
- 10.2.1 if in person (including courier), at the time of signing of a receipt by the receiving party or a duly authorized person at the receiving party's address;

- 10.2.2 if by facsimile transmission, at the time displayed in the corresponding transmission record, unless such facsimile is sent after 5:00 p.m. or on a non-business day in the place of receipt, in which case the date of receipt shall be deemed to be the following business day; or
- 10.2.3 if by registered mail, on the 10th day after the date of the receipt of the registered mail.
- 10.3 **No Waiver.** Unless otherwise agreed upon by the parties in writing, any failure or delay on the part of either party to exercise any right, authority or privilege under this Agreement, or under any other agreement relating hereto, shall not operate as a waiver thereof; nor shall any single or partial exercise of any right, authority or privilege preclude any other future exercise thereof.
- 10.4 **Severability.** The provisions of this Agreement are severable from each other. The invalidity of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.
- 10.5 **Successors.** This Agreement shall be valid and binding upon the parties and upon their respective successors and assigns (if any).
- 10.6 **Assignment.** Party A shall not assign its rights or obligations under this Agreement to any third party without the prior written consent of Party B. Party B may transfer its rights or obligations under this Agreement to any third party without the consent of Party A, but shall inform Party A of the above assignment.
- 10.7 **Governing Law.** The execution, validity, interpretation and implementation of this Agreement and the settlement of disputes hereunder shall be governed by PRC law.
- 10.8 **Arbitration.**
- 10.8.1 If any dispute arises in connection with this Agreement, the parties shall attempt in the first instance to resolve such dispute through friendly consultation or mediation.

10.8.2 If the dispute cannot be resolved in the above manner within 30 days after the commencement of the consultation or mediation, either party may submit the dispute to arbitration as follows:

10.8.2.1 all disputes arising out of or in connection with this Agreement shall be submitted to the China International Economic and Trade Arbitration Commission for arbitration in accordance with the Commission's then-current rules; and

10.8.2.2 the arbitration shall be held in Beijing and conducted in the English language, with the arbitral award being final and binding upon the parties.

10.8.3 When any dispute is submitted to arbitration, the parties shall continue to perform their obligations under this Agreement.

10.9 **Entire Agreement.** This Agreement and its Exhibits shall constitute the entire agreement between the parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements.

10.10 **Amendments.** Without the prior written consent of Party B, Party A shall not amend this Agreement. If required by law, the parties shall obtain all requisite approvals from the relevant authorities to give effect to the amendment.

10.11 **Language and Copies.**

This Agreement is prepared in both English and Chinese, and both language versions have the same legal effect. This Agreement shall be executed in 2 originals, with 1 original copy for each party.

[The space below is intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their duly authorized representatives on the date first indicated above.

Party A: Autohome Used Car Appraisal Co., Ltd.
(北京必信行二手车鉴定评估有限公司)

/s/ Qin Zhi

Name: Qin Zhi
Title: Legal Representative
Company Seal: /s/ Autohome Used Car Appraisal Co., Ltd.

Party B: Beijing Chezhiying Technology Co., Ltd.
(北京车智赢科技有限公司)

/s/ Qin Zhi

Name: Qin Zhi
Title: Legal Representative
Company seal: /s/ Beijing Chezhiying Technology Co., Ltd.

Exclusive Technical Consulting and Services Agreement

Scope of Services

1. **Technical Services.** Party B will provide technical services and training to Party A, taking advantage of Party B's advanced network, website and multimedia technologies to improve Party A's system integration. Such technical services shall include:
 - (a) administering, managing and maintaining Party A's information application system and website system infrastructure;
 - (b) providing system optimization plans and implementing optimization features;
 - (c) assuring the security and reliability of the website application systems;
 - (d) procuring, installing and supporting the relevant products produced by Party B, and providing training in the use of those products;
 - (e) managing and maintaining all network and providing technologies to assure the reliability and efficiency thereof;
 - (f) providing information technology services and assuring the reliable operation of the information infrastructure.
2. **Marketing and Management Consulting.** For the purposes of expanding Party A's market share, popularizing its products and creating a efficient internal operations, Party B will provide consulting services regarding marketing and management, which shall include:
 - (a) providing strategic co-operation proposals and recommending relevant partners to Party A, and assisting Party A to establish and develop cooperative relationships with such partners with respect to information networks;
 - (b) providing Party A with market development strategies, including but not limited to the design and improvement of Party A's products, services and business model as well as strategic on its market position and brand-building; and
 - (c) training management personnel and providing management consultation services, including but not limited to regular business training for Party A's management personnel and formulating realistic and effective solutions to existing problems in Party A's business operations.

Calculation and Payment of the Service Fee

DURING THE TERM OF THIS AGREEMENT, THE SERVICE FEE PAYABLE BY PARTY A TO PARTY B FOR SERVICES RENDERED ACCORDING TO EXHIBIT I SHALL BE A FEE IN RMB DETERMINED BY THE FOLLOWING FORMULA:

SERVICE FEE PAYABLE = PARTY A'S REVENUE – TURNOVER TAXES – PARTY A'S TOTAL COSTS – PROFIT TO BE RETAINED BY PARTY A;

Where:

- Party A's Revenue is revenue received by Party A from third parties in the course of its ordinary business;
- Turnover Taxes include, but are not limited to, business tax, value-added tax, urban maintenance and construction tax and education surcharges;
- Party A's Total Costs include all costs and expenses, such as costs of goods sold and operating costs incurred by Party A for carrying out the business, including without limitation any fees to be paid to advertising agency; and
- Profit to be retained by Party A shall be determined by a reputable certified public accountant designated by Party B.

During the term of this Agreement, Party B shall have the right to adjust the above Fees at its sole discretion without the consent of Party A.

Exclusive Technical Consulting and Services Agreement

**Exclusive Technical Consulting and
Services Agreement**

between

Beijing Autohome Used Car Brokerage Co., Ltd

and

Beijing Chezhiying Technology Co., Ltd.

July 8, 2015

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1. APPOINTMENT AND PROVISION OF SERVICES	3
2. INTELLECTUAL PROPERTY RIGHTS	4
3. SERVICE FEE AND PAYMENT	4
4. REPRESENTATIONS AND WARRANTIES	4
5. CONFIDENTIALITY	4
6. BREACH	5
7. FORCE MAJEURE	5
8. EFFECTIVE DATE AND TERM	6
9. TERMINATION	6
10. MISCELLANEOUS	7
EXHIBIT:	
I. SCOPE OF SERVICES	
II. CALCULATION AND PAYMENT OF THE SERVICE FEE	

THIS EXCLUSIVE TECHNICAL CONSULTING AND SERVICES AGREEMENT (**Agreement**) is entered into on July 8, 2016 (**Execution Date**) in Beijing, the People's Republic of China (**PRC**).

between

(1) **Beijing Autohome Used Car Brokerage Co., Ltd** (北京大信旧机动车经纪有限公司), a company duly organized and existing under the PRC laws with its legal address at No.101 Oudebao Vehicles Trading Market, Huilongguan, Changping District, Beijing, China (**Party A**);

and

(2) **Beijing Chezhiying Technology Co., Ltd.** (北京车智赢科技有限公司), a company duly organized and existing under the PRC laws with its legal address at Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China. (**Party B**).

Recitals

- A. Party A is a domestic company duly incorporated and validly existing under the laws of the PRC, which engages in the business of used vehicles brokerages. Party A wishes to develop its technology, to improve its management and increase and enhance its market position.
- B. Party B is a wholly foreign owned enterprise duly incorporated and validly existing under the laws of the PRC, which holds the resources and qualifications for technical and consulting services. Party B is engaged in research and development relating to networks and has expertise in providing technical training and consulting services.

NOW, THEREFORE, the parties agree as follows:

1. **APPOINTMENT AND PROVISION OF SERVICES**

- 1.1 **Scope of Services.** Party A hereby appoints Party B to provide Party A with the Services detailed in the Exhibit I (**Services**).
- 1.2 **Provision of Services.** The Parties agree that Party B shall provide the Services to Party A on an exclusive basis, for the duration of the term of this Agreement and at standards commonly accepted in the market.
- 1.3 **Financial Support.** To ensure that the cash flow requirements of Party A's ordinary operations are met and/or to set off any loss accrued during such operations, Party B is obligated, only to the extent permissible under PRC law, to provide financing support for Party A, whether or not Party A actually incurs any such operational loss. Party B's financing support for Party A may take the form of bank entrusted loans or borrowings. Contracts for any such entrusted loans or borrowings shall be executed separately. Party B will not request repayment if Party A is unable to do so.

2. INTELLECTUAL PROPERTY RIGHTS

The Parties agree that the intellectual property rights created by Party B in the course of performing this Agreement (including without limitation any copyrights, trademarks or logos registered or not, patents and proprietary technology), shall belong to Party B.

3. SERVICE FEE AND PAYMENT

3.1 **Service Fee.** The Parties agree that the Service Fee under this Agreement shall be determined according to the Exhibit II.

3.2 **Payment Method.** Party B shall, within the first 5 days of each month, provide Party A with written statement of the service fee spent providing the Services during the previous month. Party A shall confirm to Party B in writing within 3 business days of receipt that the service fee is correct. If Party A fails to provide such confirmation on time, Party A shall be deemed to have confirmed Party B's statement. Party A shall pay the service fee to Party B's designated account within 10 days after confirming the service fee provided in Party B's statement.

4. REPRESENTATIONS AND WARRANTIES

Each party represents and warrants to the other that, as of the date of signing hereof:

4.1 it has full power and authority as an independent legal person to execute and deliver this Agreement and to carry out its responsibilities and obligations hereunder;

4.2 its execution and performance of this Agreement will not result in a breach of any law, regulation, authorization or agreement to which it is subject.

5. CONFIDENTIALITY

5.1 **Confidentiality Obligations.** The parties shall protect and maintain the confidentiality of all information relating to or arisen from this Agreement, or made available under this Agreement to a party or any associate thereof (**Confidential Information**). Without the prior written consent of the other party, no party shall disclose any Confidential Information to any third party unless the disclosure is required by law or by enforceable orders of the court or related government departments. Under such circumstances, the party required to disclose the Confidential Information shall notify the other party immediately, take all possible measures to minimize the disclosure, and notify the persons to whom information is being disclosed of the confidentiality obligation. Notwithstanding anything to the contrary above, Party A shall have the full right to disclose any Confidential Information to its shareholders, affiliates or professional advisors.

- 5.2 **Obligations upon Termination.** Upon termination of this Agreement, either party shall, at the request of the other party, return any document, material, database, equipment, or software containing the Confidential Information to the other party. If, for any reason, such document, material, database, equipment, or software cannot be returned, either party shall destroy all the Confidential Information belonging to the other party and delete such Confidential Information from any memory devices. No party shall be permitted to continue using the Confidential Information in any way after the termination of this Agreement.
- 5.3 **No Time Limit.** There is no time limit to the confidentiality obligations stipulated in this Article, which obligations will survive the termination of this Agreement unless the Confidential Information is disclosed to the public for reasons not due to the breach of this Agreement by any party.

6. BREACH

- 6.1 **Written Notice.** If a party breaches any of its respective representations, warranties or obligations under this Agreement, the non-breaching party may send a written notice to the breaching party demanding rectification within 10 days.
- 6.2 **Compensation.** The breaching party shall be liable to compensate the non-breaching party for any losses it has sustained as a result of the breach, including loss of profits.

7. FORCE MAJEURE

- 7.1 **Definition.** The term Force Majeure refers to any unforeseeable (or if foreseeable, reasonably unavoidable), event beyond the reasonable control of any party which prevents the performance of this Agreement, including without limitation acts of government, acts of nature, fire, explosion, typhoon, flood, earthquake, tide, lightning and war, but excluding any shortage of credit.

- 7.2 **Exemption.** Where either party fails to perform this Agreement in full or in part due to Force Majeure, such party shall be exempted from its responsibilities hereunder, to the extent of the Force Majeure in question and except where PRC law provides otherwise. For the avoidance of doubt, a party shall not be excused from performing its obligations hereunder where Force Majeure occurs following the delay by that party to perform this Agreement.
- 7.3 **Notice.** Should either party be unable to perform this Agreement as a result of Force Majeure, it shall inform the other party, as soon as possible following the occurrence of such Force Majeure, of the situation and the reason(s) for non-performance, so as to minimize any losses incurred by the other party as a consequence thereof. Furthermore, within a reasonable time after notice of Force Majeure has been given, the party encountering Force Majeure shall provide to the other party a legal certificate issued by a public notary (or other appropriate organization) of the place wherein the Force Majeure occurred, in witness of the same.
- 7.4 **Mitigation.** The party affected by Force Majeure may suspend the performance of its obligations under this Agreement until any disruption resulting from the Force Majeure has been resolved. However, such party shall make every effort to eliminate any obstacles resulting from the Force Majeure, thereby minimizing to the greatest extent possible the adverse effects of such, as well as any resulting losses.

8. EFFECTIVE DATE AND TERM

- 8.1 **Term.** This Agreement shall enter into effect as of the date first indicated above and shall continue for a period of 30 years unless it is extended according to Article 8.2 or terminated early according to Article 9.
- 8.2 **Extension.** This Agreement shall be automatically extended for another ten (10) years except Party B gives its written notice terminating this Agreement three (3) months before the expiration of this Agreement.

9. TERMINATION

- 9.1 **Early Termination.** This Agreement may be terminated early in the following situations:
- 9.1.1 with the mutual written consent of the parties following consultation;

9.1.2 in case of a Force Majeure event prevailing for 30 days or longer, the Parties shall discuss whether performance under this Agreement shall be partially exempted or postponed according to the degree by which such performance is affected by the Force Majeure event; or

9.1.3 by Party B, with 30 days' prior written notice to Party A at any time.

9.2 **Survival of Obligations.** The expiry or early termination of this Agreement for any reason whatsoever shall not affect the payment obligations of the parties hereunder, the respective liability of the parties for damages or the confidentiality obligations of the parties.

10. MISCELLANEOUS

10.1 **Notices and Delivery.** All notices and communications between the parties shall be written in English and delivered in person (including courier service), by facsimile transmission or by registered mail to the appropriate addresses set forth below:

Party A

Address : No. 101 Oudebao Vehicles Trading Market, Huilongguan, Changping District, Beijing, China

Tel : 86-10-59857001

Fax : 86-10-59857400

Attn : Qin Zhi

Party B

Address : Room 1005, F/10, Tower B, No. 3, Danling Street, Haidian District, Beijing, China

Tel : 86-10-59857387

Fax : 86-10-59857001

Attn : Qin Zhi

10.2 **Timing.** The time of receipt of the notice or communication shall be deemed to be:

10.2.1 if in person (including courier), at the time of signing of a receipt by the receiving party or a duly authorized person at the receiving party's address;

- 10.2.2 if by facsimile transmission, at the time displayed in the corresponding transmission record, unless such facsimile is sent after 5:00 p.m. or on a non-business day in the place of receipt, in which case the date of receipt shall be deemed to be the following business day; or
- 10.2.3 if by registered mail, on the 10th day after the date of the receipt of the registered mail.
- 10.3 **No Waiver.** Unless otherwise agreed upon by the parties in writing, any failure or delay on the part of either party to exercise any right, authority or privilege under this Agreement, or under any other agreement relating hereto, shall not operate as a waiver thereof; nor shall any single or partial exercise of any right, authority or privilege preclude any other future exercise thereof.
- 10.4 **Severability.** The provisions of this Agreement are severable from each other. The invalidity of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.
- 10.5 **Successors.** This Agreement shall be valid and binding upon the parties and upon their respective successors and assigns (if any).
- 10.6 **Assignment.** Party A shall not assign its rights or obligations under this Agreement to any third party without the prior written consent of Party B. Party B may transfer its rights or obligations under this Agreement to any third party without the consent of Party A, but shall inform Party A of the above assignment.
- 10.7 **Governing Law.** The execution, validity, interpretation and implementation of this Agreement and the settlement of disputes hereunder shall be governed by PRC law.
- 10.8 **Arbitration.**
- 10.8.1 If any dispute arises in connection with this Agreement, the parties shall attempt in the first instance to resolve such dispute through friendly consultation or mediation.
- 10.8.2 If the dispute cannot be resolved in the above manner within 30 days after the commencement of the consultation or mediation, either party may submit the dispute to arbitration as follows:
- 10.8.2.1 all disputes arising out of or in connection with this Agreement shall be submitted to the China International Economic and Trade Arbitration Commission for arbitration in accordance with the Commission's then-current rules; and
- 10.8.2.2 the arbitration shall be held in Beijing and conducted in the English language, with the arbitral award being final and binding upon the parties.

10.8.3 When any dispute is submitted to arbitration, the parties shall continue to perform their obligations under this Agreement.

10.9 **Entire Agreement.** This Agreement and its Exhibits shall constitute the entire agreement between the parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements, including without limitation, the Original Agreement.

10.10 **Amendments.** Without the prior written consent of Party B, Party A shall not amend this Agreement. If required by law, the parties shall obtain all requisite approvals from the relevant authorities to give effect to the amendment.

10.11 **Language and Copies.**

This Agreement is prepared in both English and Chinese, and both language versions have the same legal effect. This Agreement shall be executed in 2 originals, with 1 original copy for each party.

[The space below is intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their duly authorized representatives on the date first indicated above.

Party A:

Beijing Autohome Used Car Brokerage Co., Ltd

(北京大信旧机动车经纪有限公司)

/s/ Qin Zhi

Name: Qin Zhi

Title: Legal Representative

Company Seal: /s/ Beijing Autohome Used Car Brokerage Co., Ltd

Party B:

Beijing Chezhiying Technology Co., Ltd.

(北京车智赢科技有限公司)

/s/ Qin Zhi

Name: Qin Zhi

Title: Legal Representative

Company seal: /s/ Beijing Chezhiying Technology Co., Ltd.

Exclusive Technical Consulting and Services Agreement

Scope of Services

1. **Technical Services.** Party B will provide technical services and training to Party A, taking advantage of Party B's advanced network, website and multimedia technologies to improve Party A's system integration. Such technical services shall include:
 - (a) administering, managing and maintaining Party A's information application system and website system infrastructure;
 - (b) providing system optimization plans and implementing optimization features;
 - (c) assuring the security and reliability of the website application systems;
 - (d) procuring, installing and supporting the relevant products produced by Party B, and providing training in the use of those products;
 - (e) managing and maintaining all network and providing technologies to assure the reliability and efficiency thereof;
 - (f) providing information technology services and assuring the reliable operation of the information infrastructure.

2. **Marketing and Management Consulting.** For the purposes of expanding Party A's market share, popularizing its products and creating an efficient internal operations, Party B will provide consulting services regarding marketing and management, which shall include:
 - (a) providing strategic co-operation proposals and recommending relevant partners to Party A, and assisting Party A to establish and develop cooperative relationships with such partners with respect to advertising;
 - (b) providing Party A with market development strategies, including but not limited to the design and improvement of Party A's products, services and business model as well as strategic on its market position and brand-building; and
 - (c) training management personnel and providing management consultation services, including but not limited to regular business training for Party A's management personnel and formulating realistic and effective solutions to existing problems in Party A's business operations.

Calculation and Payment of the Service Fee

DURING THE TERM OF THIS AGREEMENT, THE SERVICE FEE PAYABLE BY PARTY A TO PARTY B FOR SERVICES RENDERED ACCORDING TO EXHIBIT I SHALL BE A FEE IN RMB DETERMINED BY THE FOLLOWING FORMULA:

SERVICE FEE PAYABLE = PARTY A'S REVENUE – TURNOVER TAXES – PARTY A'S TOTAL COSTS – PROFIT TO BE RETAINED BY PARTY A;

Where:

- Party A's Revenue is revenue received by Party A from third parties in the course of its ordinary business;
- Turnover Taxes include, but are not limited to, business tax (if applicable), value-added tax, urban maintenance and construction tax and education surcharges;
- Party A's Total Costs include all costs and expenses, such as costs of goods sold and operating costs incurred by Party A for carrying out the business; and
- Profit to be retained by Party A shall be determined by a reputable certified public accountant designated by Party B.

During the term of this Agreement, Party B shall have the right to adjust the above Fees at its sole discretion without the consent of Party A.

Exclusive Technical Consulting and Services Agreement

Equity Interest Pledge Agreement

Between

Beijing Chezhiying Technology Co., Ltd.

and

Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

July 8, 2015

TABLE OF CONTENTS

<u>ARTICLES</u>	<u>PAGES</u>
1. DEFINITIONS	4
2. PLEDGE	5
3. EFFECTIVENESS OF PLEDGE, SCOPE AND TERM	6
4. REPRESENTATIONS AND WARRANTIES OF THE PLEDGOR	7
5. COVENANTS OF THE PLEDGOR	7
6. EVENTS OF DEFAULT	8
7. EXERCISE OF THE RIGHTS OF THE PLEDGE	10
8. TRANSFER OR ASSIGNMENT	10
9. TERMINATION	11
10. FORCE MAJEURE	11
11. APPLICABLE LAW AND DISPUTE RESOLUTION	11
12. NOTICE	12
13. APPENDICES	12
14. WAIVER	13
15. MISCELLANEOUS	13

This Equity Interest Pledge Agreement (this “**Agreement**”) is entered in Beijing, the People’s Republic of China (“**PRC**”, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan, for the purposes of this Agreement) and dated July 8, 2015 by and between the following parties:

(1) **PLEDGEE: Beijing Chezhiying Technology Co., Ltd.** (北京车智赢科技有限公司), a wholly foreign owned enterprise duly incorporated and validly existing under the laws of the PRC, with its registered address at Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China.

and

(2) **PLEDGOR: Beijing Shengtuo Hongyuan Information Technology Co., Ltd.** (北京盛拓鸿远信息技术有限公司), a company duly organized and existing under the PRC laws with its legal address at Room 1005, F/10, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China.

(individually a “**Party**” and collectively the “**Parties**”)

WHEREAS:

- A. Pledgor is a PRC domestic company, and holds 100 % of the equity interest of Autohome Used Car Appraisal Co., Ltd. (北京必信行二手车鉴定评估有限公司) (“**Autohome Used Car Appraisal**”).
- B. Autohome Used Car Appraisal is a limited liability company registered in Beijing, which engages in the business of used car appraisal services.
- C. The Pledgee, a wholly foreign-owned company registered in Beijing, PRC, and has been licensed by the relevant PRC government authority to carry on the business of technology-related research and development, website design, transfer of technology, technology training and consulting, and the sale of its own products. The Pledgee and Autohome Used Car Appraisal entered into an Exclusive Technical and Consulting Services Agreement on July 8, 2015, pursuant to which Autohome Used Car Appraisal is required to pay service fees (the “**Service Fees**”) to the Pledgee in consideration for the corresponding services to be provided by the Pledgee (the “**Services Agreement**”).
- D. Simultaneous with the execution of this Agreement, the Pledgor has also entered into an Equity Option Agreement with the Pledgee, pursuant to which the Pledgor grants to the Pledgee an exclusive right to purchase the Equity Interest (as defined below) at any time upon satisfaction of various requirements under PRC law (the “**Option Agreement**”).

E. In order to ensure that (i) the Pledgee collects Service Fees under the Services

Agreement from Autohome Used Car Appraisal, (ii) the Pledgor' other obligations under the Option Agreement are fulfilled, and (iii) all other debts, monetary liabilities or other payment obligations owed to the Pledgee by the Pledgor and/or Autohome Used Car Appraisal, arising under or in relation to the Services Agreement including, but not limited to, any obligation to pay damages for a breach of any obligation of the Pledgor or Autohome Used Car Appraisal under the Services Agreement (as applicable), are paid, the Pledgor is willing to pledge all the Equity Interest (as defined below,) i.e. the 100% equity interest of Autohome Used Car Appraisal, equivalent to a contribution of RMB 2,000,000, to the Pledgee as security for the above-mentioned obligations of the Pledgor and Autohome Used Car Appraisal (collectively, the "**Secured Obligations**").

In order to set forth each Party's rights and obligations, the Pledgee and the Pledgor through mutual negotiations hereby enter into this Agreement based upon the following terms:

1. Definitions

Unless otherwise provided in this Agreement, the following terms shall have the following meanings:

- 1.1 "**Pledge**" means the full content of Section 2 hereunder.
- 1.2 "**Equity Interest**" means all the equity interests in Autohome Used Car Appraisal held by the Pledgor (including all present and future rights and benefits based on such equity interests), and any additional equity interests in Autohome Used Car Appraisal acquired by such Pledgor subsequent to the date hereof. For the avoidance of any doubt, on the date hereof, the Pledgor holds a 100% equity interest (equivalent to a contribution of RMB 2,000,000) in Autohome Used Car Appraisal.
- 1.3 "**Event of Default**" means any event in accordance with Section 6 hereunder.
- 1.4 "**Notice of Default**" means the notice of default issued by the Pledgee in accordance with this Agreement.
- 1.5 "**Effective Date**" This Agreement shall be effective upon its being signed by the Parties hereunder. Notwithstanding the foregoing, the Pledge (as defined in Section 2.1) shall only come into effect in accordance with Section 3 of this Agreement.

2. **Pledge**

2.1 Each Pledgor hereby pledges, and if required, transfers and assigns the Equity Interest to the Pledgee as security for all of the Secured Obligations (the "**Pledge**") of an amount up to the Maximum Amount (as defined below), and grant a first priority security interest in all rights, titles and interests that it has or may at any time hereafter acquire in and to the Equity Interest, together with all equity or other ownership interests representing a dividend on the Equity Interest, a distribution or return of capital upon or in respect of such Equity Interest, any subscription, first refusal, pre-emptive or other purchase rights with respect to or arising from such Equity Interest, any voting rights with respect to such Equity Interest or any other interest in Autohome Used Car Appraisal which, by reason of notice or lapse of time or the occurrence of other events, may be converted into a direct equity interest in Autohome Used Car Appraisal, and all proceeds of the foregoing (collectively, the "**Pledged Collateral**").

2.1.1 The Parties understand and agree that the monetary valuation arising from, relating to or in connection with the Secured Obligations shall be a variable and floating valuation until the Settlement Date (as defined below). Therefore, based on the reasonable assessment and evaluation by the Pledgor and the Pledgee of the Secured Obligations and the Pledged Collateral, the Pledgor and the Pledgee mutually acknowledge and agree that the Pledge shall aggregately secure the Secured Obligations for a maximum amount of RMB 2,000,000 (the "**Maximum Amount**") prior to the Settlement Date.

The Pledgor and the Pledgee may, taking into account the fluctuation in the monetary value of the Secured Obligations and the Pledged Collateral, adjust the Maximum Amount based on mutual agreement by amending and supplementing this Agreement, from time to time, prior to the Settlement Date.

2.1.2 Upon the occurrence of any of the events below (each an "**Event of Settlement**"), the Secured Obligations shall be fixed at a value of the sum of all Secured Obligations that are due, outstanding and payable to the Pledgee on or immediately prior to the date of such occurrence (the "**Fixed Obligations**"):

- (a) any or all of the Services Agreements or the Option Agreements expires or is terminated pursuant to the stipulations thereunder;
- (b) the occurrence of an Event of Default pursuant to Section 6 that is not resolved, which results in the Pledgee serving a Notice of Default to the relevant Pledgor(s) pursuant to Section 6.3;

- (c) the Pledgee reasonably determines (having made due enquiries) that the Pledgor and/or Autohome Used Car Appraisal is insolvent or could potentially be made insolvent; or
- (d) any other event that requires the settlement of the Secured Obligations in accordance with relevant laws of the PRC.

- 2.2 For the avoidance of doubt, the day of the occurrence of an Event of Settlement shall be the settlement date (the “**Settlement Date**”). On or after the Settlement Date, the Pledgee shall be entitled, at the election of the Pledgee, to enforce the Pledge in accordance with Section 7.
- 2.3 The Pledgee is entitled to collect any and all dividends or other distributions, if any, arising from the Equity Interest during the Term of the Pledge (as defined below).

3. **Effectiveness of Pledge, Scope and Term**

- 3.1 The Pledgor shall, promptly after the execution of this Agreement, but in no event later than 10 days from the date of this Agreement, register this Agreement and the Pledge hereunder with the State Administration for Industry and Commerce of the PRC or its competent local counterpart (the “**AIC**”). The Pledgor shall deliver to the Pledgee a copy of the registration or filing certificate from the AIC within 7 days from the date of submission of the application for registration of this Agreement and Pledge with the AIC.
- 3.2 The Pledge shall be effective upon the registration of the Pledge with the AIC in accordance with Section 3.1 above. The term of the Pledge shall commence on the date when the Pledge is registered with the AIC and shall expire on the earlier of (a) the date on which all outstanding Secured Obligations are paid in full or otherwise satisfied (as applicable) or (b) the Pledgee enforces the Pledge pursuant to the terms and conditions hereof, to satisfy its rights under the Secured Obligations and Pledged Collateral in full or (c) the Pledgor completes its transfer of the Equity Interest to another party (individual or legal entity) pursuant to the Option Agreement and no longer holds any equity interest in Autohome Used Car Appraisal (the “**Term of the Pledge**”).

4. Representations and Warranties of the Pledgor

The Pledgor hereby makes the following representations and warranties to the Pledgee and confirms that the Pledgee executes this Agreement in reliance on such representations and warranties:

- 4.1 The Pledgor is the legal owner of the Equity Interest that has been registered in his/her name, and is entitled to create a pledge on such Equity Interest.
- 4.2 None of the Pledged Collateral or the Pledge will be interfered with by any other pledgee at any time once the Pledgee exercises the rights of the Pledge in accordance with this Agreement.
- 4.3 The Pledgee shall be entitled to dispose or assign the Pledge in accordance with the relevant laws and this Agreement.
- 4.4 All necessary authorizations have been obtained for the execution and performance of this Agreement by the Pledgor and the execution and performance of this Agreement by the Pledgor does not violate any applicable laws or regulations. The representative of the Pledgor who signs this Agreement is lawfully and effectively authorized.
- 4.5 The Pledgor warrants that there is no on-going civil, administrative or criminal litigation or administrative punishment or arbitration related to the Equity Interest and is not aware of any such action pending or likely to be pending in the future as of the date of this Agreement.
- 4.6 There are no outstanding taxes, fees or undecided legal procedures related to the Equity Interest as of the date of this Agreement.
- 4.7 Each stipulation hereunder is the expression of each Party's true intention and shall be binding upon all the Parties.

5. Covenants of the Pledgor

- 5.1 The Pledgor covenants to the Pledgee that it shall:
 - 5.1.1 not transfer or assign the Equity Interest, or create or permit to be created any pledge, lien, charge, mortgage, encumbrance, option, security or other interest in or over the Equity Interest that has been registered in its name, other than the Pledge created hereunder and the option granted under the Option Agreement, without the prior written consent from the Pledgee;
 - 5.1.2 comply with and implement laws and regulations with respect to the pledge of rights, present to the Pledgee the notices, orders or suggestions with respect to the Pledge issued or made by the competent authority within 5 days upon receiving such notices, orders or suggestions and take actions in accordance with the reasonable instructions of the Pledgee; and
 - 5.1.3 timely notify the Pledgee of any events or any received notices (i) which may affect the Equity Interest or any part of the Pledgee's rights, (ii) which may change the Pledgor's covenants or obligations under this Agreement or (iii) which may affect the Pledgor's performance of their obligations under this Agreement, and take actions in accordance with the reasonable instructions of the Pledgee.

- 5.2 The Pledgor agrees that the Pledgee's right of exercising the Pledge under this Agreement shall not be suspended or hampered by the Pledgor or any successors of the Pledgor or any person authorized by the Pledgor.
- 5.3 The Pledgor jointly and severally covenants to the Pledgee that in order to protect or perfect the security over the Secured Obligations, the Pledgor shall (i) execute in good faith and cause other parties who have interests in the Pledge to execute all the forms, instruments, agreements (including those required for the registration and de-registration of the Pledge with the AIC), and/or (ii) take actions and cause other parties who have interests in the Pledge to take actions as required by the Pledgee and (iii) allow the Pledgee to exercise the rights and authorization vested in the Pledgee under this Agreement.
- 5.4 The Pledgor agrees to promptly make or cause to be made any filings or records, give or cause to be given any notices and take or cause to be taken any other actions as may be necessary under the laws of the PRC, to perfect the Pledge of the Pledged Collateral, including the AIC registration set forth in Section 3.1.
- 5.5 The Pledgor covenants to the Pledgee that it will comply with and perform all the guarantees, covenants, agreements, representations and conditions for the benefits of the Pledgee. The Pledgor shall compensate for all the losses suffered by the Pledgee for such Pledgor's failure to perform or fully perform its guarantees, covenants, agreements, representations or conditions.

6. Events of Default

- 6.1 Each of the following shall constitute an Event of Default:
- 6.1.1 Autohome Used Car Appraisal or the Pledgor fails to make full and timely payment of any amounts due under the Secured Obligations as required under the Services Agreement or Option Agreement, or an event of default (as defined and stipulated in those agreements) has occurred and is continuing;

- 6.1.2 the Pledgor makes or has made any inaccurate, incomplete, misleading or untrue representations or warranties under Section 4, or is in violation or breach of any of the representations and warranties under Section 4;
- 6.1.3 the Pledgor breaches any of the covenants under Section 5;
- 6.1.4 the Pledgor breaches any other covenants, undertakings or obligations of the Pledgor set forth herein;
- 6.1.5 the Pledgor is unable to perform its obligations under this Agreement due to the separation or merger of Autohome Used Car Appraisal with other third parties or for any other reason;
- 6.1.6 the Pledgor relinquishes all or any part of the Pledged Collateral or transfers or assigns all or any part of the Pledged Collateral without the prior written consent of the Pledgee (except the transfers or assigns permitted under the Option Agreement);
- 6.1.7 any indebtedness, guarantee or other obligation of the Pledgor, whether pursuant to a contract or otherwise, (i) is accelerated as a result of a default thereunder and is required to be repaid or performed prior to the due date; or (ii) has become due and is not repaid or performed when due which, in the Pledgee's reasonable view, has materially adversely affected the Pledgor's ability to perform their obligations under this Agreement;
- 6.1.8 this Agreement is illegal as a result of any applicable laws or the Pledgor is restricted from continuing to perform its obligations under this Agreement;
- 6.1.9 any approval, permit, license or authorization from any applicable governmental entity (or registration or filing procedure) required for Autohome Used Car Appraisal to provide used car appraisal services in the PRC is withdrawn, suspended, invalidated or materially amended;
- 6.1.10 any approval, permit, license or authorization from any applicable government authority required to perform this Agreement or make this Agreement enforceable, legal and valid is withdrawn, suspended, invalidated or materially amended; or
- 6.1.11 any property owned by the Pledgor is altered or damaged which, in the Pledgee's reasonable view, has materially adversely affected the Pledgor's ability to perform their obligations under this Agreement.

6.2 The Pledgor shall immediately give a written notice to the Pledgee if the Pledgor is aware or find that any event set forth in Section 6.1 or any events that may result in the foregoing events have occurred or are occurring.

6.3 Unless an Event of Default set forth in Section 6.1 has been rectified to the Pledgee's satisfaction, the Pledgee, at any time the event of default occurs or thereafter, may give a written notice of default to the Pledgor, and require the Pledgor, at the discretion of the Pledgee, to immediately make full payment of the outstanding amounts payable under the Services Agreements, and/or Option Agreements, and other payables, or dispose of the Pledge in accordance with Section 7 herein.

7. Exercise of the Rights of the Pledge

7.1 The Pledgor shall not transfer or assign the Pledge without prior written approval from the Pledgee prior to the full settlement and fulfillment of the Secured Obligations.

7.2 The Pledgee shall give a notice of default to the Pledgor(s) when the Pledgee exercises the rights of Pledge.

7.3 Subject to Section 6.3, the Pledgee may exercise the right to dispose of the Pledge at any time when the Pledgee gives a notice of default in accordance with Section 6.3 or thereafter.

7.4 The Pledgee is entitled to have priority in receiving payment by the evaluation or proceeds from the auction or sale of whole or part of the Pledged Collateral in accordance with legal procedures until the outstanding Secured Obligation or other monetary obligations payable by the Pledgor and/or Autohome Used Car Appraisal is fully paid, repaid or otherwise settled.

7.5 The Pledgor shall not hinder the Pledgee from disposing the Pledge in accordance with this Agreement and shall give necessary assistance so that the Pledgee could realize its Pledge.

8. Transfer or Assignment

8.1 The Pledgor shall not donate or transfer their rights and obligations herein to any third party without prior written consent from the Pledgee.

8.2 This Agreement shall be binding upon the Pledgor and their successors and be effective to the Pledgee and its each successor and assignee.

8.3 The Pledgee may transfer or assign all Secured Obligations and its right to the Pledge to any third party at any time. In this case, the assignee shall enjoy and undertake the same rights and obligations herein of the Pledgee as if the assignee is a party hereto. When the Pledgee transfers or assigns the Secured Obligations and its rights to the Pledge, at the request of the Pledgee, the Pledgor shall execute the relevant agreements and/or documents with respect to such transfer or assignment.

8.4 After a change to the Pledgee resulting from a transfer or assignment, the new parties to the pledge shall re-execute a pledge contract.

9. Termination

This Agreement shall not terminate until the Term of the Pledge expires pursuant to Section 3 herein.

10. Force Majeure

10.1 If this Agreement is delayed in or prevented from performing in the Event of Force Majeure (“**Event of Force Majeure**”), only within the limitation of such delay or prevention, the affected Party is absolved from any liability under this Agreement. Force Majeure, which includes acts of governments, acts of nature, fire, explosion, geographic change, flood, earthquake, tide, lightning, war, means any unforeseen events beyond the prevented Party’s reasonable control and cannot be prevented with reasonable care. However, any shortage of credit, capital or finance shall not be regarded as an event beyond a Party’s reasonable control. The Party affected by Force Majeure who claims for exemption from performing any obligations under this Agreement or under any Section herein shall notify the other party of such exemption promptly and advise him of the steps to be taken for completion of the performance.

10.2 The Party affected by Force Majeure shall not assume any liability under this Agreement. However, subject to the Party affected by Force Majeure having taken its reasonable and practicable efforts to perform this Agreement, the Party claiming for exemption of the liabilities may only be exempted from performing such liability as within limitation of the part performance delayed or prevented by Force Majeure. Once causes for such exemption of liabilities are rectified and remedied, both parties agree to resume performance of this Agreement with their best efforts.

11. Applicable Law and Dispute Resolution

11.1 The execution, validity, performance and interpretation of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

- 11.2 The Parties shall strive to settle any dispute arising from the interpretation or performance through friendly consultation. In case no settlement can be reached through consultation, each party can submit such matter to China International Economic and Trade Arbitration Commission (“CIETAC”) for arbitration. The arbitration shall follow the then current rules of CIETAC, and the arbitration proceedings shall be conducted in Chinese and shall take place in Beijing. The arbitration award shall be final and binding upon the Parties. This article shall not be affected by the termination or elimination of this Agreement.
- 11.3 In case of any disputes arising out of the interpretation and performance of this Agreement or any pending arbitration of such dispute, each Party shall continue to perform their obligations under this Agreement, except for the matters in dispute.

12. **Notice**

Any notice or correspondence, which is given by the Party as stipulated hereunder, shall be in Chinese and English writing and shall be delivered in person or by registered or prepaid mail or recognized express service, or be transmitted by telex or facsimile to the following addresses:

Pledgee : **Beijing Chezhiying Technology Co., Ltd. (北京车智赢科技有限公司)**
Address : Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Fax : 010-59857387
Tele : 010-59857001
Addressee : Qin Zhi

Pledgor : **Beijing Shengtuo Hongyuan Information Technology Co., Ltd. (北京盛拓鸿远信息技术有限公司)**
Address : Room 1005, F/10, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China.
Fax : 010-59857400
Tele : 010-59857002
Addressee : Qin Zhi

13. **Appendices**

The appendices to this Agreement constitute an integral part of this Agreement.

14. Waiver

The Pledgee's non-exercise or delay in exercise of any rights, remedies, power or privileges hereunder shall not be deemed as the waiver of such rights, remedies, power or privileges. Any single or partial exercise of the rights, remedies, power and privileges shall not exclude the Pledgee from exercising any other rights, remedies, power and privileges. The rights, remedies, power and privileges hereunder are accumulative and shall not exclude the application of any other rights, remedies, power and privileges stipulated by laws.

15. Miscellaneous

- 15.1 Any amendments, modifications or supplements to this Agreement shall be in writing and come into effect upon being executed and sealed by the Parties hereto.
- 15.2 In case any terms and stipulations in this Agreement are regarded as illegal or can not be performed in accordance with the applicable law, such terms and stipulations shall be deemed to ineffective and not enforceable within the scope governed by the applicable law, and the remaining stipulations will remain effective.
- 15.3 This Agreement, the Services Agreement, the Equity Option Agreement shall constitute the entire agreement among the parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements related thereto.

[The space below is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on their behalf by a duly authorized representative as of the date first written above.

PLEDGEE: Beijing Chezhiying Technology Co., Ltd.

(北京车智赢科技有限公司)
(Company Seal: /s/ Beijing Chezhiying
Technology Co., Ltd.)

By: /s/ Qin Zhi

Qin Zhi

Authorized Representative

PLEDGOR: Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

(北京盛拓鸿远信息技术有限公司)
(Company Seal: /s/ Beijing Shengtuo
Hongyuan Information
Technology Co., Ltd.)

By: /s/ Qin Zhi

Qin Zhi

Authorized Representative

Equity Interest Pledge Agreement

Equity Interest Pledge Agreement

Between

Beijing Chezhiying Technology Co., Ltd.

and

Beijing Shengtuo Hongyuan Information Technology Co.

July 8, 2015

TABLE OF CONTENTS

<u>ARTICLES</u>	<u>PAGES</u>
1. DEFINITIONS	4
2. PLEDGE	4
3. EFFECTIVENESS OF PLEDGE, SCOPE AND TERM	6
4. REPRESENTATIONS AND WARRANTIES OF THE PLEDGOR	6
5. COVENANTS OF THE PLEDGOR	7
6. EVENTS OF DEFAULT	8
7. EXERCISE OF THE RIGHTS OF THE PLEDGE	10
8. TRANSFER OR ASSIGNMENT	10
9. TERMINATION	11
10. FORCE MAJEURE	11
11. APPLICABLE LAW AND DISPUTE RESOLUTION	11
12. NOTICE	12
13. APPENDICES	12
14. WAIVER	12
15. MISCELLANEOUS	13

This Interest Pledge Agreement (this “**Agreement**”) is entered in Beijing, the People’s Republic of China (“**PRC**”, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan, for the purposes of this Agreement) and dated on July 8, 2015 by and among the following parties:

(1) **PLEDGEE: Beijing Chezhiying Technology Co., Ltd. (北京车智赢科技有限公司)**, a wholly foreign owned enterprise duly incorporated and validly existing under the laws of the PRC, with its registered address at Room1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing, China.

and

(2) **PLEDGOR: Beijing Shengtuo Hongyuan Information Technology Co., Ltd. (北京盛拓鸿远信息技术有限公司)**, a limited liability company duly incorporated and validly existing under the laws of the PRC, with its registered address at Room 1005, F/10, Tower B, No. 3, Danling Street, Haidian District, Beijing, China..

(individually a “**Party**” and collectively the “**Parties**”)

WHEREAS:

- A. Pledgor is a PRC limited company, and holds 100 % of the equity interest of Beijing Autohome Used Car Brokerage Co., Ltd (北京大信旧机动车经纪有限公司) (“**Autohome Brokerage**”).
- B. Autohome Brokerage is a limited liability company registered in Beijing, which engages in the business of used vehicles brokerage.
- C. The Pledgee, a wholly foreign-owned company registered in Beijing, PRC, and has been licensed by the relevant PRC government authority to carry on the business of internet technology development, technology promotion, technology transfer, technology consulting, technology service; computer system integration; trading consulting; business information consulting. The Pledgee and Autohome Brokerage entered into an Exclusive Technical and Consulting Services Agreement on July 8, 2015, pursuant to which Autohome Brokerage required to pay service fees (the “**Service Fees**”) to the Pledgee in consideration for the corresponding services to be provided by the Pledgee (the “**Services Agreement**”).
- D. Simultaneous with the execution of this Agreement, the Pledgor has also entered into an Equity Option Agreement with the Pledgee, pursuant to which the Pledgor grants to the Pledgee an exclusive right to purchase the Equity Interest (as defined below) at any time upon satisfaction of various requirements under PRC law (the “**Option Agreement**”).

- E. In order to ensure that (i) the Pledgee collects Service Fees under the Services Agreement from Autohome Brokerage, (ii) the Pledgor' other obligations under the Option Agreement are fulfilled, and (iii) all other debts, monetary liabilities or other payment obligations owed to the Pledgee by the Pledgor and/or Autohome Brokerage, arising under or in relation to the Services Agreement including, but not limited to, any obligation to pay damages for a breach of any obligation of the Pledgor or Autohome Brokerage under the Services Agreement, are paid, the Pledgor is willing to pledge all the Equity Interest (as defined below,) i.e. the 100% equity interest of Autohome Brokerage, equivalent to a contribution of RMB 2,000,000 to the Pledgee as security for the above-mentioned obligations of the Pledgor and Autohome Brokerage (collectively, the "**Secured Obligations**").

In order to set forth each Party's rights and obligations, the Pledgee and the Pledgor through mutual negotiations hereby enter into this Agreement based upon the following terms:

1. **Definitions**

Unless otherwise provided in this Agreement, the following terms shall have the following meanings:

- 1.1 "**Pledge**" means the full content of Section 2 hereunder.
- 1.2 "**Equity Interest**" means all the equity interests in Autohome Brokerage held by the Pledgor (including all present and future rights and benefits based on such equity interests), and any additional equity interests in Autohome Brokerage acquired by such Pledgor subsequent to the date hereof. For the avoidance of any doubt, on the date hereof, the Pledgor holds a 100% equity interest (equivalent to a contribution of RMB2,000,000) in Autohome Brokerage.
- 1.3 "**Event of Default**" means any event in accordance with Section 6 hereunder.
- 1.4 "**Notice of Default**" means the notice of default issued by the Pledgee in accordance with this Agreement.
- 1.5 "**Effective Date**" This Agreement shall be effective upon its being signed by the Parties hereunder. Notwithstanding the foregoing, the Pledge (as defined in Section 2.1) shall only come into effect in accordance with Section 3 of this Agreement.

2. **Pledge**

2.1 Pledgor hereby pledges, and if required, transfers and assigns the Equity Interest to the Pledgee as security for all of the Secured Obligations (the "**Pledge**") of an amount up to the Maximum Amount (as defined below), and grant a first priority security interest in all rights, titles and interests that he has or may at any time hereafter acquire in and to the Equity Interest, together with all equity or other ownership interests representing a dividend on the Equity Interest, a distribution or return of capital upon or in respect of such Equity Interest, any subscription, first refusal, pre-emptive or other purchase rights with respect to or arising from such Equity Interest, any voting rights with respect to such Equity Interest or any other interest in Autohome Brokerage which, by reason of notice or lapse of time or the occurrence of other events, may be converted into a direct equity interest in Autohome Brokerage, and all proceeds of the foregoing (collectively, the "**Pledged Collateral**").

2.1.1 The Parties understand and agree that the monetary valuation arising from, relating to or in connection with the Secured Obligations shall be a variable and floating valuation until the Settlement Date (as defined below). Therefore, based on the reasonable assessment and evaluation by the Pledgor and the Pledgee of the Secured Obligations and the Pledged Collateral, the Pledgor and the Pledgee mutually acknowledge and agree that the Pledge shall aggregately secure the Secured Obligations for a maximum amount of RMB 2,000,000 (the "**Maximum Amount**") prior to the Settlement Date.

The Pledgor and the Pledgee may, taking into account the fluctuation in the monetary value of the Secured Obligations and the Pledged Collateral, adjust the Maximum Amount based on mutual agreement by amending and supplementing this Agreement, from time to time, prior to the Settlement Date.

2.1.2 Upon the occurrence of any of the events below (each an "**Event of Settlement**"), the Secured Obligations shall be fixed at a value of the sum of all Secured Obligations that are due, outstanding and payable to the Pledgee on or immediately prior to the date of such occurrence (the "**Fixed Obligations**");

- (a) any or all of the Services Agreements or the Option Agreements expires or is terminated pursuant to the stipulations thereunder;
- (b) the occurrence of an Event of Default pursuant to Section 6 that is not resolved, which results in the Pledgee serving a Notice of Default to the relevant Pledgor(s) pursuant to Section 6.3;

- (c) the Pledgee reasonably determines (having made due enquiries) that any of the Pledgor and/or Autohome Brokerage is insolvent or could potentially be made insolvent; or
 - (d) any other event that requires the settlement of the Secured Obligations in accordance with relevant laws of the PRC.
- 2.2 For the avoidance of doubt, the day of the occurrence of an Event of Settlement shall be the settlement date (the "Settlement Date"). On or after the Settlement Date, the Pledgee shall be entitled, at the election of the Pledgee, to enforce the Pledge in accordance with Section 7.
- 2.3 The Pledgee is entitled to collect any and all dividends or other distributions, if any, arising from the Equity Interest during the Term of the Pledge (as defined below).

3. Effectiveness of Pledge, Scope and Term

- 3.1 The Pledgor shall, promptly after the execution of this Agreement, but in no event later than 10 days from the date of this Agreement, register this Agreement and the Pledge hereunder with the State Administration for Industry and Commerce of the PRC or its competent local counterpart (the "AIC"). The Pledgor shall deliver to the Pledgee a copy of the registration or filing certificate from the AIC within 7 days from the date of submission of the application for registration of this Agreement and Pledge with the AIC.
- 3.2 The Pledge shall be effective upon the registration of the Pledge with the AIC in accordance with Section 3.1 above. The term of the Pledge shall commence on the date when the Pledge is registered with the AIC and shall expire on the earlier of (a) the date on which all outstanding Secured Obligations are paid in full or otherwise satisfied (as applicable) or (b) the Pledgee enforces the Pledge pursuant to the terms and conditions hereof, to satisfy its rights under the Secured Obligations and Pledged Collateral in full or (c) the Pledgor completes her transfer of the Equity Interest to another party (individual or legal entity) pursuant to the Option Agreement and no longer holds any equity interest in Autohome Brokerage (the "**Term of the Pledge**").

4. Representations and Warranties of the Pledgor

The Pledgor hereby makes the following representations and warranties to the Pledgee and confirms that the Pledgee executes this Agreement in reliance on such representations and warranties:

- 4.1 The Pledgor is the legal owner of the Equity Interest that has been registered in its name, and is entitled to create a pledge on such Equity Interest.
- 4.2 None of the Pledged Collateral or the Pledge will be interfered with by any other pledgee at any time once the Pledgee exercises the rights of the Pledge in accordance with this Agreement.
- 4.3 The Pledgee shall be entitled to dispose or assign the Pledge in accordance with the relevant laws and this Agreement.
- 4.4 All necessary authorizations have been obtained for the execution and performance of this Agreement by the Pledgor and the execution and performance of this Agreement by the Pledgor does not violate any applicable laws or regulations. The representative of the Pledgor who signs this Agreement is lawfully and effectively authorized.
- 4.5 The Pledgor warrants that there is no on-going civil, administrative or criminal litigation or administrative punishment or arbitration related to the Equity Interest and is not aware of any such action pending or likely to be pending in the future as of the date of this Agreement.
- 4.6 There are no outstanding taxes, fees or undecided legal procedures related to the Equity Interest as of the date of this Agreement.
- 4.7 Each stipulation hereunder is the expression of each Party's true intention and shall be binding upon all the Parties.

5. **Covenants of the Pledgor**

- 5.1 The Pledgor covenants to the Pledgee that it shall:
 - 5.1.1 not transfer or assign the Equity Interest, or create or permit to be created any pledge, lien, charge, mortgage, encumbrance, option, security or other interest in or over the Equity Interest that has been registered in its name, other than the Pledge created hereunder and the option granted under the Option Agreement, without the prior written consent from the Pledgee;
 - 5.1.2 comply with and implement laws and regulations with respect to the pledge of rights, present to the Pledgee the notices, orders or suggestions with respect to the Pledge issued or made by the competent authority within 5 days upon receiving such notices, orders or suggestions and take actions in accordance with the reasonable instructions of the Pledgee; and

- 5.1.3 timely notify the Pledgee of any events or any received notices (i) which may affect the Equity Interest or any part of the Pledgee's rights, (ii) which may change the Pledgor's covenants or obligations under this Agreement or (iii) which may affect the Pledgor's performance of their obligations under this Agreement, and take actions in accordance with the reasonable instructions of the Pledgee.
- 5.2 The Pledgor agrees that the Pledgee's right of exercising the Pledge under this Agreement shall not be suspended or hampered by the Pledgor or any successors of the Pledgor or any person authorized by the Pledgor.
- 5.3 The Pledgor covenants to the Pledgee that in order to protect or perfect the security over the Secured Obligations, the Pledgor shall (i) execute in good faith and cause other parties who have interests in the Pledge to execute all the forms, instruments, agreements (including those required for the registration and de-registration of the Pledge with the AIC), and/or (ii) take actions and cause other parties who have interests in the Pledge to take actions as required by the Pledgee and (iii) allow the Pledgee to exercise the rights and authorization vested in the Pledgee under this Agreement.
- 5.4 The Pledgor agrees to promptly make or cause to be made any filings or records, give or cause to be given any notices and take or cause to be taken any other actions as may be necessary under the laws of the PRC, to perfect the Pledge of the Pledged Collateral, including the AIC registration set forth in Section 3.1.
- 5.5 The Pledgor covenants to the Pledgee that he will comply with and perform all the guarantees, covenants, agreements, representations and conditions for the benefits of the Pledgee. The Pledgor shall compensate for all the losses suffered by the Pledgee for such Pledgor's failure to perform or fully perform its guarantees, covenants, agreements, representations or conditions.

6. Events of Default

- 6.1 Each of the following shall constitute an Event of Default:
- 6.1.1 Autohome Brokerage or the Pledgor fails to make full and timely payment of any amounts due under the Secured Obligations as required under the Services Agreement or Option Agreement, or an event of default (as defined and stipulated in those agreements) has occurred and is continuing;
- 6.1.2 the Pledgor makes or has made any inaccurate, incomplete, misleading or untrue representations or warranties under Section 4, or is in violation or breach of any of the representations and warranties under Section 4;

- 6.1.3 the Pledgor breaches any of the covenants under Section 5;
- 6.1.4 the Pledgor breaches any other covenants, undertakings or obligations of the Pledgor set forth herein;
- 6.1.5 the Pledgor is unable to perform its obligations under this Agreement due to the separation or merger of Autohome Brokerage with other third parties or for any other reason;
- 6.1.6 the Pledgor relinquishes all or any part of the Pledged Collateral or transfers or assigns all or any part of the Pledged Collateral without the prior written consent of the Pledgee (except the transfers or assigns permitted under the Option Agreement);
- 6.1.7 any indebtedness, guarantee or other obligation of the Pledgor, whether pursuant to a contract or otherwise, (i) is accelerated as a result of a default thereunder and is required to be repaid or performed prior to the due date; or (ii) has become due and is not repaid or performed when due which, in the Pledgee's reasonable view, has materially adversely affected the Pledgor's ability to perform their obligations under this Agreement;
- 6.1.8 this Agreement is illegal as a result of any applicable laws or the Pledgor is restricted from continuing to perform its obligations under this Agreement;
- 6.1.9 any approval, permit, license or authorization from any applicable governmental entity (or registration or filing procedure) required for Autohome Brokerage to provide used vehicles brokerage service in the PRC is withdrawn, suspended, invalidated or materially amended;
- 6.1.10 any approval, permit, license or authorization from any applicable government authority required to perform this Agreement or make this Agreement enforceable, legal and valid is withdrawn, suspended, invalidated or materially amended; or
- 6.1.11 any property owned by the Pledgor is altered or damaged which, in the Pledgee's reasonable view, has materially adversely affected the Pledgor's ability to perform their obligations under this Agreement.

- 6.2 The Pledgor shall immediately give a written notice to the Pledgee if the Pledgor is aware or find that any event set forth in Section 6.1 or any events that may result in the foregoing events have occurred or are occurring.
- 6.3 Unless an Event of Default set forth in Section 6.1 has been rectified to the Pledgee's satisfaction, the Pledgee, at any time the event of default occurs or thereafter, may give a written notice of default to the Pledgor, and require the Pledgor, at the discretion of the Pledgee, to immediately make full payment of the outstanding amounts payable under the Services Agreements, and/or Option Agreements, and other payables, or dispose of the Pledge in accordance with Section 7 herein.

7. Exercise of the Rights of the Pledge

- 7.1 The Pledgor shall not transfer or assign the Pledge without prior written approval from the Pledgee prior to the full settlement and fulfillment of the Secured Obligations.
- 7.2 The Pledgee shall give a notice of default to the Pledgor(s) when the Pledgee exercises the rights of Pledge.
- 7.3 Subject to Section 6.3, the Pledgee may exercise the right to dispose of the Pledge at any time when the Pledgee gives a notice of default in accordance with Section 6.3 or thereafter.
- 7.4 The Pledgee is entitled to have priority in receiving payment by the evaluation or proceeds from the auction or sale of whole or part of the Pledged Collateral in accordance with legal procedures until the outstanding Secured Obligation or other monetary obligations payable by the Pledgor and/or Autohome Brokerage is fully paid, repaid or otherwise settled.
- 7.5 The Pledgor shall not hinder the Pledgee from disposing the Pledge in accordance with this Agreement and shall give necessary assistance so that the Pledgee could realize his Pledge.

8. Transfer or Assignment

- 8.1 The Pledgor shall not donate or transfer their rights and obligations herein to any third party without prior written consent from the Pledgee.
- 8.2 This Agreement shall be binding upon the Pledgor and their successors and be effective to the Pledgee and his each successor and assignee.
- 8.3 The Pledgee may transfer or assign all Secured Obligations and its right to the Pledge to any third party at any time. In this case, the assignee shall enjoy and undertake the same rights and obligations herein of the Pledgee as if the assignee is a party hereto. When the Pledgee transfers or assigns the Secured Obligations and its rights to the Pledge, at the request of the Pledgee, the Pledgor shall execute the relevant agreements and/or documents with respect to such transfer or assignment.

8.4 After a change to the Pledgee resulting from a transfer or assignment, the new parties to the pledge shall re-execute a pledge contract.

9. Termination

This Agreement shall not terminate until the Term of the Pledge expires pursuant to Section 3 herein.

10. Force Majeure

10.1 If this Agreement is delayed in or prevented from performing in the Event of Force Majeure (“**Event of Force Majeure**”), only within the limitation of such delay or prevention, the affected Party is absolved from any liability under this Agreement. Force Majeure, which includes acts of governments, acts of nature, fire, explosion, geographic change, flood, earthquake, tide, lightning, war, means any unforeseen events beyond the prevented Party’s reasonable control and cannot be prevented with reasonable care. However, any shortage of credit, capital or finance shall not be regarded as an event beyond a Party’s reasonable control. The Party affected by Force Majeure who claims for exemption from performing any obligations under this Agreement or under any Section herein shall notify the other party of such exemption promptly and advice him of the steps to be taken for completion of the performance.

10.2 The Party affected by Force Majeure shall not assume any liability under this Agreement. However, subject to the Party affected by Force Majeure having taken its reasonable and practicable efforts to perform this Agreement, the Party claiming for exemption of the liabilities may only be exempted from performing such liability as within limitation of the part performance delayed or prevented by Force Majeure. Once causes for such exemption of liabilities are rectified and remedied, both parties agree to resume performance of this Agreement with their best efforts.

11. Applicable Law and Dispute Resolution

11.1 The execution, validity, performance and interpretation of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

11.2 The Parties shall strive to settle any dispute arising from the interpretation or performance through friendly consultation. In case no settlement can be reached through consultation, each party can submit such matter to China International Economic and Trade Arbitration Commission (“CIETAC”) for arbitration. The arbitration shall follow the then current rules of CIETAC, and the arbitration proceedings shall be conducted in Chinese and shall take place in Beijing. The arbitration award shall be final and binding upon the Parties. This article shall not be affected by the termination or elimination of this Agreement.

11.3 In case of any disputes arising out of the interpretation and performance of this Agreement or any pending arbitration of such dispute, each Party shall continue to perform their obligations under this Agreement, except for the matters in dispute.

12. Notice

Any notice or correspondence, which is given by the Party as stipulated hereunder, shall be in Chinese and English writing and shall be delivered in person or by registered or prepaid mail or recognized express service, or be transmitted by telex or facsimile to the following addresses:

Pledgee : **Beijing Chezhiying Technology Co., Ltd. (北京车智赢 科技有限公司)**
Address : 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Fax : 010-59857400
Tele : 010-59857002
Addressee : Qin Zhi

Pledgor : **Beijing Shengtuo Hongyuan Information Technology Co., Ltd. (北京盛拓鸿远信息技术有限公司)**
Address : Room1005, F/10, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Fax : 010-59857400
Tele : 010-59857899
Addressee : Qin Zhi

13. Appendices

The appendices to this Agreement constitute an integral part of this Agreement.

14. Waiver

The Pledgee's non-exercise or delay in exercise of any rights, remedies, power or privileges hereunder shall not be deemed as the waiver of such rights, remedies, power or privileges. Any single or partial exercise of the rights, remedies, power and privileges shall not exclude the Pledgee from exercising any other rights, remedies, power and privileges. The rights, remedies, power and privileges hereunder are accumulative and shall not exclude the application of any other rights, remedies, power and privileges stipulated by laws.

15. Miscellaneous

- 15.1 Any amendments, modifications or supplements to this Agreement shall be in writing and come into effect upon being executed and sealed by the Parties hereto.
- 15.2 In case any terms and stipulations in this Agreement are regarded as illegal or can not be performed in accordance with the applicable law, such terms and stipulations shall be deemed to ineffective and not enforceable within the scope governed by the applicable law, and the remaining stipulations will remain effective.
- 15.3 This Agreement, the Services Agreement, the Equity Option Agreement and the Power of Attorney from the Pledgor to the Pledgee in favor of the Pledgee shall constitute the entire agreement among the parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements related thereto.

[The space below is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on their behalf by a duly authorized representative as of the date first written above.

PLEDGEE: Beijing Chezhiying Technology Co., Ltd.

(北京车智赢科技有限公司)

(Company Seal: /s/ Beijing Chezhiying Technology Co., Ltd.)

By: /s/ Qin Zhi

Authorized Representative:

PLEDGOR: Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

(北京盛拓鸿远信息技术有限公司)

(Company Seal: /s/ Beijing Shengtuo Hongyuan Information Technology Co., Ltd.)

By: /s/ Qin Zhi

Authorized Representative:

Equity Interest Pledge Agreement

Equity Interest Pledge Agreement

Between

Beijing Chezhiying Technologies Co., Ltd.

and

Qin Zhi

July 8, 2015

TABLE OF CONTENTS

<u>ARTICLES</u>	<u>PAGES</u>
1. DEFINITIONS	4
2. PLEDGE	5
3. EFFECTIVENESS OF PLEDGE, SCOPE AND TERM	6
4. REPRESENTATIONS AND WARRANTIES OF THE PLEDGOR	7
5. COVENANTS OF THE PLEDGOR	7
6. EVENTS OF DEFAULT	8
7. EXERCISE OF THE RIGHTS OF THE PLEDGE	10
8. TRANSFER OR ASSIGNMENT	10
9. TERMINATION	11
10. FORCE MAJEURE	11
11. APPLICABLE LAW AND DISPUTE RESOLUTION	12
12. NOTICE	12
13. APPENDICES	12
14. WAIVER	13
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This Interest Pledge Agreement (this “**Agreement**”) is entered in Beijing, the People’s Republic of China (“**PRC**”, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan, for the purposes of this Agreement) and dated on July 8, 2015 by and among the following parties:

(1) **PLEDGEE: Beijing Chezhiying Technologies Co., Ltd.** (北京车智赢科技有限公司), a wholly foreign owned enterprise duly incorporated and validly existing under the laws of the PRC, with its registered address at Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China.

and

(2) **PLEDGOR: Qin Zhi**, a PRC citizen, holder of identification card number ***, whose residential address is at Room 452, Unit 4, Building 31, Yuetan South Street, Xicheng District, Beijing, China.

(individually a “**Party**” and collectively the “**Parties**”)

WHEREAS:

- A. Pledgor is a PRC citizen, and holds 50 % of the equity interest of Beijing Shengtuo Hongyuan Information Technology Co., Ltd. (北京盛拓鸿远信息技术有限公司) (“Shengtuo Hongyuan Information”).
- B. Shengtuo Hongyuan Information is a limited liability company registered in Beijing, which engages in the business of Internet information service.
- C. The Pledgor and the Pledgee entered into a Loan Agreement on July 8, 2015, pursuant to which the Pledgee extended a loan in the amount of RMB 5,000,000 (the “**Loan**”) to the Pledgor (the “**Loan Agreement**”).
- D. The Pledgee, a wholly foreign-owned company registered in Beijing, PRC, and has been licensed by the relevant PRC government authority to carry on the business of technology-related research and development, transfer of technology, technology training and consulting. The Pledgee and Shengtuo Hongyuan Information entered into an Exclusive Technical and Consulting Services Agreement on July 8, 2015, pursuant to which Shengtuo Hongyuan Information is required to pay service fees (the “**Service Fees**”) to the Pledgee in consideration for the corresponding services to be provided by the Pledgee (the “**Services Agreement**”).
- E. Simultaneous with the execution of this Agreement, the Pledgor has also entered into an Equity Option Agreement with the Pledgee, pursuant to which the Pledgor grants to the Pledgee an exclusive right to purchase the Equity Interest (as defined below) at any time upon satisfaction of various requirements under PRC law (the “**Option Agreement**”).

F. In order to ensure that (i) the Pledgor repay the Loan under the Loan Agreement; (ii) the Pledgee collects Service Fees under the Services Agreement from Shengtuo Hongyuan Information, (iii) the Pledgor' other obligations under the Option Agreement are fulfilled, and (iv) all other debts, monetary liabilities or other payment obligations owed to the Pledgee by the Pledgor and/or Shengtuo Hongyuan Information, arising under or in relation to the Services Agreement or the Loan Agreement including, but not limited to, any obligation to pay damages for a breach of any obligation of the Pledgor or Shengtuo Hongyuan Information under the Loan Agreement or the Services Agreement (as applicable), are paid, the Pledgor is willing to pledge all the Equity Interest (as defined below,) i.e. the 50% equity interest of You Che You Jia Advertising, equivalent to a contribution of RMB 5,000,000 to the Pledgee as security for the above-mentioned obligations of the Pledgor and Shengtuo Hongyuan Information (collectively, the "**Secured Obligations**").

In order to set forth each Party's rights and obligations, the Pledgee and the Pledgor through mutual negotiations hereby enter into this Agreement based upon the following terms:

1. **Definitions**

Unless otherwise provided in this Agreement, the following terms shall have the following meanings:

- 1.1 "**Pledge**" means the full content of Section 2 hereunder.
- 1.2 "**Equity Interest**" means all the equity interests in Shengtuo Hongyuan Information held by the Pledgor (including all present and future rights and benefits based on such equity interests), and any additional equity interests in Shengtuo Hongyuan Information acquired by such Pledgor subsequent to the date hereof. For the avoidance of any doubt, on the date hereof, the Pledgor holds a 50% equity interest (equivalent to a contribution of RMB5,000,000) in Shengtuo Hongyuan Information.
- 1.3 "**Event of Default**" means any event in accordance with Section 6 hereunder.
- 1.4 "**Notice of Default**" means the notice of default issued by the Pledgee in accordance with this Agreement.
- 1.5 "**Effective Date**" This Agreement shall be effective upon its being signed by the Parties hereunder. Notwithstanding the foregoing, the Pledge (as defined in Section 2.1) shall only come into effect in accordance with Section 3 of this Agreement.

2. **Pledge**

2.1 Each Pledgor hereby pledges, and if required, transfers and assigns the Equity Interest to the Pledgee as security for all of the Secured Obligations (the "**Pledge**") of an amount up to the Maximum Amount (as defined below), and grant a first priority security interest in all rights, titles and interests that he has or may at any time hereafter acquire in and to the Equity Interest, together with all equity or other ownership interests representing a dividend on the Equity Interest, a distribution or return of capital upon or in respect of such Equity Interest, any subscription, first refusal, pre-emptive or other purchase rights with respect to or arising from such Equity Interest, any voting rights with respect to such Equity Interest or any other interest in Shengtuo Hongyuan Information which, by reason of notice or lapse of time or the occurrence of other events, may be converted into a direct equity interest in Shengtuo Hongyuan Information, and all proceeds of the foregoing (collectively, the "**Pledged Collateral**").

2.1.1 The Parties understand and agree that the monetary valuation arising from, relating to or in connection with the Secured Obligations shall be a variable and floating valuation until the Settlement Date (as defined below). Therefore, based on the reasonable assessment and evaluation by the Pledgor and the Pledgee of the Secured Obligations and the Pledged Collateral, the Pledgor and the Pledgee mutually acknowledge and agree that the Pledge shall aggregately secure the Secured Obligations for a maximum amount of RMB 500,000,000 (the "**Maximum Amount**") prior to the Settlement Date.

The Pledgor and the Pledgee may, taking into account the fluctuation in the monetary value of the Secured Obligations and the Pledged Collateral, adjust the Maximum Amount based on mutual agreement by amending and supplementing this Agreement, from time to time, prior to the Settlement Date.

2.1.2 Upon the occurrence of any of the events below (each an "**Event of Settlement**"), the Secured Obligations shall be fixed at a value of the sum of all Secured Obligations that are due, outstanding and payable to the Pledgee on or immediately prior to the date of such occurrence (the "**Fixed Obligations**"):

- (a) any or all of the Loan Agreements, Services Agreements or the Option Agreements expires or is terminated pursuant to the stipulations thereunder;
- (b) the occurrence of an Event of Default pursuant to Section 6 that is not resolved, which results in the Pledgee serving a Notice of Default to the relevant Pledgor(s) pursuant to Section 6.3;

- (c) the Pledgee reasonably determines (having made due enquiries) that any of the Pledgor and/or Shengtuo Hongyuan Information is insolvent or could potentially be made insolvent; or
 - (d) any other event that requires the settlement of the Secured Obligations in accordance with relevant laws of the PRC.
- 2.2 For the avoidance of doubt, the day of the occurrence of an Event of Settlement shall be the settlement date (the “**Settlement Date**”). On or after the Settlement Date, the Pledgee shall be entitled, at the election of the Pledgee, to enforce the Pledge in accordance with Section 7.
- 2.3 The Pledgee is entitled to collect any and all dividends or other distributions, if any, arising from the Equity Interest during the Term of the Pledge (as defined below).

3. Effectiveness of Pledge, Scope and Term

- 3.1 The Pledgor shall, promptly after the execution of this Agreement, but in no event later than 10 days from the date of this Agreement, register this Agreement and the Pledge hereunder with the State Administration for Industry and Commerce of the PRC or its competent local counterpart (the “**AIC**”). The Pledgor shall deliver to the Pledgee a copy of the registration or filing certificate from the AIC within 7 days from the date of submission of the application for registration of this Agreement and Pledge with the AIC.
- 3.2 The Pledge shall be effective upon the registration of the Pledge with the AIC in accordance with Section 3.1 above. The term of the Pledge shall commence on the date when the Pledge is registered with the AIC and shall expire on the earlier of (a) the date on which all outstanding Secured Obligations are paid in full or otherwise satisfied (as applicable) or (b) the Pledgee enforces the Pledge pursuant to the terms and conditions hereof, to satisfy its rights under the Secured Obligations and Pledged Collateral in full or (c) the Pledgor completes her transfer of the Equity Interest to another party (individual or legal entity) pursuant to the Option Agreement and no longer holds any equity interest in Shengtuo Hongyuan Information (the “**Term of the Pledge**”).

4. Representations and Warranties of the Pledgor

Each of the Pledgor hereby makes the following representations and warranties to the Pledgee and confirms that the Pledgee executes this Agreement in reliance on such representations and warranties:

- 4.1 Each of the Pledgor is the legal owner of the Equity Interest that has been registered in his/her name, and is entitled to create a pledge on such Equity Interest.
- 4.2 None of the Pledged Collateral or the Pledge will be interfered with by any other pledgee at any time once the Pledgee exercises the rights of the Pledge in accordance with this Agreement.
- 4.3 The Pledgee shall be entitled to dispose or assign the Pledge in accordance with the relevant laws and this Agreement.
- 4.4 All necessary authorizations have been obtained for the execution and performance of this Agreement by each of the Pledgor and the execution and performance of this Agreement by each of the Pledgor does not violate any applicable laws or regulations. The representative of each of the Pledgor who signs this Agreement is lawfully and effectively authorized.
- 4.5 Each of the Pledgor warrants that there is no on-going civil, administrative or criminal litigation or administrative punishment or arbitration related to the Equity Interest and is not aware of any such action pending or likely to be pending in the future as of the date of this Agreement.
- 4.6 There are no outstanding taxes, fees or undecided legal procedures related to the Equity Interest as of the date of this Agreement.
- 4.7 Each stipulation hereunder is the expression of each Party's true intention and shall be binding upon all the Parties.

5. Covenants of the Pledgor

- 5.1 Each of the Pledgor covenants to the Pledgee that he shall:
 - 5.1.1 not transfer or assign the Equity Interest, or create or permit to be created any pledge, lien, charge, mortgage, encumbrance, option, security or other interest in or over the Equity Interest that has been registered in his/her name, other than the Pledge created hereunder and the option granted under the Option Agreement, without the prior written consent from the Pledgee;
 - 5.1.2 comply with and implement laws and regulations with respect to the pledge of rights, present to the Pledgee the notices, orders or suggestions with respect to the Pledge issued or made by the competent authority within 5 days upon receiving such notices, orders or suggestions and take actions in accordance with the reasonable instructions of the Pledgee; and
 - 5.1.3 timely notify the Pledgee of any events or any received notices (i) which may affect the Equity Interest or any part of the Pledgee's rights, (ii) which may change the Pledgor' covenants or obligations under this Agreement or (iii) which may affect the Pledgor' performance of their obligations under this Agreement, and take actions in accordance with the reasonable instructions of the Pledgee.

- 5.2 The Pledgor agrees that the Pledgee's right of exercising the Pledge under this Agreement shall not be suspended or hampered by the Pledgor or any successors of the Pledgor or any person authorized by the Pledgor.
- 5.3 The Pledgor jointly and severally covenants to the Pledgee that in order to protect or perfect the security over the Secured Obligations, the Pledgor shall (i) execute in good faith and cause other parties who have interests in the Pledge to execute all the forms, instruments, agreements (including those required for the registration and de-registration of the Pledge with the AIC), and/or (ii) take actions and cause other parties who have interests in the Pledge to take actions as required by the Pledgee and (iii) allow the Pledgee to exercise the rights and authorization vested in the Pledge under this Agreement.
- 5.4 The Pledgor agrees to promptly make or cause to be made any filings or records, give or cause to be given any notices and take or cause to be taken any other actions as may be necessary under the laws of the PRC, to perfect the Pledge of the Pledged Collateral, including the AIC registration set forth in Section 3.1.
- 5.5 Each of the Pledgor covenants to the Pledgee that he will comply with and perform all the guarantees, covenants, agreements, representations and conditions for the benefits of the Pledgee. The Pledgor shall compensate for all the losses suffered by the Pledgee for such Pledgor's failure to perform or fully perform his/her guarantees, covenants, agreements, representations or conditions.

6. Events of Default

- 6.1 Each of the following shall constitute an Event of Default:
 - 6.1.1 Shengtuo Hongyuan Information or the Pledgor fails to make full and timely payment of any amounts due under the Secured Obligations as required under the Services Agreement, Loan Agreement or Option Agreement, or an event of default (as defined and stipulated in those agreements) has occurred and is continuing;

- 6.1.2 the Pledgor makes or has made any inaccurate, incomplete, misleading or untrue representations or warranties under Section 4, or is in violation or breach of any of the representations and warranties under Section 4;
- 6.1.3 the Pledgor breaches any of the covenants under Section 5;
- 6.1.4 the Pledgor breaches any other covenants, undertakings or obligations of the Pledgor set forth herein;
- 6.1.5 the Pledgor is unable to perform its obligations under this Agreement due to the separation or merger of Shengtuo Hongyuan Information with other third parties or for any other reason;
- 6.1.6 the Pledgor relinquishes all or any part of the Pledged Collateral or transfers or assigns all or any part of the Pledged Collateral without the prior written consent of the Pledgee (except the transfers or assigns permitted under the Option Agreement);
- 6.1.7 any indebtedness, guarantee or other obligation of the Pledgor, whether pursuant to a contract or otherwise, (i) is accelerated as a result of a default thereunder and is required to be repaid or performed prior to the due date; or (ii) has become due and is not repaid or performed when due which, in the Pledgee's reasonable view, has materially adversely affected the Pledgor's ability to perform their obligations under this Agreement;
- 6.1.8 this Agreement is illegal as a result of any applicable laws or the Pledgor is restricted from continuing to perform his/her obligations under this Agreement;
- 6.1.9 any approval, permit, license or authorization from any applicable governmental entity (or registration or filing procedure) required for Shengtuo Hongyuan Information to provide Internet information service in the PRC is withdrawn, suspended, invalidated or materially amended;
- 6.1.10 any approval, permit, license or authorization from any applicable government authority required to perform this Agreement or make this Agreement enforceable, legal and valid is withdrawn, suspended, invalidated or materially amended; or
- 6.1.11 any property owned by the Pledgor is altered or damaged which, in the Pledgee's reasonable view, has materially adversely affected the Pledgor's ability to perform their obligations under this Agreement.

6.2 The Pledgor shall immediately give a written notice to the Pledgee if the Pledgor is aware or find that any event set forth in Section 6.1 or any events that may result in the foregoing events have occurred or are occurring.

6.3 Unless an Event of Default set forth in Section 6.1 has been rectified to the Pledgee's satisfaction, the Pledgee, at any time the event of default occurs or thereafter, may give a written notice of default to the Pledgor, and require the Pledgor, at the discretion of the Pledgee, to immediately make full payment of the outstanding amounts payable under the Loan Agreements, Services Agreements, and/or Option Agreements, and other payables, or dispose of the Pledge in accordance with Section 7 herein.

7. Exercise of the Rights of the Pledge

7.1 The Pledgor shall not transfer or assign the Pledge without prior written approval from the Pledgee prior to the full settlement and fulfillment of the Secured Obligations.

7.2 The Pledgee shall give a notice of default to the Pledgor(s) when the Pledgee exercises the rights of Pledge.

7.3 Subject to Section 6.3, the Pledgee may exercise the right to dispose of the Pledge at any time when the Pledgee gives a notice of default in accordance with Section 6.3 or thereafter.

7.4 The Pledgee is entitled to have priority in receiving payment by the evaluation or proceeds from the auction or sale of whole or part of the Pledged Collateral in accordance with legal procedures until the outstanding Secured Obligation or other monetary obligations payable by the Pledgor and/or Shengtuo Hongyuan Information is fully paid, repaid or otherwise settled.

7.5 The Pledgor shall not hinder the Pledgee from disposing the Pledge in accordance with this Agreement and shall give necessary assistance so that the Pledgee could realize his Pledge.

8. Transfer or Assignment

8.1 The Pledgor shall not donate or transfer their rights and obligations herein to any third party without prior written consent from the Pledgee.

- 8.2 This Agreement shall be binding upon the Pledgor and their successors and be effective to the Pledgee and his each successor and assignee.
- 8.3 The Pledgee may transfer or assign all Secured Obligations and its right to the Pledge to any third party at any time. In this case, the assignee shall enjoy and undertake the same rights and obligations herein of the Pledgee as if the assignee is a party hereto. When the Pledgee transfers or assigns the Secured Obligations and its rights to the Pledge, at the request of the Pledgee, the Pledgor shall execute the relevant agreements and/or documents with respect to such transfer or assignment.
- 8.4 After a change to the Pledgee resulting from a transfer or assignment, the new parties to the pledge shall re-execute a pledge contract.

9. Termination

This Agreement shall not terminate until the Term of the Pledge expires pursuant to Section 3 herein.

10. Force Majeure

- 10.1 If this Agreement is delayed in or prevented from performing in the Event of Force Majeure (“**Event of Force Majeure**”), only within the limitation of such delay or prevention, the affected Party is absolved from any liability under this Agreement. Force Majeure, which includes acts of governments, acts of nature, fire, explosion, geographic change, flood, earthquake, tide, lightning, war, means any unforeseen events beyond the prevented Party’s reasonable control and cannot be prevented with reasonable care. However, any shortage of credit, capital or finance shall not be regarded as an event beyond a Party’s reasonable control. The Party affected by Force Majeure who claims for exemption from performing any obligations under this Agreement or under any Section herein shall notify the other party of such exemption promptly and advise him of the steps to be taken for completion of the performance.
- 10.2 The Party affected by Force Majeure shall not assume any liability under this Agreement. However, subject to the Party affected by Force Majeure having taken its reasonable and practicable efforts to perform this Agreement, the Party claiming for exemption of the liabilities may only be exempted from performing such liability as within limitation of the part performance delayed or prevented by Force Majeure. Once causes for such exemption of liabilities are rectified and remedied, both parties agree to resume performance of this Agreement with their best efforts.

11. Applicable Law and Dispute Resolution

- 11.1 The execution, validity, performance and interpretation of this Agreement shall be governed by and construed in accordance with the laws of the PRC.
- 11.2 The Parties shall strive to settle any dispute arising from the interpretation or performance through friendly consultation. In case no settlement can be reached through consultation, each party can submit such matter to China International Economic and Trade Arbitration Commission (“CIETAC”) for arbitration. The arbitration shall follow the then current rules of CIETAC, and the arbitration proceedings shall be conducted in Chinese and shall take place in Beijing. The arbitration award shall be final and binding upon the Parties. This article shall not be affected by the termination or elimination of this Agreement.
- 11.3 In case of any disputes arising out of the interpretation and performance of this Agreement or any pending arbitration of such dispute, each Party shall continue to perform their obligations under this Agreement, except for the matters in dispute.

12. Notice

Any notice or correspondence, which is given by the Party as stipulated hereunder, shall be in Chinese and English writing and shall be delivered in person or by registered or prepaid mail or recognized express service, or be transmitted by telex or facsimile to the following addresses:

Pledgee : **Beijing Chezhiying Technologies Co., Ltd. (北京车智赢科技有限公司)**
Address : Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Fax : 010-59857400
Tele : 010-59857002
Addressee : Qin Zhi

Pledgor : **Qin Zhi**
Address : Room 452, Unit 4, Building 31, Yuetan South Street, Xicheng District, Beijing, China
Fax : 010-59857400
Tele : 010-59857869
Addressee : Qin Zhi

13. Appendices

The appendices to this Agreement constitute an integral part of this Agreement.

14. Waiver

The Pledgee's non-exercise or delay in exercise of any rights, remedies, power or privileges hereunder shall not be deemed as the waiver of such rights, remedies, power or privileges. Any single or partial exercise of the rights, remedies, power and privileges shall not exclude the Pledgee from exercising any other rights, remedies, power and privileges. The rights, remedies, power and privileges hereunder are accumulative and shall not exclude the application of any other rights, remedies, power and privileges stipulated by laws.

15. Miscellaneous

- 15.1 Any amendments, modifications or supplements to this Agreement shall be in writing and come into effect upon being executed and sealed by the Parties hereto.
- 15.2 In case any terms and stipulations in this Agreement are regarded as illegal or can not be performed in accordance with the applicable law, such terms and stipulations shall be deemed to ineffective and not enforceable within the scope governed by the applicable law, and the remaining stipulations will remain effective.
- 15.3 This Agreement, the Services Agreement, the Equity Option Agreement, the Loan Agreement and the Power of Attorney from the Pledgor to the Pledgee in favor of the Pledgee shall constitute the entire agreement among the parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements related thereto.

[The space below is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on their behalf by a duly authorized representative as of the date first written above.

PLEDGEE: Beijing Chezhiying Technologies Co., Ltd.

(北京车智赢科技有限公司)

(Company Seal: /s/ Beijing Chezhiying Technologies Co., Ltd.)

By: /s/ Qin Zhi

Authorized Representative:

PLEDGOR: Qin Zhi

By: /s/ Qin Zhi

Equity Interest Pledge Agreement

Beijing Shengtuo Hongyuan Information Technology Co., Ltd. Shareholder List

(As of July 8, 2015. Registered Capital is RMB 10,000,000, all of which has been paid in.)

No.	Name of Share holder	ID Card Number	Address	Contribution (percentage)	Form of Contribution	Pledge
YCYJ001	Fan Zheng	***	Room 302, Unit 2, Building 2, No. 336, Xinshi North Road, Qiaoxi District, Shijiazhuang, Hebei Province, China	RMB 5,000,000 (50%)	currency	The contribution of 50,00,000 has been pledged to Beijing Chezhiying Technologies Co., Ltd on July 8, 2015.
YCYJ002	Qin Zhi	***	Room 452, Unit 4, Building 31, Yuetan South Street, Xicheng District, Beijing, China	RMB 5,000,000 (50%)	currency	The contribution of 5,000,000 has been pledged to Beijing Chezhiying Technologies Co., Ltd on July 8, 2015.

Beijing Shengtuo Hongyuan Information Technology Co., Ltd.
(seal: /s/ Beijing Shengtuo Hongyuan Information Technology Co., Ltd.)

Signature : /s/ Qin Zhi
Name : Qin Zhi
Title : Legal representative
Date : July 8, 2015

Equity Interest Pledge Agreement

Equity Interest Pledge Agreement

Between

Beijing Chezhiying Technologies Co., Ltd.

and

Fan Zheng

July 8, 2015

TABLE OF CONTENTS

<u>ARTICLES</u>	<u>PAGES</u>
1. DEFINITIONS	4
2. PLEDGE	5
3. EFFECTIVENESS OF PLEDGE, SCOPE AND TERM	6
4. REPRESENTATIONS AND WARRANTIES OF THE PLEDGOR	7
5. COVENANTS OF THE PLEDGOR	7
6. EVENTS OF DEFAULT	8
7. EXERCISE OF THE RIGHTS OF THE PLEDGE	10
8. TRANSFER OR ASSIGNMENT	11
9. TERMINATION	11
10. FORCE MAJEURE	11
11. APPLICABLE LAW AND DISPUTE RESOLUTION	12
12. NOTICE	12
13. APPENDICES	13
14. WAIVER	13
15. MISCELLANEOUS	13

This Interest Pledge Agreement (this “**Agreement**”) is entered in Beijing, the People’s Republic of China (“**PRC**”, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan, for the purposes of this Agreement) and dated on July 8, 2015 by and among the following parties:

- (1) **PLEDGEE: Beijing Chezhiying Technologies Co., Ltd.** (北京车智赢科技有限公司), a wholly foreign owned enterprise duly incorporated and validly existing under the laws of the PRC, with its registered address at Room1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China.

and

- (2) **PLEDGOR: Fan Zheng**, a PRC citizen, holder of identification card number ***, whose residential address is at Room 302, Unit 2, Building 2, No. 336, Xinsi North Road, Qiaoxi District, Shijiazhuang, Hebei Province, China.

(individually a “**Party**” and collectively the “**Parties**”)

WHEREAS:

- A. Pledgor is a PRC citizen, and holds 50 % of the equity interest of Beijing Shengtuo Hongyuan Information Technology Co., Ltd. (北京盛拓鸿远信息技术有限公司) (“Shengtuo Hongyuan Information”).
- B. Shengtuo Hongyuan Information is a limited liability company registered in Beijing, which engages in the business of Internet information service.
- C. The Pledgor and the Pledgee entered into a Loan Agreement on July 8, 2015, pursuant to which the Pledgee extended a loan in the amount of RMB 5,000,000 (the “**Loan**”) to the Pledgor (the “**Loan Agreement**”).
- D. The Pledgee, a wholly foreign-owned company registered in Beijing, PRC, and has been licensed by the relevant PRC government authority to carry on the business of technology-related research and development, transfer of technology, technology training and consulting. The Pledgee and Shengtuo Hongyuan Information entered into an Exclusive Technical and Consulting Services Agreement on July 8, 2015, pursuant to which Shengtuo Hongyuan Information is required to pay service fees (the “**Service Fees**”) to the Pledgee in consideration for the corresponding services to be provided by the Pledgee (the “**Services Agreement**”).
- E. Simultaneous with the execution of this Agreement, the Pledgor has also entered into an Equity Option Agreement with the Pledgee, pursuant to which the Pledgor grants to the Pledgee an exclusive right to purchase the Equity Interest (as defined below) at any time upon satisfaction of various requirements under PRC law (the “**Option Agreement**”).

F. In order to ensure that (i) the Pledgor repay the Loan under the Loan Agreement; (ii) the Pledgee collects Service Fees under the Services Agreement from Shengtuo Hongyuan Information, (iii) the Pledgor' other obligations under the Option Agreement are fulfilled, and (iv) all other debts, monetary liabilities or other payment obligations owed to the Pledgee by the Pledgor and/or Shengtuo Hongyuan Information, arising under or in relation to the Services Agreement or the Loan Agreement including, but not limited to, any obligation to pay damages for a breach of any obligation of the Pledgor or Shengtuo Hongyuan Information under the Loan Agreement or the Services Agreement (as applicable), are paid, the Pledgor is willing to pledge all the Equity Interest (as defined below,) i.e. the 50% equity interest of You Che You Jia Advertising, equivalent to a contribution of RMB 5,000,000 to the Pledgee as security for the above-mentioned obligations of the Pledgor and Shengtuo Hongyuan Information (collectively, the "**Secured Obligations**").

In order to set forth each Party's rights and obligations, the Pledgee and the Pledgor through mutual negotiations hereby enter into this Agreement based upon the following terms:

1. **Definitions**

Unless otherwise provided in this Agreement, the following terms shall have the following meanings:

- 1.1 "**Pledge**" means the full content of Section 2 hereunder.
- 1.2 "**Equity Interest**" means all the equity interests in Shengtuo Hongyuan Information held by the Pledgor (including all present and future rights and benefits based on such equity interests), and any additional equity interests in Shengtuo Hongyuan Information acquired by such Pledgor subsequent to the date hereof. For the avoidance of any doubt, on the date hereof, the Pledgor holds a 50% equity interest (equivalent to a contribution of RMB5,000,000) in Shengtuo Hongyuan Information.
- 1.3 "**Event of Default**" means any event in accordance with Section 6 hereunder.
- 1.4 "**Notice of Default**" means the notice of default issued by the Pledgee in accordance with this Agreement.
- 1.5 "**Effective Date**" This Agreement shall be effective upon its being signed by the Parties hereunder. Notwithstanding the foregoing, the Pledge (as defined in Section 2.1) shall only come into effect in accordance with Section 3 of this Agreement.

2. **Pledge**

2.1 Each Pledgor hereby pledges, and if required, transfers and assigns the Equity Interest to the Pledgee as security for all of the Secured Obligations (the "**Pledge**") of an amount up to the Maximum Amount (as defined below), and grant a first priority security interest in all rights, titles and interests that he has or may at any time hereafter acquire in and to the Equity Interest, together with all equity or other ownership interests representing a dividend on the Equity Interest, a distribution or return of capital upon or in respect of such Equity Interest, any subscription, first refusal, pre-emptive or other purchase rights with respect to or arising from such Equity Interest, any voting rights with respect to such Equity Interest or any other interest in Shengtuo Hongyuan Information which, by reason of notice or lapse of time or the occurrence of other events, may be converted into a direct equity interest in Shengtuo Hongyuan Information, and all proceeds of the foregoing (collectively, the "**Pledged Collateral**").

2.1.1 The Parties understand and agree that the monetary valuation arising from, relating to or in connection with the Secured Obligations shall be a variable and floating valuation until the Settlement Date (as defined below). Therefore, based on the reasonable assessment and evaluation by the Pledgor and the Pledgee of the Secured Obligations and the Pledged Collateral, the Pledgor and the Pledgee mutually acknowledge and agree that the Pledge shall aggregately secure the Secured Obligations for a maximum amount of RMB 500,000,000 (the "**Maximum Amount**") prior to the Settlement Date.

The Pledgor and the Pledgee may, taking into account the fluctuation in the monetary value of the Secured Obligations and the Pledged Collateral, adjust the Maximum Amount based on mutual agreement by amending and supplementing this Agreement, from time to time, prior to the Settlement Date.

2.1.2 Upon the occurrence of any of the events below (each an "**Event of Settlement**"), the Secured Obligations shall be fixed at a value of the sum of all Secured Obligations that are due, outstanding and payable to the Pledgee on or immediately prior to the date of such occurrence (the "**Fixed Obligations**"):

- (a) any or all of the Loan Agreements, Services Agreements or the Option Agreements expires or is terminated pursuant to the stipulations thereunder;

- (b) the occurrence of an Event of Default pursuant to Section 6 that is not resolved, which results in the Pledgee serving a Notice of Default to the relevant Pledgor(s) pursuant to Section 6.3;
 - (c) the Pledgee reasonably determines (having made due enquiries) that any of the Pledgor and/or Shengtuo Hongyuan Information is insolvent or could potentially be made insolvent; or
 - (d) any other event that requires the settlement of the Secured Obligations in accordance with relevant laws of the PRC.
- 2.2 For the avoidance of doubt, the day of the occurrence of an Event of Settlement shall be the settlement date (the "Settlement Date"). On or after the Settlement Date, the Pledgee shall be entitled, at the election of the Pledgee, to enforce the Pledge in accordance with Section 7.
- 2.3 The Pledgee is entitled to collect any and all dividends or other distributions, if any, arising from the Equity Interest during the Term of the Pledge (as defined below).

3. Effectiveness of Pledge, Scope and Term

- 3.1 The Pledgor shall, promptly after the execution of this Agreement, but in no event later than 10 days from the date of this Agreement, register this Agreement and the Pledge hereunder with the State Administration for Industry and Commerce of the PRC or its competent local counterpart (the "AIC"). The Pledgor shall deliver to the Pledgee a copy of the registration or filing certificate from the AIC within 7 days from the date of submission of the application for registration of this Agreement and Pledge with the AIC.
- 3.2 The Pledge shall be effective upon the registration of the Pledge with the AIC in accordance with Section 3.1 above. The term of the Pledge shall commence on the date when the Pledge is registered with the AIC and shall expire on the earlier of (a) the date on which all outstanding Secured Obligations are paid in full or otherwise satisfied (as applicable) or (b) the Pledgee enforces the Pledge pursuant to the terms and conditions hereof, to satisfy its rights under the Secured Obligations and Pledged Collateral in full or (c) the Pledgor completes her transfer of the Equity Interest to another party (individual or legal entity) pursuant to the Option Agreement and no longer holds any equity interest in Shengtuo Hongyuan Information (the "**Term of the Pledge**").

4. Representations and Warranties of the Pledgor

Each of the Pledgor hereby makes the following representations and warranties to the Pledgee and confirms that the Pledgee executes this Agreement in reliance on such representations and warranties:

- 4.1 Each of the Pledgor is the legal owner of the Equity Interest that has been registered in his/her name, and is entitled to create a pledge on such Equity Interest.
- 4.2 None of the Pledged Collateral or the Pledge will be interfered with by any other pledgee at any time once the Pledgee exercises the rights of the Pledge in accordance with this Agreement.
- 4.3 The Pledgee shall be entitled to dispose or assign the Pledge in accordance with the relevant laws and this Agreement.
- 4.4 All necessary authorizations have been obtained for the execution and performance of this Agreement by each of the Pledgor and the execution and performance of this Agreement by each of the Pledgor does not violate any applicable laws or regulations. The representative of each of the Pledgor who signs this Agreement is lawfully and effectively authorized.
- 4.5 Each of the Pledgor warrants that there is no on-going civil, administrative or criminal litigation or administrative punishment or arbitration related to the Equity Interest and is not aware of any such action pending or likely to be pending in the future as of the date of this Agreement.
- 4.6 There are no outstanding taxes, fees or undecided legal procedures related to the Equity Interest as of the date of this Agreement.
- 4.7 Each stipulation hereunder is the expression of each Party's true intention and shall be binding upon all the Parties.

5. Covenants of the Pledgor

- 5.1 Each of the Pledgor covenants to the Pledgee that he shall:
 - 5.1.1 not transfer or assign the Equity Interest, or create or permit to be created any pledge, lien, charge, mortgage, encumbrance, option, security or other interest in or over the Equity Interest that has been registered in his/her name, other than the Pledge created hereunder and the option granted under the Option Agreement, without the prior written consent from the Pledgee;

- 5.1.2 comply with and implement laws and regulations with respect to the pledge of rights, present to the Pledgee the notices, orders or suggestions with respect to the Pledge issued or made by the competent authority within 5 days upon receiving such notices, orders or suggestions and take actions in accordance with the reasonable instructions of the Pledgee; and
- 5.1.3 timely notify the Pledgee of any events or any received notices (i) which may affect the Equity Interest or any part of the Pledgee's rights, (ii) which may change the Pledgor's covenants or obligations under this Agreement or (iii) which may affect the Pledgor's performance of their obligations under this Agreement, and take actions in accordance with the reasonable instructions of the Pledgee.
- 5.2 The Pledgor agrees that the Pledgee's right of exercising the Pledge under this Agreement shall not be suspended or hampered by the Pledgor or any successors of the Pledgor or any person authorized by the Pledgor.
- 5.3 The Pledgor jointly and severally covenants to the Pledgee that in order to protect or perfect the security over the Secured Obligations, the Pledgor shall (i) execute in good faith and cause other parties who have interests in the Pledge to execute all the forms, instruments, agreements (including those required for the registration and de-registration of the Pledge with the AIC), and/or (ii) take actions and cause other parties who have interests in the Pledge to take actions as required by the Pledgee and (iii) allow the Pledgee to exercise the rights and authorization vested in the Pledgee under this Agreement.
- 5.4 The Pledgor agrees to promptly make or cause to be made any filings or records, give or cause to be given any notices and take or cause to be taken any other actions as may be necessary under the laws of the PRC, to perfect the Pledge of the Pledged Collateral, including the AIC registration set forth in Section 3.1.
- 5.5 Each of the Pledgor covenants to the Pledgee that he will comply with and perform all the guarantees, covenants, agreements, representations and conditions for the benefits of the Pledgee. The Pledgor shall compensate for all the losses suffered by the Pledgee for such Pledgor's failure to perform or fully perform his/her guarantees, covenants, agreements, representations or conditions.

6. Events of Default

- 6.1 Each of the following shall constitute an Event of Default:
- 6.1.1 Shengtuo Hongyuan Information or the Pledgor fails to make full and timely payment of any amounts due under the Secured Obligations as required under the Services Agreement, Loan Agreement or Option Agreement, or an event of default (as defined and stipulated in those agreements) has occurred and is continuing;

- 6.1.2 the Pledgor makes or has made any inaccurate, incomplete, misleading or untrue representations or warranties under Section 4, or is in violation or breach of any of the representations and warranties under Section 4;
- 6.1.3 the Pledgor breaches any of the covenants under Section 5;
- 6.1.4 the Pledgor breaches any other covenants, undertakings or obligations of the Pledgor set forth herein;
- 6.1.5 the Pledgor is unable to perform its obligations under this Agreement due to the separation or merger of Shengtuo Hongyuan Information with other third parties or for any other reason;
- 6.1.6 the Pledgor relinquishes all or any part of the Pledged Collateral or transfers or assigns all or any part of the Pledged Collateral without the prior written consent of the Pledgee (except the transfers or assigns permitted under the Option Agreement);
- 6.1.7 any indebtedness, guarantee or other obligation of the Pledgor, whether pursuant to a contract or otherwise, (i) is accelerated as a result of a default thereunder and is required to be repaid or performed prior to the due date; or (ii) has become due and is not repaid or performed when due which, in the Pledgee's reasonable view, has materially adversely affected the Pledgor's ability to perform their obligations under this Agreement;
- 6.1.8 this Agreement is illegal as a result of any applicable laws or the Pledgor is restricted from continuing to perform his/her obligations under this Agreement;
- 6.1.9 any approval, permit, license or authorization from any applicable governmental entity (or registration or filing procedure) required for Shengtuo Hongyuan Information to provide Internet information service in the PRC is withdrawn, suspended, invalidated or materially amended;
- 6.1.10 any approval, permit, license or authorization from any applicable government authority required to perform this Agreement or make this Agreement enforceable, legal and valid is withdrawn, suspended, invalidated or materially amended; or
- 6.1.11 any property owned by the Pledgor is altered or damaged which, in the Pledgee's reasonable view, has materially adversely affected the Pledgor's ability to perform their obligations under this Agreement.

- 6.2 The Pledgor shall immediately give a written notice to the Pledgee if the Pledgor is aware or find that any event set forth in Section 6.1 or any events that may result in the foregoing events have occurred or are occurring.
- 6.3 Unless an Event of Default set forth in Section 6.1 has been rectified to the Pledgee's satisfaction, the Pledgee, at any time the event of default occurs or thereafter, may give a written notice of default to the Pledgor, and require the Pledgor, at the discretion of the Pledgee, to immediately make full payment of the outstanding amounts payable under the Loan Agreements, Services Agreements, and/or Option Agreements, and other payables, or dispose of the Pledge in accordance with Section 7 herein.

7. **Exercise of the Rights of the Pledge**

- 7.1 The Pledgor shall not transfer or assign the Pledge without prior written approval from the Pledgee prior to the full settlement and fulfillment of the Secured Obligations.
- 7.2 The Pledgee shall give a notice of default to the Pledgor(s) when the Pledgee exercises the rights of Pledge.
- 7.3 Subject to Section 6.3, the Pledgee may exercise the right to dispose of the Pledge at any time when the Pledgee gives a notice of default in accordance with Section 6.3 or thereafter.
- 7.4 The Pledgee is entitled to have priority in receiving payment by the evaluation or proceeds from the auction or sale of whole or part of the Pledged Collateral in accordance with legal procedures until the outstanding Secured Obligation or other monetary obligations payable by the Pledgor and/or Shengtuo Hongyuan Information is fully paid, repaid or otherwise settled.
- 7.5 The Pledgor shall not hinder the Pledgee from disposing the Pledge in accordance with this Agreement and shall give necessary assistance so that the Pledgee could realize his Pledge.

8. Transfer or Assignment

- 8.1 The Pledgor shall not donate or transfer their rights and obligations herein to any third party without prior written consent from the Pledgee.
- 8.2 This Agreement shall be binding upon the Pledgor and their successors and be effective to the Pledgee and his each successor and assignee.
- 8.3 The Pledgee may transfer or assign all Secured Obligations and its right to the Pledge to any third party at any time. In this case, the assignee shall enjoy and undertake the same rights and obligations herein of the Pledgee as if the assignee is a party hereto. When the Pledgee transfers or assigns the Secured Obligations and its rights to the Pledge, at the request of the Pledgee, the Pledgor shall execute the relevant agreements and/or documents with respect to such transfer or assignment.
- 8.4 After a change to the Pledgee resulting from a transfer or assignment, the new parties to the pledge shall re-execute a pledge contract.

9. Termination

This Agreement shall not terminate until the Term of the Pledge expires pursuant to Section 3 herein.

10. Force Majeure

- 10.1 If this Agreement is delayed in or prevented from performing in the Event of Force Majeure (“**Event of Force Majeure**”), only within the limitation of such delay or prevention, the affected Party is absolved from any liability under this Agreement. Force Majeure, which includes acts of governments, acts of nature, fire, explosion, geographic change, flood, earthquake, tide, lightning, war, means any unforeseen events beyond the prevented Party’s reasonable control and cannot be prevented with reasonable care. However, any shortage of credit, capital or finance shall not be regarded as an event beyond a Party’s reasonable control. The Party affected by Force Majeure who claims for exemption from performing any obligations under this Agreement or under any Section herein shall notify the other party of such exemption promptly and advice him of the steps to be taken for completion of the performance.
- 10.2 The Party affected by Force Majeure shall not assume any liability under this Agreement. However, subject to the Party affected by Force Majeure having taken its reasonable and practicable efforts to perform this Agreement, the Party claiming for exemption of the liabilities may only be exempted from performing such liability as within limitation of the part performance delayed or prevented by Force Majeure. Once causes for such exemption of liabilities are rectified and remedied, both parties agree to resume performance of this Agreement with their best efforts.

11. Applicable Law and Dispute Resolution

- 11.1 The execution, validity, performance and interpretation of this Agreement shall be governed by and construed in accordance with the laws of the PRC.
- 11.2 The Parties shall strive to settle any dispute arising from the interpretation or performance through friendly consultation. In case no settlement can be reached through consultation, each party can submit such matter to China International Economic and Trade Arbitration Commission (“CIETAC”) for arbitration. The arbitration shall follow the then current rules of CIETAC, and the arbitration proceedings shall be conducted in Chinese and shall take place in Beijing. The arbitration award shall be final and binding upon the Parties. This article shall not be affected by the termination or elimination of this Agreement.
- 11.3 In case of any disputes arising out of the interpretation and performance of this Agreement or any pending arbitration of such dispute, each Party shall continue to perform their obligations under this Agreement, except for the matters in dispute.

12. Notice

Any notice or correspondence, which is given by the Party as stipulated hereunder, shall be in Chinese and English writing and shall be delivered in person or by registered or prepaid mail or recognized express service, or be transmitted by telex or facsimile to the following addresses:

Pledgee : **Beijing Chezhiying Technologies Co., Ltd. (北京车智赢科技有限公司)**
Address : 1117, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Fax : 010-59857400
Tele : 010-59857002
Addressee : Qin Zhi

Pledgor : **Fan Zheng**
Address : Room 302, Unit 2, Building 2, No. 336, Xinshi North Road, Qiaoxi District, Shijiazhuang, Hebei Province, China
Fax : 010-59857400
Tele : 010-59857899
Addressee : Fan Zheng

13. Appendices

The appendices to this Agreement constitute an integral part of this Agreement.

14. Waiver

The Pledgee's non-exercise or delay in exercise of any rights, remedies, power or privileges hereunder shall not be deemed as the waiver of such rights, remedies, power or privileges. Any single or partial exercise of the rights, remedies, power and privileges shall not exclude the Pledgee from exercising any other rights, remedies, power and privileges. The rights, remedies, power and privileges hereunder are accumulative and shall not exclude the application of any other rights, remedies, power and privileges stipulated by laws.

15. Miscellaneous

- 15.1 Any amendments, modifications or supplements to this Agreement shall be in writing and come into effect upon being executed and sealed by the Parties hereto.
- 15.2 In case any terms and stipulations in this Agreement are regarded as illegal or can not be performed in accordance with the applicable law, such terms and stipulations shall be deemed to ineffective and not enforceable within the scope governed by the applicable law, and the remaining stipulations will remain effective.
- 15.3 This Agreement, the Services Agreement, the Equity Option Agreement, the Loan Agreement and the Power of Attorney from the Pledgor to the Pledgee in favor of the Pledgee shall constitute the entire agreement among the parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements related thereto.

[The space below is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on their behalf by a duly authorized representative as of the date first written above.

PLEDGEE: Beijing Chezhiying Technologies Co., Ltd.

(北京车智赢科技有限公司)

(Company Seal: /s/ Beijing Chezhiying Technologies Co., Ltd.)

By: /s/ Qin Zhi

Authorized Representative:

PLEDGOR: Fan Zheng

By: /s/ Fan Zheng

Equity Interest Pledge Agreement

Beijing Shengtuo Hongyuan Information Technology Co., Ltd. Shareholder List

(As of July 8, 2015. Registered Capital is RMB 10,000,000, all of which has been paid in.)

No.	Name of Share holder	ID Card Number	Address	Contribution (percentage)	Form of Contribution	Pledge
YCYJ001	Fan Zheng	***	Room 302, Unit 2, Building 2, No. 336, Xinshi North Road, Qiaoxi District, Shijiazhuang, Hebei Province, China	RMB 5,000,000 (50%)	currency	The contribution of 50,000,000 has been pledged to Beijing Chezhiying Technologies Co., Ltd on July 8, 2015.
YCYJ002	Qin Zhi	***	Room 452, Unit 4, Building 31, Yuetan South Street, Xicheng District, Beijing, China	RMB 5,000,000 (50%)	currency	The contribution of 5,000,000 has been pledged to Beijing Chezhiying Technologies Co., Ltd on July 8, 2015.

Beijing Shengtuo Hongyuan Information Technology Co., Ltd.
(seal: /s/ Beijing Shengtuo Hongyuan Information Technology Co., Ltd.)

Signature : /s/ Qin Zhi
Name : Qin Zhi
Title : Legal representative
Date : July 8, 2015

Equity Interest Pledge Agreement

Dated this: July 8, 2015

POWER OF ATTORNEY

We, Beijing Shengtuo Hongyuan Information Technology Co., Ltd. (北京盛拓鸿远信息技术有限公司), a company duly organized and existing under the PRC laws with its legal address at Room 1005, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China (**PRC**) with PRC Company Registered Number 91110108563619210K, hereby authorizes any individual appointed in writing by Beijing Chezhiying Technology Co., Ltd. (北京车智赢科技有限公司), its successors or any of its designated entities (**Authorizee**) to singly exercise the following powers and rights during the term of this Power of Attorney (**POA**):

We hereby assigns the Authorizee the right to vote on its behalf at the shareholders' meetings of Beijing Autohome Used Car Appraisal Co., Ltd. (北京必信行二手车鉴定评估有限公司, **Company**) and to exercise full voting rights as the shareholder of the Company as granted to us by law and under the Articles of Association of the Company, such voting rights including but not limited to the right to sell or transfer any or all of our equity of interest of the Company. Further, as our authorized representative at the shareholders' meeting of the Company, we hereby assigns the Authorizee the right to designate and appoint the directors and management personnel of Autohome Used Car Appraisal.

In exercising the rights and powers provided hereunder, the Authorizee shall act with due care and diligence and pursuant to this POA and applicable laws.

This POA shall become valid, binding and enforceable upon the execution hereof.

Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

By: /s/ Qin Zhi

Name: Qin Zhi

Title: Legal Representative

Company Seal: /s/ Beijing

ShengtuoHongyuan Information Technology Co., Ltd.

Dated this: July 8, 2015

POWER OF ATTORNEY

We, Beijing Shengtuo Hongyuan Information Technology Co., Ltd. (北京盛拓鸿远信息技术有限公司), a company duly organized and existing under the PRC laws with its legal address at Room 1005, 10th floor, Tower B, No. 3, Danling Street, Haidian District, Beijing, China (PRC) with PRC Company Registered Number 91110108563619210K, hereby authorize any individual appointed in writing by Beijing Chezhiying Technology Co., Ltd. (北京车智赢科技有限公司), its successors or any of its designated entities (**Authorizee**) to singly exercise the following powers and rights during the term of this restated Power of Attorney (**POA**):

We hereby assign the Authorizee the right to vote on our behalf at the shareholder's meetings of Beijing Autohome Used Car Brokerage Co., Ltd (北京大信旧机动车经纪有限公司, **Company**) and to exercise full voting rights as the shareholder of the Company as granted to us by law and under the Articles of Association of the Company, such voting rights including but not limited to the right to sell or transfer any or all of our equity of interest of the Company. Further, as our authorized representative at the shareholders' meeting of the Company, we hereby assign the Authorizee the right to designate and appoint the directors and management personnel of the Company.

In exercising the rights and powers provided hereunder, the Authorizee shall act with due care and diligence and pursuant to this POA and applicable laws.

This POA shall become valid, binding and enforceable upon the execution hereof.

Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

By: /s/ Qin Zhi

Name: Qin Zhi

Title: Legal Representative

Company seal: /s/ Beijing Shengtuo Hongyuan
Information Technology Co., Ltd.

Dated this: July 8, 2015

POWER OF ATTORNEY

I, Qin Zhi, a citizen of the People's Republic of China (**PRC**) with PRC ID number ***, hereby authorize any individual appointed in writing by Beijing Chezhiying Technologies Co., Ltd. (北京车智赢科技有限公司), its successors or any of its designated entities (**Authorizee**) to singly exercise the following powers and rights during the term of this restated Power of Attorney (**POA**):

I hereby assign the Authorizee the right to vote on my behalf at the shareholders' meetings of Beijing Shengtuo Hongyuan Information Technology Co., Ltd. (北京盛拓鸿远信息技术有限公司, **Company**) and to exercise full voting rights as the shareholder of the Company as granted to me by law and under the Articles of Association of the Company, such voting rights including but not limited to the right to sell or transfer any or all of my equity of interest of the Company. Further, as my authorized representative at the shareholders' meeting of the Company, I hereby assign the Authorizee the right to designate and appoint the directors and management personnel of the Company.

In exercising the rights and powers provided hereunder, the Authorizee shall act with due care and diligence and pursuant to this POA and applicable laws.

This POA shall become valid, binding and enforceable upon the execution hereof.

/s/ Qin Zhi

(Signature)

Qin Zhi

Dated this: July 8, 2015

POWER OF ATTORNEY

I, Fan Zheng, a citizen of the People's Republic of China (**PRC**) with PRC ID number ***, hereby authorize any individual appointed in writing by Beijing Chezhiying Technologies Co., Ltd. (北京车智赢科技有限公司), its successors or any of its designated entities (**Authorizee**) to singly exercise the following powers and rights during the term of this restated Power of Attorney (**POA**):

I hereby assign the Authorizee the right to vote on my behalf at the shareholders' meetings of Beijing Shengtuo Hongyuan Information Technology Co., Ltd. (北京盛拓鸿远信息技术有限公司, **Company**) and to exercise full voting rights as the shareholder of the Company as granted to me by law and under the Articles of Association of the Company, such voting rights including but not limited to the right to sell or transfer any or all of my equity of interest of the Company. Further, as my authorized representative at the shareholders' meeting of the Company, I hereby assign the Authorizee the right to designate and appoint the directors and management personnel of the Company.

In exercising the rights and powers provided hereunder, the Authorizee shall act with due care and diligence and pursuant to this POA and applicable laws.

This POA shall become valid, binding and enforceable upon the execution hereof.

/s/ Fan Zheng

(Signature)

Fan Zheng

Loan Agreement

Between

Beijing Chezhiying Technologies Co., Ltd.

and

Qin Zhi

July 8, 2015

TABLE OF CONTENTS

<u>Articles</u>	<u>Pages</u>
1. DEFINITIONS AND INTERPRETATIONS	3
2. LOAN	4
3. CONDITIONS PRECEDENT	6
4. REPRESENTATIONS AND WARRANTIES	6
5. UNDERTAKINGS	7
6. DEFAULT	10
7. CONFIDENTIALITY	11
8. DISPUTE RESOLUTION	11
9. INDEMNITY	12
10. MISCELLANEOUS	12

by and between

- (1) **Beijing Chezhiying Technologies Co., Ltd.** (北京车智赢科技有限公司), a wholly foreign owned enterprise duly incorporated and validly existing under the law of the PRC, with its registered address at Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China (**Party A**);

and

- (2) **Qin Zhi**, a PRC citizen, holder of identification card number ***, whose residential address is at Room 452, Unit 4, Building 31, Yuetan South Street, Xicheng District, Beijing, China (**Party B**).

Recitals

- A. Party B has agreed to purchase a 50% equity interests ("Equity Interests") in Beijing Shengtuo Hongyuan Information Technology Co., Ltd. (北京盛拓鸿远信息技术有限公司 (Company)) from its current shareholder;
- B. Party A has provided Party B with a loan in the amount of RMB5,000,000 (Loan) to be used for the purposes of obtaining the Equity Interest in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. DEFINITIONS AND INTERPRETATIONS

- 1.1 **Definitions.** Unless otherwise provided in this Agreement, the following terms shall have the meanings set forth below:

Designated Party	means a third party as designated by Party A;
Event of Default	means an event as described in Article 2.3;
Equity Option Agreement	means the Equity Option Agreement to be entered into by and among Party A, Party B and the Company dated on July 8, 2015;
Equity Pledge Agreement	means the Equity Interest Pledge Agreement to be entered into by and between Party A, Party B dated on July 8, 2015;
Power of Attorney	means an irrevocable Power of Attorney issued by Party B conferring all his rights as a shareholder of the Company to Party A or the Designated Party dated on July 8, 2015;
	and
Repayment Notice	means a written notice from Party A to Party B for purposes of the repayment of the Loan.

1.2 **Interpretations.** All headings used are for reference purposes only and do not affect the meaning or interpretation of any provision. Any reference to an Article is to an article of this Agreement. The use of the plural shall include the use of the singular, and vice versa. Unless otherwise indicated, a reference to a day, month or year is to a calendar day, month or year. The use of the masculine shall include the use of the feminine, and vice versa.

2. LOAN

- 2.1 **Amount.** Party A has provided to Party B, and Party B has received from Party A, the Loan. The Loan shall be interest free.
- 2.2 **Term.** The term of the Loan shall continue indefinitely until such time as Party B receives a Repayment Notice and fully repays the Loan, or an Event of Default occurs unless Party A has sent a notice indicating otherwise within 15 calendar days after it is aware of such event.
- 2.3 **Event of Default.** For purposes of this Agreement, an Event of Default is deemed to have occurred if any of the following were to apply to Party B:
- 2.3.1 a proceeding is commenced against him under any applicable bankruptcy, insolvency, reorganization, court mediation, or other similar law;
 - 2.3.2 he makes or attempts to make any fraudulent use or any unauthorized transfer of the Loan or the Equity Interests;
 - 2.3.3 he dies or his capacity to perform civil acts is lost or limited;
 - 2.3.4 he is charged with a criminal offense;
 - 2.3.5 any third party institutes a court action against him claiming over RMB 50,000;
 - 2.3.6 Party B breaches any of its covenants or other obligations under this Agreement, and such breach has not been remedied within 15 calendar days after receiving Party A's written notice requiring remedy;

- 2.3.7 the representations and warranties made by Party B prove to be false or misleading in any material respect;
- 2.3.8 any indebtedness, guarantee or other obligation of Party B, whether pursuant to a contract or otherwise, (i) is accelerated as a result of a default thereunder and is required to be repaid or performed prior to the scheduled date; or (ii) has become due and is not repaid or performed as scheduled and thereby causes Party A to regard Party B's capacity to perform the obligations specified herein as having been adversely affected;
- 2.3.9 Party B is incapable of repaying his debts as they become due;
- 2.3.10 the Agreement is illegal as a result of any applicable laws or Party B is restricted from continuing to perform its obligations as specified herein;
- 2.3.11 any approval, permits, licenses or authorization from any applicable governmental entity (and registration or filing procedure) required for the Company to provide value added telecommunications services in respect of its information services business via the Internet in the PRC are withdrawn, suspended, invalidated or materially amended;
- 2.3.12 any approval, permits, licenses or authorization from any applicable government authority required to perform this Agreement or make this Agreement enforceable, legal and valid are withdrawn, suspended, invalidated or materially amended;
- 2.3.13 any property owned by Party B is altered or damaged and thereby causes Party A to deem that the capability of Party B to perform the obligations stated herein have been adversely affected; or
- 2.3.14 Party B defaults under either of the Equity Pledge Agreement or the Equity Option Agreement.
- 2.4 **Repayment Date.** Unless otherwise agreed by Party A in writing, the Loan borrowed by Party B, any portion of the Loan and any other payment in arrears, if applicable, under this Agreement shall become due and payable five Business Days after Party A gives written notice to Party B demanding repayment in accordance with Article 6.1 (**Repayment Date**)
- Without Party A's express prior written consent, the Loan shall not be repaid and shall continue indefinitely until the Repayment Date.
- 2.5 **Form of Repayment.** Unless agreed by the parties in writing, the Loan may only be repaid in the form specified in Article 6.
- 2.6 **Purpose of Loan.** Party B has accepted the Loan provided by Party A and hereby agrees and covenants that the Loan shall be used only to contribute to the registered capital of the Company. Without Party A's prior written consent, Party B shall not use the Loan for any other purpose, or sell, assign, transfer, pledge or otherwise dispose of any legal rights or benefits in connection with, or create any security interest over, the Equity Interest to any third party.

3. CONDITIONS PRECEDENT

Drawdown of the Loan by Party B shall, unless specifically waived by Party A in writing, be conditional upon the fulfillment of all of the following conditions precedent:

- 3.1 **Representations and Warranties.** All the representations and warranties provided by Party B in Article 4.2 are true, complete and correct, and shall remain true, complete and correct on the date of such drawdown, as if they are provided on such date.
- 3.2 **No Breach.** Party B shall not have breached any of his undertakings provided in Article 5, and no event which may affect the performance of Party B's obligations hereunder shall have occurred or be likely to occur.

4. REPRESENTATIONS AND WARRANTIES

- 4.1 **Party A's Representations and Warranties.** Party A represents and warrants as follows:
 - 4.1.1 it is a company incorporated and validly existing under the laws of PRC;
 - 4.1.2 it has the power to enter into and perform this Agreement, and its execution and performance of this Agreement is in compliance with the business scope of Party A and the provisions of its articles of association or other constituent documents;
 - 4.1.3 the execution and performance of this Agreement by it will not result in a breach of any laws, regulations, authorizations, or agreement to which it is subject; and
 - 4.1.4 this Agreement shall constitute its legal, valid, and binding obligations, and is to be enforceable against it.
- 4.2 **Party B's Representations and Warranties.** Party B represents and warrants as follows:
 - 4.2.1 he has and shall maintain the full power and authority to enter into this Agreement and to perform his obligations hereunder;
 - 4.2.2 the execution and performance of this Agreement by himself will not result in a breach of any laws, regulations, authorizations, or agreement to which he is subject;

- 4.2.3 this Agreement shall constitute his legal, valid, and binding obligations, and is to be enforceable against himself;
- 4.2.4 there are no civil, criminal or administrative, claims, actions, suits, investigations or proceedings pending or threatened against him which, based on his knowledge, would materially and adversely affect this Agreement and the performance thereof;
- 4.2.5 there is no provision of any agreement, enforceable judgment or order of any court binding on him or affecting his property, which would in any way prevent or materially adversely affect his execution or performance of this Agreement;
- 4.2.6 the execution and performance of this Agreement and the realization of Party A's rights hereunder will not violate any mortgage right, contract, judgment, decree or law that is binding upon him or his assets;
- 4.2.7 with the exception of the Equity Pledge Agreement, the Equity Option Agreement and the Power of Attorney, he has not: (a) created any pledge, charge or any other security over any of the Equity Interests; (b) offered to transfer any of the Equity Interests to any third party; (c) issued an undertaking to any third party regarding any offer to purchase any of the Equity Interests; or (d) entered into any agreement to transfer any of the Equity Interests to any third party; and
- 4.2.8 no dispute, action, arbitration, administrative procedure or other legal proceeding (potential or actual) regarding himself and/or any of the Equity Interests in existence or pending.

5. UNDERTAKINGS

- 5.1 **Party B's Undertakings relating to the Company.** Party B undertakes to vote his total interest in the Company and to take all other necessary actions to ensure that the Company:
 - 5.1.1 will obtain or complete all the necessary governmental approvals, authorizations, licenses, registrations and filing procedures to own its assets and to engage in the businesses specified in the operational scope of its business license;
 - 5.1.2 will not supplement, change, or modify in any way its articles of association or other constituent documents, increase or reduce its registered capital, or alter its shareholding structure without the prior written consent of Party A;

- 5.1.3 will not sell, transfer, mortgage, pledge, grant any option rights or otherwise dispose of any asset, business or legal or beneficial interest, or permit the creation of any other security interest over the same without the prior written consent of Party A;
- 5.1.4 will not incur, inherit, warrant or permit the existence of any Loan without the prior written consent of Party A;
- 5.1.5 will not enter into any contracts or extend any loan or credit to any party or provide any guarantee or assume any obligation of any party without the prior written consent of Party A;
- 5.1.6 will provide all information relating to its operations and financial affairs to Party A upon the request of Party A;
- 5.1.7 will not merge, consolidate with any third party, or acquire or invest in any third party, without the prior written consent of Party A;
- 5.1.8 will notify Party A immediately should any legal action, arbitration or administrative procedure relating to its assets, operations or income arises or is likely to arise;
- 5.1.9 will execute all necessary or appropriate agreements, take all necessary or appropriate actions and make all necessary or appropriate defenses for the purpose of maintaining all rights and proprietary interests in respect of its assets;
- 5.1.10 will not pay dividends or distributions of any kind to its shareholders without the prior written consent of Party A;
- 5.1.11 will strictly observe all of the provisions under this Agreement, the Equity Pledge Agreement, the Equity Option Agreement and the Power of Attorney and shall not cause any act or omission to take place which may impair the validity and enforceability of those documents; and
- 5.1.12 will promptly notify Party A in writing of the occurrence of any event which may materially affect its assets, obligations, rights or operations.

5.2 **Undertakings of Party B.** Party B further undertakes as follows:

- 5.2.1 he will not sell, transfer, mortgage, pledge, grant any option rights or otherwise dispose of any of the Equity Interests, or permit the creation of any other security interest in the Company without the prior written consent of Party A;
- 5.2.2 he will ensure that the shareholders' meeting of the Company shall not approve any sale, transfer, pledge or other disposal of the Equity Interests, or permit the creation of any other security interest over the same without the prior written consent of Party A;
- 5.2.3 he will ensure that the shareholders' meeting of the Company shall decide on any matter only with the prior written instruction of Party A;
- 5.2.4 he will notify Party A immediately if and when any legal action, arbitration, or administrative procedure relating to the Equity Interests arises or is likely to arise;
- 5.2.5 he will enter into all necessary or appropriate agreements, take all necessary or appropriate actions, file all necessary or appropriate and make all necessary or appropriate defenses for the purpose of maintaining ownership of the Equity Interests at the instruction of Party A;
- 5.2.6 he will not cause any actions and/or omissions which may materially and adversely affect the assets, operations or liability of the Company without the prior written consent of Party A;
- 5.2.7 he will, upon the request of Party A, appoint any person nominated by Party A as a director of the Company;
- 5.2.8 in the event that the Party A or the Designated Party purchases the Equity Interests pursuant to the Equity Option Agreement, he shall apply the proceeds therefrom to repay the Loan to Party A;
- 5.2.9 he will promptly notify Party A in writing of the occurrence of any event which may materially affect his assets, obligations, rights or operations;
- 5.2.10 he shall issue the Power of Attorney simultaneously when entering into this Agreement;
- 5.2.11 the Equity Option Agreement shall be validly executed, pursuant to which Party B shall grant Party A or the Designated Party with an exclusive option to purchase the Equity Interests, to the extent permitted under PRC law;

- 5.2.12 the Equity Pledge Agreement, the Equity Option Agreement, and the Power of Attorney shall be in full effect and free of default, and all relevant filing or registrations procedures, approvals, and governmental proceedings shall have been obtained or completed;
- 5.2.13 he will strictly observe all the provisions and perform all of his obligations under this Agreement, the Equity Pledge Agreement and the Equity Option Agreement, causing no actions nor failing to take any actions that may impair the validity or enforceability of this Agreement, the Equity Pledge Agreement or the Equity Option Agreement;
- 5.2.14 he shall maintain as strictly confidential the existence and provisions of this Agreement, as well as any correspondence, resolutions, ancillary agreements and any other documentation associated herewith; and
- 5.2.15 he will not be entitled to any dividend or profit distribution of the Company and will not request or receive any of the same without the prior written consent of Party A. If such dividends or other distributions are distributed to him from the Company, he will immediately and unconditionally pay or transfer to Party A any such dividends or other distributions in whatsoever form obtained from the Company as a shareholder of the Company at the time such payables arise, after having deducted and paid any and all relevant taxes and expenses applicable as a result of his receipt of such dividends or other distributions.

6. ENFORCEMENT

6.1 Repayment of Loan.

- 6.1.1 Upon the occurrence of either an Event of Default or a decision by Party A, in its sole discretion, to demand repayment of the Loan or any portion of the Loan, Party A may at its discretion issue a notice (**Repayment Notice**) to Party B requiring repayment of the Loan or any portion of the Loan and any other payment in arrears under this Agreement.
- 6.1.2 Party B shall repay the Loan by transferring the Equity Interest to Party A or the Designated Party, as directed by Party A, by signing and delivering an agreement for the transfer of the Equity Interest satisfactory to the Party A from the form to the substance.
- 6.1.3 If Party B fails to comply with its repayment obligations under this Agreement, late payment interest shall be assessed at the rate of 0.3% per day upon the outstanding amount of the Loan and shall be payable from the Repayment Date until the date on which the total amount of the overdue loan, overdue interest and other monies payable to Party A are fully settled.

- 6.2 **Notification.** Party B shall immediately notify Party A in writing of the occurrence of any event set forth in Article 2.3 or any circumstance which may lead to the occurrence of any such event as soon as Party B knows or is aware of such event or circumstance.

7. CONFIDENTIALITY

- 7.1 **Confidentiality Obligations.** The parties shall protect and maintain the confidentiality of all information relating to or arisen from this Agreement, or made available under this Agreement to a party or any associate thereof (**Confidential Information**). Without the prior written consent of the other party, no party shall disclose any Confidential Information to any third party unless the disclosure is required by law or by enforceable orders of the court or related government departments. Under such circumstances, the party required to disclose the Confidential Information shall notify the other party immediately, take all possible measures to minimize the disclosure, and notify the persons to whom information is being disclosed of the confidentiality obligation. Notwithstanding anything to the contrary above, Party A shall have the full right to disclose any Confidential Information to its shareholders, affiliates or professional advisors.
- 7.2 **Obligations upon Termination.** Upon termination of this Agreement, either party shall, at the request of the other party, return any document, material, database, equipment, or software containing the Confidential Information to the other party. If, for any reason, such document, material, database, equipment, or software cannot be returned, either party shall destroy all the Confidential Information belonging to the other party and delete such Confidential Information from any memory devices. No party shall be permitted to continue using the Confidential Information in any way after the termination of this Agreement.
- 7.3 **No Time Limit.** There is no time limit to the confidentiality obligations stipulated in this Article, which obligations will survive the termination of this Agreement unless the Confidential Information is disclosed to the public for reasons not due to the breach of this Agreement by any party.

8. DISPUTE RESOLUTION

- 8.1 **Governing Law.** This Agreement shall be governed by the laws of the PRC.
- 8.2 **Consultation and Mediation.** If any dispute arises in connection with this Agreement, the parties shall attempt in the first instance to resolve such dispute through friendly consultation or mediation.
- 8.3 **Arbitration.** Any dispute, controversy or claim arising out of or in connection with this Agreement shall be submitted to the China International Economic and Trade Arbitration Commission (**CIETAC**) for arbitration, which shall be conducted in accordance with the CIETAC's rules in effect at the time of applying for arbitration. The place of arbitration shall be *Beijing*. The language of the arbitration shall be English. The tribunal shall consist of 3 arbitrators. The arbitral award is final and binding upon the parties. The cost of arbitration shall be allocated as determined by the arbitrators.

9. INDEMNITY

Party A agrees to indemnify and hold harmless Party B for any damages, fines or penalties solely incurred in his capacity as a shareholder or any other positions (including, without limitation, those of legal representative and director) directly as a result of the establishment of the Company and the operation of the Company's business in contravention of PRC law; provided, however, that in no instance will Party A provide such indemnification if Party B has engaged in fraud or willful misconduct or has breached or is in breach of this Agreement.

10. MISCELLANEOUS

10.1 **Notices.** All notices or other communications sent by either party shall be written in English or Chinese, and delivered in person, by mail or telecopy, to the other party at the following addresses. The date at which the communication shall be deemed to be duly given or made shall be confirmed as follows: (a) for notices delivered in person, the date of delivery shall be deemed as having been duly given or made; (b) for notices delivered by mail, the 10th day of the delivery date of air certified mail with postage prepaid (as shown on stamp) or the 4th day of the delivery date to an internationally certified delivery institution shall be deemed as having been duly given or made; and (c) for notices by telecopy, the receipt date showed on the delivery confirming paper of the relevant document shall be deemed as having been duly given or made.

Party A	:	Beijing Chezhiying Technologies Co., Ltd.
Address	:	Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Tel	:	86-10-59857001
Attn	:	Qin Zhi
Party B	:	Qin Zhi
Address	:	Room 452, Unit 4, Building 31, Yuetan South Street, Xicheng District, Beijing, China
Tel	:	+86 13511021165
Attn	:	Qin Zhi

- 10.2 **Entire Agreement.** This Agreement, the Exclusive Technical Consulting and Services Agreement, the Equity Pledge Agreement, the Equity Option Agreement, and the Power of Attorney from Party B to Party A in favor of Party A shall constitute the entire agreement among the parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements related thereto.
- 10.3 **Amendment.** Without the prior written consent of Party A, Party B shall not amend this Agreement. If required by law, the parties shall obtain all requisite approvals from the relevant authorities to give effect to the amendment.
- 10.4 **No Waiver.** Unless otherwise agreed upon by the parties in writing, any failure or delay on the part of either party to exercise any right, authority or privilege under this Agreement, or under any other agreement relating hereto, shall not operate as a waiver thereof; nor shall any single or partial exercise of any right, authority or privilege preclude any other future exercise thereof.
- 10.5 **Severability.** The provisions of this agreement are severable from each other. The invalidity of any provision of this agreement shall not affect the validity or enforceability of any other provision of this agreement.
- 10.6 **Successors.** This Agreement shall be valid and binding on the parties, their successors and permitted assigns.
- 10.7 **Assignment.** Party A may transfer or assign any or all of its rights and obligations under this Agreement to any of its designated parties (natural person or legal entity) at any time. In such circumstances, the transferee or assignee shall enjoy and undertake the same rights and obligations herein of Party A as if the transferee or assignee is Party A hereunder. When Party A transfers or assigns the rights and obligations under this Agreement, at the request of Party A, Party B shall execute the relevant agreements and/or documents with respect to such transfer or assignment. Party B shall not assign any of its rights or obligations hereunder without the prior written consent of the Party A.
- 10.8 **Effectiveness:** This Agreement shall be effective upon its signing by all the parties or their respective authorized representative and shall be deemed terminated as of the date when the Loan has been repaid in full.
- 10.9 **Language and Counterparts.** This Agreement is prepared in 2 sets of originals in English. Each party shall hold 1 set.

[The space below has been intentionally left blank.]

IN WITNESS WHEREOF, each of the parties hereto has duly executed or has caused this Agreement to be duly executed in its name and on its behalf by the officer or representative duly authorized, on the day and year first above written.

Party A: Beijing Chezhiying Technologies Co., Ltd.
(北京车智赢科技有限公司)

By: /s/ Qin Zhi
Name:
Title: Legal Representative
Company Seal: /s/ Beijing Chezhiying Technologies Co., Ltd.

Party B: Qin Zhi

By: /s/ Qin Zhi
Name: Qin Zhi

Loan Agreement

Loan Agreement

Between

Beijing Chezhiying Technologies Co., Ltd.

and

Fan Zheng

July 8, 2015

TABLE OF CONTENTS

<u>Articles</u>	<u>Pages</u>
1. DEFINITIONS AND INTERPRETATIONS	3
2. LOAN	4
3. CONDITIONS PRECEDENT	6
4. REPRESENTATIONS AND WARRANTIES	6
5. UNDERTAKINGS	7
6. DEFAULT	10
7. CONFIDENTIALITY	11
8. DISPUTE RESOLUTION	11
9. INDEMNITY	12
10. MISCELLANEOUS	12

by and between

- (1) **Beijing Chezhiying Technologies Co., Ltd.** (北京车智赢科技有限公司), a wholly foreign owned enterprise duly incorporated and validly existing under the law of the PRC, with its registered address at Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China (**Party A**);

and

- (2) **Fan Zheng**, a PRC citizen, holder of identification card number ***, whose residential address is at Room 302, Unit 2, Building 2, No. 336, Xinshi North Road, Qiaoxi District, Shijiazhuang, Hebei Province, China (**Party B**).

Recitals

- A. Party B agreed to purchase 50% equity interests of Beijing Shengtuo Hongyuan Information Technology Co., Ltd. (北京盛拓鸿远信息技术有限公司, **Company**) from its current shareholder,;
- B. Party A has provided Party B with a loan to be used for the purposes of obtaining 50% equity interests of the Company ("**Equity Interests**") in accordance with this Agreement. In accordance with the terms and conditions of this Agreement, Party A agrees to provide an interest-free loan in the amount of RMB 5,000,000 (**Loan**).

NOW, THEREFORE, the parties agree as follows:

1. DEFINITIONS AND INTERPRETATIONS

- 1.1 **Definitions.** Unless otherwise provided in this Agreement, the following terms shall have the meanings set forth below:

Designated Party	means a third party as designated by Party A;
Event of Default	means an event as described in Article 2.3;
Equity Option Agreement	means the Equity Option Agreement to be entered into by and among Party A, Party B and the Company dated on July 8, 2015;

- Equity Pledge Agreement** means the Equity Interest Pledge Agreement to be entered into by and between Party A, Party B dated on July 8, 2015;
- Power of Attorney** means an irrevocable Power of Attorney issued by Party B conferring all his rights as a shareholder of the Company to Party A or the Designated Party dated on July 8, 2015;
- and
- Repayment Notice** means a written notice from Party A to Party B for purposes of the repayment of the Loan.

1.2 **Interpretations.** All headings used are for reference purposes only and do not affect the meaning or interpretation of any provision. Any reference to an Article is to an article of this Agreement. The use of the plural shall include the use of the singular, and vice versa. Unless otherwise indicated, a reference to a day, month or year is to a calendar day, month or year. The use of the masculine shall include the use of the feminine, and vice versa.

2. LOAN

- 2.1 **Amount.** Party A has provided to Party B, and Party B has received from Party A, the Loan. The Loan shall be interest free.
- 2.2 **Term.** The term of the Loan shall continue indefinitely until such time as Party B receives a Repayment Notice and fully repays the Loan, or an Event of Default occurs unless Party A has sent a notice indicating otherwise within 15 calendar days after it is aware of such event.
- 2.3 **Event of Default.** For purposes of this Agreement, an Event of Default is deemed to have occurred if any of the following were to apply to Party B:
- 2.3.1 a proceeding is commenced against him under any applicable bankruptcy, insolvency, reorganization, court mediation, or other similar law;
 - 2.3.2 he makes or attempts to make any fraudulent use or any unauthorized transfer of the Loan or the Equity Interests;
 - 2.3.3 he dies or his capacity to perform civil acts is lost or limited;
 - 2.3.4 he is charged with a criminal offense;
 - 2.3.5 any third party institutes a court action against him claiming over RMB 50,000;

- 2.3.6 Party B breaches any of its covenants or other obligations under this Agreement, and such breach has not been remedied within 15 calendar days after receiving Party A's written notice requiring remedy;
 - 2.3.7 the representations and warranties made by Party B prove to be false or misleading in any material respect;
 - 2.3.8 any indebtedness, guarantee or other obligation of Party B, whether pursuant to a contract or otherwise, (i) is accelerated as a result of a default thereunder and is required to be repaid or performed prior to the scheduled date; or (ii) has become due and is not repaid or performed as scheduled and thereby causes Party A to regard Party B's capacity to perform the obligations specified herein as having been adversely affected;
 - 2.3.9 Party B is incapable of repaying his debts as they become due;
 - 2.3.10 the Agreement is illegal as a result of any applicable laws or Party B is restricted from continuing to perform its obligations as specified herein;
 - 2.3.11 any approval, permits, licenses or authorization from any applicable governmental entity (and registration or filing procedure) required for the Company to provide value added telecommunications services in respect of its information services business via the Internet in the PRC are withdrawn, suspended, invalidated or materially amended;
 - 2.3.12 any approval, permits, licenses or authorization from any applicable government authority required to perform this Agreement or make this Agreement enforceable, legal and valid are withdrawn, suspended, invalidated or materially amended;
 - 2.3.13 any property owned by Party B is altered or damaged and thereby causes Party A to deem that the capability of Party B to perform the obligations stated herein have been adversely affected; or
 - 2.3.14 Party B defaults under either of the Equity Pledge Agreement or the Equity Option Agreement.
- 2.4 **Repayment Date.** Unless otherwise agreed by Party A in writing, the Loan borrowed by Party B, any portion of the Loan and any other payment in arrears, if applicable, under this Agreement shall become due and payable five Business Days after Party A gives written notice to Party B demanding repayment in accordance with Article 6.1 (**Repayment Date**)

Without Party A's express prior written consent, the Loan shall not be repaid and shall continue indefinitely until the Repayment Date.

- 2.5 **Form of Repayment.** Unless agreed by the parties in writing, the Loan may only be repaid in the form specified in Article 6.
- 2.6 **Purpose of Loan.** Party B has accepted the Loan provided by Party A and hereby agrees and covenants that the Loan shall be used only to contribute to the registered capital of the Company. Without Party A's prior written consent, Party B shall not use the Loan for any other purpose, or sell, assign, transfer, pledge or otherwise dispose of any legal rights or benefits in connection with, or create any security interest over, the Equity Interest to any third party.

3. CONDITIONS PRECEDENT

Drawdown of the Loan by Party B shall, unless specifically waived by Party A in writing, be conditional upon the fulfillment of all of the following conditions precedent:

- 3.1 **Representations and Warranties.** All the representations and warranties provided by Party B in Article 4.2 are true, complete and correct, and shall remain true, complete and correct on the date of such drawdown, as if they are provided on such date.
- 3.2 **No Breach.** Party B shall not have breached any of his undertakings provided in Article 5, and no event which may affect the performance of Party B's obligations hereunder shall have occurred or be likely to occur.

4. REPRESENTATIONS AND WARRANTIES

- 4.1 **Party A's Representations and Warranties.** Party A represents and warrants as follows:
- 4.1.1 it is a company incorporated and validly existing under the laws of PRC;
 - 4.1.2 it has the power to enter into and perform this Agreement, and its execution and performance of this Agreement is in compliance with the business scope of Party A and the provisions of its articles of association or other constituent documents;
 - 4.1.3 the execution and performance of this Agreement by it will not result in a breach of any laws, regulations, authorizations, or agreement to which it is subject; and
 - 4.1.4 this Agreement shall constitute its legal, valid, and binding obligations, and is to be enforceable against it.

- 4.2 **Party B's Representations and Warranties.** Party B represents and warrants as follows:
- 4.2.1 he has and shall maintain the full power and authority to enter into this Agreement and to perform his obligations hereunder;
 - 4.2.2 the execution and performance of this Agreement by himself will not result in a breach of any laws, regulations, authorizations, or agreement to which he is subject;
 - 4.2.3 this Agreement shall constitute his legal, valid, and binding obligations, and is to be enforceable against himself;
 - 4.2.4 there are no civil, criminal or administrative, claims, actions, suits, investigations or proceedings pending or threatened against him which, based on his knowledge, would materially and adversely affect this Agreement and the performance thereof;
 - 4.2.5 there is no provision of any agreement, enforceable judgment or order of any court binding on him or affecting his property, which would in any way prevent or materially adversely affect his execution or performance of this Agreement;
 - 4.2.6 the execution and performance of this Agreement and the realization of Party A's rights hereunder will not violate any mortgage right, contract, judgment, decree or law that is binding upon him or his assets;
 - 4.2.7 with the exception of the Equity Pledge Agreement, the Equity Option Agreement and the Power of Attorney, he has not: (a) created any pledge, charge or any other security over any of the Equity Interests; (b) offered to transfer any of the Equity Interests to any third party; (c) issued an undertaking to any third party regarding any offer to purchase any of the Equity Interests; or (d) entered into any agreement to transfer any of the Equity Interests to any third party; and
 - 4.2.8 no dispute, action, arbitration, administrative procedure or other legal proceeding (potential or actual) regarding himself and/or any of the Equity Interests in existence or pending.

5. UNDERTAKINGS

- 5.1 **Party B's Undertakings relating to the Company.** Party B undertakes to vote his total interest in the Company and to take all other necessary actions to ensure that the Company:
- 5.1.1 will obtain or complete all the necessary governmental approvals, authorizations, licenses, registrations and filing procedures to own its assets and to engage in the businesses specified in the operational scope of its business license;

- 5.1.2 will not supplement, change, or modify in any way its articles of association or other constituent documents, increase or reduce its registered capital, or alter its shareholding structure without the prior written consent of Party A;
- 5.1.3 will not sell, transfer, mortgage, pledge, grant any option rights or otherwise dispose of any asset, business or legal or beneficial interest, or permit the creation of any other security interest over the same without the prior written consent of Party A;
- 5.1.4 will not incur, inherit, warrant or permit the existence of any Loan without the prior written consent of Party A;
- 5.1.5 will not enter into any contracts or extend any loan or credit to any party or provide any guarantee or assume any obligation of any party without the prior written consent of Party A;
- 5.1.6 will provide all information relating to its operations and financial affairs to Party A upon the request of Party A;
- 5.1.7 will not merge, consolidate with any third party, or acquire or invest in any third party, without the prior written consent of Party A;
- 5.1.8 will notify Party A immediately should any legal action, arbitration or administrative procedure relating to its assets, operations or income arises or is likely to arise;
- 5.1.9 will execute all necessary or appropriate agreements, take all necessary or appropriate actions and make all necessary or appropriate defenses for the purpose of maintaining all rights and proprietary interests in respect of its assets;
- 5.1.10 will not pay dividends or distributions of any kind to its shareholders without the prior written consent of Party A;
- 5.1.11 will strictly observe all of the provisions under this Agreement, the Equity Pledge Agreement, the Equity Option Agreement and the Power of Attorney and shall not cause any act or omission to take place which may impair the validity and enforceability of those documents; and
- 5.1.12 will promptly notify Party A in writing of the occurrence of any event which may materially affect its assets, obligations, rights or operations.

5.2 **Undertakings of Party B.** Party B further undertakes as follows:

- 5.2.1 he will not sell, transfer, mortgage, pledge, grant any option rights or otherwise dispose of any of the Equity Interests, or permit the creation of any other security interest in the Company without the prior written consent of Party A;
- 5.2.2 he will ensure that the shareholders' meeting of the Company shall not approve any sale, transfer, pledge or other disposal of the Equity Interests, or permit the creation of any other security interest over the same without the prior written consent of Party A;
- 5.2.3 he will ensure that the shareholders' meeting of the Company shall decide on any matter only with the prior written instruction of Party A;
- 5.2.4 he will notify Party A immediately if and when any legal action, arbitration, or administrative procedure relating to the Equity Interests arises or is likely to arise;
- 5.2.5 he will enter into all necessary or appropriate agreements, take all necessary or appropriate actions, file all necessary or appropriate and make all necessary or appropriate defenses for the purpose of maintaining ownership of the Equity Interests at the instruction of Party A;
- 5.2.6 he will not cause any actions and/or omissions which may materially and adversely affect the assets, operations or liability of the Company without the prior written consent of Party A;
- 5.2.7 he will, upon the request of Party A, appoint any person nominated by Party A as a director of the Company;
- 5.2.8 in the event that the Party A or the Designated Party purchases the Equity Interests pursuant to the Equity Option Agreement, he shall apply the proceeds therefrom to repay the Loan to Party A;
- 5.2.9 he will promptly notify Party A in writing of the occurrence of any event which may materially affect his assets, obligations, rights or operations;
- 5.2.10 he shall issue the Power of Attorney simultaneously when entering into this Agreement;
- 5.2.11 the Equity Option Agreement shall be validly executed, pursuant to which Party B shall grant Party A or the Designated Party with an exclusive option to purchase the Equity Interests, to the extent permitted under PRC law;

- 5.2.12 the Equity Pledge Agreement, the Equity Option Agreement, and the Power of Attorney shall be in full effect and free of default, and all relevant filing or registrations procedures, approvals, and governmental proceedings shall have been obtained or completed;
- 5.2.13 he will strictly observe all the provisions and perform all of his obligations under this Agreement, the Equity Pledge Agreement and the Equity Option Agreement, causing no actions nor failing to take any actions that may impair the validity or enforceability of this Agreement, the Equity Pledge Agreement or the Equity Option Agreement;
- 5.2.14 he shall maintain as strictly confidential the existence and provisions of this Agreement, as well as any correspondence, resolutions, ancillary agreements and any other documentation associated herewith; and
- 5.2.15 he will not be entitled to any dividend or profit distribution of the Company and will not request or receive any of the same without the prior written consent of Party A. If such dividends or other distributions are distributed to him from the Company, he will immediately and unconditionally pay or transfer to Party A any such dividends or other distributions in whatsoever form obtained from the Company as a shareholder of the Company at the time such payables arise, after having deducted and paid any and all relevant taxes and expenses applicable as a result of his receipt of such dividends or other distributions.

6. ENFORCEMENT

6.1 Repayment of Loan.

- 6.1.1 Upon the occurrence of either an Event of Default or a decision by Party A, in its sole discretion, to demand repayment of the Loan or any portion of the Loan, Party A may at its discretion issue a notice (**Repayment Notice**) to Party B requiring repayment of the Loan or any portion of the Loan and any other payment in arrears under this Agreement.
- 6.1.2 Party B shall repay the Loan by transferring the Equity Interest to Party A or the Designated Party, as directed by Party A, by signing and delivering an agreement for the transfer of the Equity Interest satisfactory to the Party A from the form to the substance.
- 6.1.3 If Party B fails to comply with its repayment obligations under this Agreement, late payment interest shall be assessed at the rate of 0.3% per day upon the outstanding amount of the Loan and shall be payable from the Repayment Date until the date on which the total amount of the overdue loan, overdue interest and other monies payable to Party A are fully settled.

- 6.2 **Notification.** Party B shall immediately notify Party A in writing of the occurrence of any event set forth in Article 2.3 or any circumstance which may lead to the occurrence of any such event as soon as Party B knows or is aware of such event or circumstance.

7. CONFIDENTIALITY

- 7.1 **Confidentiality Obligations.** The parties shall protect and maintain the confidentiality of all information relating to or arisen from this Agreement, or made available under this Agreement to a party or any associate thereof (**Confidential Information**). Without the prior written consent of the other party, no party shall disclose any Confidential Information to any third party unless the disclosure is required by law or by enforceable orders of the court or related government departments. Under such circumstances, the party required to disclose the Confidential Information shall notify the other party immediately, take all possible measures to minimize the disclosure, and notify the persons to whom information is being disclosed of the confidentiality obligation. Notwithstanding anything to the contrary above, Party A shall have the full right to disclose any Confidential Information to its shareholders, affiliates or professional advisors.
- 7.2 **Obligations upon Termination.** Upon termination of this Agreement, either party shall, at the request of the other party, return any document, material, database, equipment, or software containing the Confidential Information to the other party. If, for any reason, such document, material, database, equipment, or software cannot be returned, either party shall destroy all the Confidential Information belonging to the other party and delete such Confidential Information from any memory devices. No party shall be permitted to continue using the Confidential Information in any way after the termination of this Agreement.
- 7.3 **No Time Limit.** There is no time limit to the confidentiality obligations stipulated in this Article, which obligations will survive the termination of this Agreement unless the Confidential Information is disclosed to the public for reasons not due to the breach of this Agreement by any party.

8. DISPUTE RESOLUTION

- 8.1 **Governing Law.** This Agreement shall be governed by the laws of the PRC.
- 8.2 **Consultation and Mediation.** If any dispute arises in connection with this Agreement, the parties shall attempt in the first instance to resolve such dispute through friendly consultation or mediation.
- 8.3 **Arbitration.** Any dispute, controversy or claim arising out of or in connection with this Agreement shall be submitted to the China International Economic and Trade Arbitration Commission (**CIETAC**) for arbitration, which shall be conducted in accordance with the CIETAC's rules in effect at the time of applying for arbitration. The place of arbitration shall be *Beijing*. The language of the arbitration shall be English. The tribunal shall consist of 3 arbitrators. The arbitral award is final and binding upon the parties. The cost of arbitration shall be allocated as determined by the arbitrators.

9. INDEMNITY

Party A agrees to indemnify and hold harmless Party B for any damages, fines or penalties solely incurred in his capacity as a shareholder or any other positions (including, without limitation, those of legal representative and director) directly as a result of the establishment of the Company and the operation of the Company's business in contravention of PRC law; provided, however, that in no instance will Party A provide such indemnification if Party B has engaged in fraud or willful misconduct or has breached or is in breach of this Agreement.

10. MISCELLANEOUS

10.1 **Notices.** All notices or other communications sent by either party shall be written in English or Chinese, and delivered in person, by mail or telecopy, to the other party at the following addresses. The date at which the communication shall be deemed to be duly given or made shall be confirmed as follows: (a) for notices delivered in person, the date of delivery shall be deemed as having been duly given or made; (b) for notices delivered by mail, the 10th day of the delivery date of air certified mail with postage prepaid (as shown on stamp) or the 4th day of the delivery date to an internationally certified delivery institution shall be deemed as having been duly given or made; and (c) for notices by telecopy, the receipt date showed on the delivery confirming paper of the relevant document shall be deemed as having been duly given or made.

Party A	:	Beijing Chezhiying Technologies Co., Ltd.
Address	:	Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Tel	:	86-10-59857001
Attn	:	Qin Zhi
Party B	:	Fan Zheng
Address	:	Room 302, Unit 2, Building 2, No. 336, Xinshi North Road, Qiaoxi District, Shijiazhuang, Hebei Province, China
Tel	:	+86 18631100000
Attn	:	Fan Zheng

- 10.2 **Entire Agreement.** This Agreement, the Exclusive Technical Consulting and Services Agreement, the Equity Pledge Agreement, the Equity Option Agreement, and the Power of Attorney from Party B to Party A in favor of Party A shall constitute the entire agreement among the parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements related thereto.
- 10.3 **Amendment.** Without the prior written consent of Party A, Party B shall not amend this Agreement. If required by law, the parties shall obtain all requisite approvals from the relevant authorities to give effect to the amendment.
- 10.4 **No Waiver.** Unless otherwise agreed upon by the parties in writing, any failure or delay on the part of either party to exercise any right, authority or privilege under this Agreement, or under any other agreement relating hereto, shall not operate as a waiver thereof; nor shall any single or partial exercise of any right, authority or privilege preclude any other future exercise thereof.
- 10.5 **Severability.** The provisions of this agreement are severable from each other. The invalidity of any provision of this agreement shall not affect the validity or enforceability of any other provision of this agreement.
- 10.6 **Successors.** This Agreement shall be valid and binding on the parties, their successors and permitted assigns.
- 10.7 **Assignment.** Party A may transfer or assign any or all of its rights and obligations under this Agreement to any of its designated parties (natural person or legal entity) at any time. In such circumstances, the transferee or assignee shall enjoy and undertake the same rights and obligations herein of Party A as if the transferee or assignee is Party A hereunder. When Party A transfers or assigns the rights and obligations under this Agreement, at the request of Party A, Party B shall execute the relevant agreements and/or documents with respect to such transfer or assignment. Party B shall not assign any of its rights or obligations hereunder without the prior written consent of the Party A.
- 10.8 **Effectiveness:** This Agreement shall be effective upon its signing by all the parties or their respective authorized representative and shall be deemed terminated as of the date when the Loan has been repaid in full.
- 10.9 **Language and Counterparts.** This Agreement is prepared in 2 sets of originals in English. Each party shall hold 1 set.

[The space below has been intentionally left blank.]

IN WITNESS WHEREOF, each of the parties hereto has duly executed or has caused this Agreement to be duly executed in its name and on its behalf by the officer or representative duly authorized, on the day and year first above written.

Party A: Beijing Chezhiying Technologies Co., Ltd.
(北京车智赢科技有限公司)

By: /s/ Qin Zhi
Name:
Title: Legal Representative
Company Seal: /s/ Beijing Chezhiying Technologies Co., Ltd.

Party B: Fan Zheng

By: /s/ Fan Zheng
Name: Fan Zheng

Loan Agreement

Equity Option Agreement

among

Beijing Chezhiying Technology Co., Ltd.

and

Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

and

Autohome Used Car Appraisal Co., Ltd.

July 8, 2015

TABLE OF CONTENTS

<u>Articles</u>	<u>Pages</u>
1. DEFINITIONS AND INTERPRETATIONS	4
2. PURCHASE AND SALE OF EQUITY INTEREST	4
3. UNDERTAKINGS	5
4. REPRESENTATIONS AND WARRANTIES	8
5. FURTHER WARRANTIES	9
6. TERM	9
7. APPLICABLE LAW AND DISPUTE RESOLUTION	9
8. CONFIDENTIALITY	10
9. MISCELLANEOUS	11

THIS EQUITY OPTION AGREEMENT (**Agreement**) is entered into on July 8, 2015 in Beijing, People's Republic of China (**PRC**).

by and among

(1) **Beijing Chezhiying Technology Co., Ltd.** (北京车智赢科技有限公司), a liability limited company incorporated under the PRC laws with its registered address at Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China (**Party A**);

and

(2) **Beijing Shengtuo Hongyuan Information Technology Co., Ltd.** (北京盛拓鸿远信息技术有限公司), a company duly organized and existing under the PRC laws with its legal address at Room 1005, F/10, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China (**Party B**);

and

(3) **Autohome Used Car Appraisal Co., Ltd.** (北京必信行二手车鉴定评估有限公司), a company duly organized and existing under the PRC laws with its legal address at Room 201, No. 35 Road West, Guchengxi Street, Shijingshan District, Beijing 100043, China (**Party C**).

Recitals

- A. Party B holds 100 % of the equity interest in Party C.
- B. Party C is a PRC domestic company lawfully existing in the PRC and engaged in used car appraisal services.
- C. On July 8, 2015, an Exclusive Technical Consulting and Services Agreement was entered into between Party A and Party C (**Services Agreement**), pursuant to which Party C will pay service fees (Service Fees) to Party A in consideration for services provided by Party A.

NOW THEREFORE, the parties agree as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1 **Definitions.** Unless otherwise provided in this Agreement, the following terms shall have the meanings set forth below:

Designated Person(s)	means 1 or more person(s) designated by Party A;
Equity Interest	means 100% of the equity interest held by Party B in Party C;
Equity Pledge Agreement	means the Equity Interest Pledge Agreement entered into by and among Party A and Party B, dated July 8, 2015, under which Party B pledges to Party A Party B's Equity Interest in consideration for Party C's performance of its obligations under the Services Agreement;
Notice of Purchase	means the written notice sent by Party A to exercise the Purchase Right (as defined below), as set forth in Article 2.2;
Person	means a person, corporation, joint venture, partnership, enterprise, trust, or non-corporate entity;
Purchase Right	means an irrevocable right to purchase, at any time, all or part of the Equity Interest held by Party B at a price equivalent to the lowest price permitted by then-current PRC laws; and
Security Interest	means any third party's security, right or interest, any right to purchase Party B's equity interest in Party C, or any right of acquisition, right of set-off, or other security arrangement, including any security interest subject to this Agreement, or the Equity Pledge Agreement.

1.2 **Interpretations.** All headings used are for reference purposes only and do not affect the meaning or interpretation of any provision. The use of the plural shall include the use of the singular, and vice versa. Unless otherwise indicated, a reference to a day, month or year is to a calendar day, month or year. The use of the masculine shall include the use of the feminine, and vice versa.

2. PURCHASE AND SALE OF EQUITY INTEREST

2.1 **Authorization.** Party B hereby irrevocably grants Party A or its Designated Person(s) the Purchase Right for its Equity Interest.

2.2 **Procedures.** Upon Party A's decision to exercise such Purchase Right, it shall send a written Notice of Purchase to Party B setting forth details for the purchase.

- 2.3 **Exercise of Purchase Right.** Every time Party A exercises the Purchase Right:
- 2.3.1 Party B shall supervise and ensure other shareholders of Party C to convene a shareholders meeting, and pass a resolution to transfer the Equity Interest from Party B to Party A and/or the Designated Person;
 - 2.3.2 Party B shall, upon the terms and conditions of this Agreement and the Notice of Purchase, enter into all documents requested by Party A; and
 - 2.3.3 Party B and Party C shall execute all documents, acquire all approvals, and perform all actions necessary to transfer the valid ownership of the Equity Interest to Party A and/or the Designated Person.
- 2.4 **Method of Payment.** Upon exercise of the Purchase Right by Party A or its Designated Person(s), Party A shall make payment by cancelling all or a portion of the Service Fees, in the same proportion that Party A or its Designated Person(s) has acquired the Security Interest. In case PRC laws require Party A or its Designated Person(s) to pay to Party B, Party B shall immediately and unconditionally pay or transfer to Party A any proceeds in whatsoever form obtained from the Party A or its Designated Person(s) at the time such payables arise, after having deducted and paid any and all relevant taxes and expenses applicable to such a shareholder as a result of its receipt of such proceeds.

3. UNDERTAKINGS

- 3.1 **Undertakings of Party C.** Party C hereby undertakes that:
- 3.1.1 it will maintain its corporate existence, operate its business, and transact affairs prudently and efficiently in accordance with good financial and commercial standards and practices;
 - 3.1.2 without the prior written consent of Party A, it will not sell, assign, mortgage, or otherwise dispose of any legal or beneficiary rights to any of its assets, business, or revenues, or permit the creation of any other Security Interest over such rights at any time after the execution date of this Agreement;
 - 3.1.3 without the prior written consent of Party A, it will not incur, assume, guarantee or allow the existence of any debts, except for those to which Party A has given its written consent;

- 3.1.4 it will always operate its business to maintain the value of its assets, and will not do anything which will affect its business situation nor the value of its assets;
- 3.1.5 without the prior written consent of Party A, it will not enter into any contract at an amount exceedingly higher or outside the ordinary business;
- 3.1.6 without the prior written consent of Party A, it will not provide any loan to any third party;
- 3.1.7 at the request of Party A, it will provide to Party A all information relating to its operation and financial conditions;
- 3.1.8 without the prior written consent of Party A, it will not be consolidated or merged with any third party, nor acquire or invest in any third party;
- 3.1.9 it will promptly inform Party A of any existing or threatened litigation, arbitration, or administrative proceedings relating to its assets, business, or revenues;
- 3.1.10 in order to maintain the ownership of all its assets, it will execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate charges, and conduct all necessary or appropriate defenses against all claims;
- 3.1.11 without the prior written consent of Party A, it will not in any form whatsoever allocate dividends to shareholders; and
- 3.1.12 if PRC law requires it to be dissolved or liquidated, it shall sell all of its assets to the extent permitted by PRC laws to Party A or another qualifying entity designated by Party A, at the lowest selling price permitted by applicable PRC law. Any obligation for Party A to pay Party C as a result of such transaction shall be forgiven by Party C or any proceeds from such transaction shall be paid to Party A in partial satisfaction of the service fee under the Services Agreement or remitted to Party A or the qualifying entity designated by Party A, as applicable under then-current PRC laws.

3.2 **Undertakings of Party B.** Party B hereby undertakes that:

- 3.2.1 without the prior written consent of Party A, it will not sell, transfer, mortgage, pledge, grant any option rights or otherwise dispose of any legal or beneficiary rights to the Equity Interest, or permit the creation of any other Security Interest over such rights at any time, except for the pledge under the Equity Pledge Agreement;

- 3.2.2 without the prior written consent of Party A, it will not vote in favor of, endorse, or sign any shareholders resolution approving the sale, assignment, mortgage, or other disposal of the legal or beneficiary rights of any shareholder or allowing the creation of any other Security Interest over such rights at the shareholders meeting of Party C;
- 3.2.3 without the prior written consent of Party A, it will not vote in favor of, endorse, or sign any shareholders resolution approving the consolidation or merger of Party C with any third party or the acquisition of or investment in any third party by Party C at the shareholders meeting of Party C;
- 3.2.4 it will promptly inform Party A of any existing or threatened litigation, arbitration, or administrative proceedings relating to the Equity Interest;
- 3.2.5 at the request of Party A, it will cause the shareholders meeting of Party C to vote in favor of the transfer of the Equity Interest as contemplated hereunder;
- 3.2.6 in order to maintain its ownership of the Equity Interest, it will execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate charges, or conduct all necessary or appropriate defenses against all claims;
- 3.2.7 at the request of Party A, it will appoint the person nominated by Party A as the director of, or to hold any other position in, Party C;
- 3.2.8 at the request of Party A, it will immediately transfer the requested Equity Interest to the Designated Person(s);
- 3.2.9 it will strictly comply with the provisions of this Agreement and any other contracts entered into jointly or separately by the parties hereto, strictly perform the obligations under such contracts, and will not do anything which will affect the validity and enforceability of such contracts;
- 3.2.10 it shall not put forward, or vote in favor of, any shareholder resolution to, or otherwise request Party C to, issue any dividends or other distributions with respect to its equity interest in Party C; provided, however, in the event that it receives any profit, bonus, distribution or dividend from Party C, it shall, as permitted under PRC laws, immediately pay or transfer such profit, bonus, distribution or dividend to Party A or to any party designated by Party A in order to pay in part the service fee under the Services Agreement on behalf of Party C; and
- 3.2.11 after mandatory liquidation described in 3.1.12 above, it will remit in full to the Party A any residual interest it receives in a nonreciprocal transfer or cause it happen. If such transfer is prohibited by PRC law, it will remit the proceeds to Party A or its Designated Person(s) in a manner permitted under PRC law

4. REPRESENTATIONS AND WARRANTIES

- 4.1 **Representations and Warranties of Party B.** Party B hereby represents and warrants to Party A that as of the date of this Agreement:
- 4.1.1 it has the power and right to sign, deliver, and perform its obligations under this Agreement, and that the said documents shall constitute its legal, valid, and binding obligations enforceable in accordance with their terms;
 - 4.1.2 the execution and delivery of this Agreement or any other contracts, and the performance of its obligations thereunder, will not violate PRC law, breach or result in a default of any contract or instrument to which it is subject, or result in a breach, suspension, or revocation of any grant, license, or approval or result in the imposition of any additional conditions being imposed thereon; and
 - 4.1.3 it is the lawful owner of the Equity Interest held by itself and has not created any Security Interest over such Equity Interest other than the Equity Pledge Agreement.
- 4.2 **Representations and Warranties of Party C.** Party C represents and warrants to Party A that:
- 4.2.1 it has the power and right to sign, deliver, and perform its obligations under this Agreement, and said documents shall constitute its legal, valid, and binding obligations enforceable in accordance with their terms;
 - 4.2.2 the execution and delivery, of this Agreement or any other contracts, and the performance of its obligations thereunder, will not violate PRC law, conflict with its Articles of Association or other constituent documents, breach or result in a default of any contract or instrument to which it is subject, or result in a breach, suspension, or revocation of any grant, license, or approval or result in the imposition of any additional conditions being imposed thereon;

- 4.2.3 it is the lawful owner of its assets, and has not created any Security Interest over such assets;
- 4.2.4 it does not have any outstanding debts other than those incurred in the ordinary course of business and which have been disclosed to Party A;
- 4.2.5 it will comply with all PRC law applicable to the acquisition of assets; and
- 4.2.6 there is no existing, pending or threatened litigation, arbitration, or administrative proceedings relating to the Equity Interest, its assets, or itself.

5. FURTHER WARRANTIES

The parties to the agreement agree to promptly execute documents reasonably requisite to the performance of the provisions and the aim of this Agreement or documents beneficial to it, and to take actions reasonably requisite to the performance of the provisions and the aim of this Agreement or actions beneficial to it.

6. TERM

This Agreement shall take effect as of the Effective Date and shall remain in full force and effect until the earlier of (1) the date on which all of the Equity Interests have been acquired by Party A directly or through its Designated Person(s); or (2) the unilateral termination by Party A (at its sole and absolute discretion), by giving 30 days prior written notice to the Party B of its intention to terminate this Agreement.

7. APPLICABLE LAW AND DISPUTE RESOLUTION

- 7.1 **Governing Law.** This Agreement shall be governed by and construed in accordance with PRC law.
- 7.2 **Consultation and Mediation.** If any dispute arises in connection with this Agreement, the parties shall attempt in the first instance to resolve such dispute through friendly consultation or mediation.
- 7.3 **Arbitration.** Any dispute, controversy or claim arising out of or in connection with this Agreement shall be submitted to the China International Economic and Trade Arbitration Commission (**CIETAC**) for arbitration, which shall be conducted in accordance with the CIETAC's rules in effect at the time of applying for arbitration. The place of arbitration shall be Beijing. The language of the arbitration shall be English. The tribunal shall consist of 3 arbitrators. The arbitral award is final and binding upon the parties. The cost of arbitration shall be allocated as determined by the arbitrators.

8. CONFIDENTIALITY

- 8.1 **Confidentiality Obligations.** The parties shall protect and maintain the confidentiality of all Confidential Information. Without the prior written consent of the other parties, no party shall disclose any Confidential Information to any third party unless the disclosure is required by law or by enforceable orders of the court or related government departments. Under such circumstances, the party required to disclose the Confidential Information shall notify the other parties immediately, take all possible measures to minimize the disclosure, and notify the persons to whom information is being disclosed of the confidentiality obligation.
- 8.2 **Obligations upon Termination.** Upon termination of this Agreement, each party shall, at the request of the other parties, return any document, material, database, equipment, or software containing the Confidential Information to the other parties. If, for any reason, such document, material, database, equipment, or software cannot be returned, the parties shall destroy all the Confidential Information and delete the Confidential Information from any memory devices. No party shall be permitted to continue using the Confidential Information in any way after the termination of this Agreement.
- 8.3 **No Time Limit.** There is no time limit to the confidentiality obligations stipulated in this Article, which obligations will survive after the termination of this Agreement unless the Confidential Information is disclosed to the public for reasons not due to the breach of this Agreement by any party.

9. MISCELLANEOUS

9.1 **Notices.** All notices or other communications sent by either party shall be written in English or Chinese, and delivered in person, by mail, or telecopy, to the other party at the following addresses. The date at which the communication shall be deemed to be duly given or made shall be confirmed as follows: (a) for notices delivered in person, the date of delivery shall be deemed as having been duly given or made; (b) for notices delivered by mail, the 10th day of the delivery date of air certified mail with postage prepaid (as shown on stamp) or the 4th day of the delivery date to an internationally certified delivery institution shall be deemed as having been duly given or made; and (c) for notices by telecopy, the receipt date showed on the delivery confirming paper of the relevant document shall be deemed as having been duly given or made.

Party A	:	Beijing Chezhiying Technology Co., Ltd.
Address	:	Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Tel	:	+86 10 59857001
Attn	:	Qin Zhi
Party B	:	Beijing Shengtuo Hongyuan Information Technology Co., Ltd.
Address	:	Room 1005, F/10, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Tel	:	+86 10 59857002
Attn	:	Qin Zhi
Party C	:	Autohome Used Car Appraisal Co., Ltd.
Address	:	Room 201, No. 35 Road West, Guchengxi Street, Shijingshan District, Beijing 100043, China
Tel	:	+86 10 59857001
Attn	:	

9.2 **Entire Agreement.** This Agreement, the Services Agreement, the Equity Pledge Agreement, and the power of attorney from Party B in favor of Party A shall constitute the entire agreement among the parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements related thereto.

9.3 **Amendment.** Without the prior written consent of Party A, neither of Party B or Party C of this Agreement shall be entitled to amend this Agreement. If required by law, the parties shall obtain all requisite approvals from the relevant authorities to give effect to the amendment.

9.4 **No Waiver.** Unless otherwise agreed upon by the parties in writing, any failure or delay on the part of any party to exercise any right, authority or privilege under this Agreement, or under any other agreement relating hereto, shall not operate as a waiver thereof; nor shall any single or partial exercise of any right, authority or privilege preclude any other future exercise thereof.

- 9.5 **Severability.** The provisions of this agreement are severable from each other. The invalidity of any provision of this agreement shall not affect the validity or enforceability of any other provision of this agreement.
- 9.6 **Successors.** This Agreement shall be valid and binding on the parties, their successors and permitted assigns.
- 9.7 **Assignment.** Party A may transfer or assign any or all of its rights and obligations under this Agreement to any of its designated parties (natural person or legal entity) at any time. In such circumstances, the transferee or assignee shall enjoy and undertake the same rights and obligations herein of Party A as if the transferee or assignee is Party A hereunder. When Party A transfers or assigns the rights and obligations under this Agreement, at the request of Party A, Party B shall execute the relevant agreements and/or documents with respect to such transfer or assignment. Party B and Party C shall assign any of its rights or obligations hereunder without the prior written consent of the Party A.
- 9.8 **Language and Counterparts.** This Agreement is prepared in 3 sets of originals in the English language. Each party shall hold 1 set.

[The space below is intentionally left blank.]

IN WITNESS WHEREOF the parties hereof have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

Party A:

Beijing Chezhiying Technology Co., Ltd.

(北京车智赢科技有限公司)

By: /s/ Qin zhi

Name: Qin Zhi

Title: Legal Representative

Company Seal: /s/ Beijing Chezhiying Technology Co., Ltd.

Party B:

Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

(北京盛拓鸿运信息技术有限公司)

By: /s/ Qin zhi

Name: Qin Zhi

Title: Legal Representative

Company Seal: /s/ Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

Party C

Autohome Used Car Appraisal Co., Ltd.

(北京必信行二手车鉴定评估有限公司)

By: /s/ Qin zhi

Name: Qin Zhi

Title: Legal Representative

Company seal: /s/ Autohome Used Car Appraisal Co., Ltd.

Equity Option Agreement

Equity Option Agreement

among

Beijing Chezhiying Technology Co., Ltd.

and

Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

and

Beijing Autohome Used Car Brokerage Co., Ltd

July 8, 2015

TABLE OF CONTENTS

<u>Articles</u>	<u>Pages</u>
1. DEFINITIONS AND INTERPRETATIONS	3
2. PURCHASE AND SALE OF EQUITY INTEREST	4
3. UNDERTAKINGS	5
4. REPRESENTATIONS AND WARRANTIES	8
5. FURTHER WARRANTIES	9
6. TERM	9
7. APPLICABLE LAW AND DISPUTE RESOLUTION	9
8. CONFIDENTIALITY	10
9. MISCELLANEOUS	10

THIS EQUITY OPTION AGREEMENT (**Agreement**) is entered into on July 8, 2015 in Beijing, People's Republic of China (**PRC**).

by and among

(1) **Beijing Chezhiying Technologies Co., Ltd.** (北京车智赢科技有限公司), a liability limited company incorporated under the PRC laws with its registered address at Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing, China (**Party A**);

and

(2) **Beijing Shengtuo Hongyuan Information Technology Co., Ltd.** (北京盛拓鸿远信息技术有限公司), a company duly organized and existing under the PRC laws with its legal address at Room 1005, Tower B, No. 3, Danling Street, Haidian District, Beijing, China (**Party B**);

and

(3) **Beijing Autohome Used Car Brokerage Co., Ltd** (北京大信旧机动车经纪有限公司), a company duly organized and existing under the PRC laws with its legal address at No.101 Oudebao Vehicles Trading Market, Huilongguan, Changping District, Beijing, China (**Party C**).

Recitals

- A. Party B holds 100 % of the equity interest in Party C.
- B. Party C is a PRC domestic company lawfully existing in the PRC and engaged in the business of used vehicles brokerage.
- C. On July 8, 2015, an Exclusive Technical Consulting and Services Agreement was entered into between Party A and Party C (**Services Agreement**), pursuant to which Party C will pay a service fee to Party A in consideration for services provided by Party A.

NOW THEREFORE, the parties agree as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1 **Definitions.** Unless otherwise provided in this Agreement, the following terms shall have the meanings set forth below:

Designated Person(s) means 1 or more person(s) designated by Party A;

Equity Interest	means 100% of the equity interest held by Party B in Party C;
Equity Pledge Agreement	means the Equity Interest Pledge Agreement entered into by and among Party A and Party B, dated on July 8, 2015, under which Party B pledges to Party A Party B's Equity Interest in consideration for Party C's performance of its obligations under the Services Agreement;
Notice of Purchase	means the written notice sent by Party A to exercise the Purchase Right (as defined below), as set forth in Article 2.2;
Person	means a person, corporation, joint venture, partnership, enterprise, trust, or non-corporate entity;
Purchase Right	means an irrevocable right to purchase, at any time, all or part of the Equity Interest held by Party B at a price equivalent to the lowest price permitted by then-current PRC laws; and
Security Interest	means any third party's security, right or interest, any right to purchase Party B's equity interest in Party C, or any right of acquisition, right of set-off, or other security arrangement, including any security interest subject to this Agreement, the Equity Pledge Agreement.

1.2 **Interpretations.** All headings used are for reference purposes only and do not affect the meaning or interpretation of any provision. The use of the plural shall include the use of the singular, and vice versa. Unless otherwise indicated, a reference to a day, month or year is to a calendar day, month or year. The use of the masculine shall include the use of the feminine, and vice versa.

2. PURCHASE AND SALE OF EQUITY INTEREST

- 2.1 **Authorization.** Party B hereby irrevocably grants Party A or its Designated Person(s) the Purchase Right for its Equity Interest.
- 2.2 **Procedures.** Upon Party A's decision to exercise such Purchase Right, it shall send a written Notice of Purchase to Party B setting forth details for the purchase.

- 2.3 **Exercise of Purchase Right.** Every time Party A exercises the Purchase Right:
- 2.3.1 Party B shall supervise and ensure other shareholders of Party C to convene a shareholders meeting, and pass a resolution to transfer the Equity Interest from Party B to Party A and/or the Designated Person;
 - 2.3.2 Party B shall, upon the terms and conditions of this Agreement and the Notice of Purchase, enter into all documents requested by Party A; and
 - 2.3.3 Party B and Party C shall execute all documents, acquire all approvals, and perform all actions necessary to transfer the valid ownership of the Equity Interest to Party A and/or the Designated Person.
- 2.4 **Method of Payment.** Upon exercise of the Purchase Right by Party A or its Designated Person(s), in case PRC laws require Party A or its Designated Person(s) to pay to Party B, Party B shall immediately and unconditionally pay or transfer to Party A any proceeds in whatsoever form obtained from the Party A or its Designated Person(s) at the time such payables arise, after having deducted and paid any and all relevant taxes and expenses applicable to such a shareholder as a result of its receipt of such proceeds.

3. UNDERTAKINGS

- 3.1 **Undertakings of Party C.** Party C hereby undertakes that:
- 3.1.1 it will maintain its corporate existence, operate its business, and transact affairs prudently and efficiently in accordance with good financial and commercial standards and practices;
 - 3.1.2 without the prior written consent of Party A, it will not sell, assign, mortgage, or otherwise dispose of any legal or beneficiary rights to any of its assets, business, or revenues, or permit the creation of any other Security Interest over such rights at any time after the execution date of this Agreement;
 - 3.1.3 without the prior written consent of Party A, it will not incur, assume, guarantee or allow the existence of any debts, except for those to which Party A has given its written consent;
 - 3.1.4 it will always operate its business to maintain the value of its assets, and will not do anything which will affect its business situation nor the value of its assets;

- 3.1.5 without the prior written consent of Party A, it will not enter into any contract at an amount exceedingly higher or outside the ordinary business;
 - 3.1.6 without the prior written consent of Party A, it will not provide any loan to any third party;
 - 3.1.7 at the request of Party A, it will provide to Party A all information relating to its operation and financial conditions;
 - 3.1.8 without the prior written consent of Party A, it will not be consolidated or merged with any third party, nor acquire or invest in any third party;
 - 3.1.9 it will promptly inform Party A of any existing or threatened litigation, arbitration, or administrative proceedings relating to its assets, business, or revenues;
 - 3.1.10 in order to maintain the ownership of all its assets, it will execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate charges, and conduct all necessary or appropriate defenses against all claims;
 - 3.1.11 without the prior written consent of Party A, it will not in any form whatsoever allocate dividends to shareholders; and
 - 3.1.12 if PRC law requires it to be dissolved or liquidated, it shall sell all of its assets to the extent permitted by PRC laws to Party A or another qualifying entity designated by Party A, at the lowest selling price permitted by applicable PRC law. Any obligation for Party A to pay Party C as a result of such transaction shall be forgiven by Party C or any proceeds from such transaction shall be paid to Party A in partial satisfaction of the service fee under the Services Agreement or remitted to Party A or the qualifying entity designated by Party A, as applicable under then-current PRC laws.
- 3.2 **Undertakings of Party B.** Party B undertakes on its own behalf that:
- 3.2.1 without the prior written consent of Party A, it will not sell, transfer, mortgage, pledge, grant any option rights or otherwise dispose of any legal or beneficiary rights to the Equity Interest, or permit the creation of any other Security Interest over such rights at any time, except for the pledge under the Equity Pledge Agreement;

- 3.2.2 without the prior written consent of Party A, it will not vote in favor of, endorse, or sign any shareholders resolution approving the sale, assignment, mortgage, or other disposal of the legal or beneficiary rights of any shareholder or allowing the creation of any other Security Interest over such rights at the shareholders meeting of Party C;
- 3.2.3 without the prior written consent of Party A, it will not vote in favor of, endorse, or sign any shareholders resolution approving the consolidation or merger of Party C with any third party or the acquisition of or investment in any third party by Party C at the shareholders meeting of Party C;
- 3.2.4 it will promptly inform Party A of any existing or threatened litigation, arbitration, or administrative proceedings relating to the Equity Interest;
- 3.2.5 at the request of Party A, it will cause the shareholders meeting of Party C to vote in favor of the transfer of the Equity Interest as contemplated hereunder;
- 3.2.6 in order to maintain its ownership of the Equity Interest, it will execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate charges, or conduct all necessary or appropriate defenses against all claims;
- 3.2.7 at the request of Party A, it will appoint the person nominated by Party A as the director of, or to hold any other position in, Party C;
- 3.2.8 at the request of Party A, it will immediately transfer the requested Equity Interest to the Designated Person(s);
- 3.2.9 it will strictly comply with the provisions of this Agreement and any other contracts entered into jointly or separately by the parties hereto, strictly perform the obligations under such contracts, and will not do anything which will affect the validity and enforceability of such contracts;
- 3.2.10 it shall not put forward, or vote in favor of, any shareholder resolution to, or otherwise request Party C to, issue any dividends or other distributions with respect to its equity interest in Party C; provided, however, in the event that it receives any profit, bonus, distribution or dividend from Party C, it shall, as permitted under PRC laws, immediately pay or transfer such profit, bonus, distribution or dividend to Party A or to any party designated by Party A in order to pay in part the service fee under the Services Agreement on behalf of Party C; and
- 3.2.11 after mandatory liquidation described in 3.1.12 above, it will remit in full to the Party A any residual interest it receives in a nonreciprocal transfer or cause it happen. If such transfer is prohibited by PRC law, it will remit the proceeds to Party A or its Designated Person(s) in a manner permitted under PRC law

4. REPRESENTATIONS AND WARRANTIES

4.1 **Representations and Warranties of Party B.** Party B hereby represents and warrants on its own behalf to Party A that as of the date of this Agreement:

- 4.1.1 it has the power and right to sign, deliver, and perform its obligations under this Agreement, and that the said documents shall constitute its legal, valid, and binding obligations enforceable in accordance with their terms;
- 4.1.2 the execution and delivery of this Agreement or any other contracts, and the performance of its obligations thereunder, will not violate PRC law, breach or result in a default of any contract or instrument to which it is subject, or result in a breach, suspension, or revocation of any grant, license, or approval or result in the imposition of any additional conditions being imposed thereon; and
- 4.1.3 it is the lawful owner of the Equity Interest held by himself and has not created any Security Interest over such Equity Interest other than the Equity Pledge Agreement.

4.2 **Representations and Warranties of Party C.** Party C represents and warrants to Party A that:

- 4.2.1 it has the power and right to sign, deliver, and perform its obligations under this Agreement, and said documents shall constitute its legal, valid, and binding obligations enforceable in accordance with their terms;
- 4.2.2 the execution and delivery, of this Agreement or any other contracts, and the performance of its obligations thereunder, will not violate PRC law, conflict with its Articles of Association or other constituent documents, breach or result in a default of any contract or instrument to which it is subject, or result in a breach, suspension, or revocation of any grant, license, or approval or result in the imposition of any additional conditions being imposed thereon;

- 4.2.3 it is the lawful owner of its assets, and has not created any Security Interest over such assets;
- 4.2.4 it does not have any outstanding debts other than those incurred in the ordinary course of business and which have been disclosed to Party A;
- 4.2.5 it will comply with all PRC law applicable to the acquisition of assets; and
- 4.2.6 there is no existing, pending or threatened litigation, arbitration, or administrative proceedings relating to the Equity Interest, its assets, or itself.

5. FURTHER WARRANTIES

The parties to the agreement agree to promptly execute documents reasonably requisite to the performance of the provisions and the aim of this Agreement or documents beneficial to it, and to take actions reasonably requisite to the performance of the provisions and the aim of this Agreement or actions beneficial to it.

6. TERM

This Agreement shall take effect as of the Effective Date and shall remain in full force and effect until the earlier of (1) the date on which all of the Equity Interests have been acquired by Party A directly or through its Designated Person(s); or (2) the unilateral termination by Party A (at its sole and absolute discretion), by giving 30 days prior written notice to the Party B of its intention to terminate this Agreement.

7. APPLICABLE LAW AND DISPUTE RESOLUTION

- 7.1 **Governing Law.** This Agreement shall be governed by and construed in accordance with PRC law.
- 7.2 **Consultation and Mediation.** If any dispute arises in connection with this Agreement, the parties shall attempt in the first instance to resolve such dispute through friendly consultation or mediation.
- 7.3 **Arbitration.** Any dispute, controversy or claim arising out of or in connection with this Agreement shall be submitted to the China International Economic and Trade Arbitration Commission (**CIETAC**) for arbitration, which shall be conducted in accordance with the CIETAC's rules in effect at the time of applying for arbitration. The place of arbitration shall be Beijing. The language of the arbitration shall be English. The tribunal shall consist of 3 arbitrators. The arbitral award is final and binding upon the parties. The cost of arbitration shall be allocated as determined by the arbitrators.

8. CONFIDENTIALITY

- 8.1 **Confidentiality Obligations.** The parties shall protect and maintain the confidentiality of all Confidential Information. Without the prior written consent of the other parties, no party shall disclose any Confidential Information to any third party unless the disclosure is required by law or by enforceable orders of the court or related government departments. Under such circumstances, the party required to disclose the Confidential Information shall notify the other parties immediately, take all possible measures to minimize the disclosure, and notify the persons to whom information is being disclosed of the confidentiality obligation.
- 8.2 **Obligations upon Termination.** Upon termination of this Agreement, each party shall, at the request of the other parties, return any document, material, database, equipment, or software containing the Confidential Information to the other parties. If, for any reason, such document, material, database, equipment, or software cannot be returned, the parties shall destroy all the Confidential Information and delete the Confidential Information from any memory devices. No party shall be permitted to continue using the Confidential Information in any way after the termination of this Agreement.
- 8.3 **No Time Limit.** There is no time limit to the confidentiality obligations stipulated in this Article, which obligations will survive after the termination of this Agreement unless the Confidential Information is disclosed to the public for reasons not due to the breach of this Agreement by any party.

9. MISCELLANEOUS

9.1 **Notices.** All notices or other communications sent by either party shall be written in English or Chinese, and delivered in person, by mail, or telecopy, to the other party at the following addresses. The date at which the communication shall be deemed to be duly given or made shall be confirmed as follows: (a) for notices delivered in person, the date of delivery shall be deemed as having been duly given or made; (b) for notices delivered by mail, the 10th day of the delivery date of air certified mail with postage prepaid (as shown on stamp) or the 4th day of the delivery date to an internationally certified delivery institution shall be deemed as having been duly given or made; and (c) for notices by telecopy, the receipt date showed on the delivery confirming paper of the relevant document shall be deemed as having been duly given or made.

Party A : Beijing Chezhiying Technologies Co., Ltd.
Address : Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Tel : +86 10 59857001
Attn : Qin Zhi

Party B : Beijing Shengtuo Hongyuan Information Technology Co., Ltd.
Address : Room 1005, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Tel : 86-10-59857002
Attn : Qin Zhi

Party C : Beijing Autohome Used Car Brokerage Co., Ltd
Address : No. 101 Oudebao Vehicles Trading Market, Huilongguan, Changping District, Beijing, China
Tel : 86-10-59857002
Attn : Qin Zhi

9.2 **Entire Agreement.** This Agreement, the Services Agreement, the Equity Pledge Agreement, and the power of attorney from Party B in favor of Party A shall constitute the entire agreement among the parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements related thereto.

9.3 **Amendment.** Without the prior written consent of Party A, neither of Party B or Party C of this Agreement shall be entitled to amend this Agreement. If required by law, the parties shall obtain all requisite approvals from the relevant authorities to give effect to the amendment.

9.4 **No Waiver.** Unless otherwise agreed upon by the parties in writing, any failure or delay on the part of any party to exercise any right, authority or privilege under this Agreement, or under any other agreement relating hereto, shall not operate as a waiver thereof; nor shall any single or partial exercise of any right, authority or privilege preclude any other future exercise thereof.

- 9.5 **Severability.** The provisions of this agreement are severable from each other. The invalidity of any provision of this agreement shall not affect the validity or enforceability of any other provision of this agreement.
- 9.6 **Successors.** This Agreement shall be valid and binding on the parties, their successors and permitted assigns.
- 9.7 **Assignment.** Party A may transfer or assign any or all of its rights and obligations under this Agreement to any of its designated parties (natural person or legal entity) at any time. In such circumstances, the transferee or assignee shall enjoy and undertake the same rights and obligations herein of Party A as if the transferee or assignee is Party A hereunder. When Party A transfers or assigns the rights and obligations under this Agreement, at the request of Party A, Party B shall execute the relevant agreements and/or documents with respect to such transfer or assignment. Party B and Party C shall assign any of its rights or obligations hereunder without the prior written consent of the Party A.
- 9.8 **Language and Counterparts.** This Agreement is prepared in 3 sets of originals in the English language. Each party shall hold 1 set.

[The space below is intentionally left blank.]

IN WITNESS WHEREOF the parties hereof have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

Party A:

Beijing Chezhiying Technology Co., Ltd.

(北京车智赢科技有限公司),

By: /s/ Qin Zhi _____

Name: Qin Zhi

Title: Legal Representative

Company Seal: /s/ Beijing Chezhiying Technology Co., Ltd.

Party B

Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

(北京盛拓鸿远信息技术有限公司)

By: /s/ Qin Zhi _____

Name: Qin Zhi

Title: Legal Representative

Company seal: /s/ Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

Party C

Beijing Autohome Used Car Brokerage Co., Ltd

(北京大信旧机动车经纪有限公司)

By: /s/ Qin Zhi _____

Name: Qin Zhi

Title: Legal Representative

Company seal: /s/ Beijing Autohome Used Car Brokerage Co., Ltd

Equity Option Agreement

Equity Option Agreement

among

Beijing Chezhiying Technologies Co., Ltd.

and

Qin Zhi

and

Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

July 8, 2015

TABLE OF CONTENTS

<u>Articles</u>	<u>Pages</u>
1. DEFINITIONS AND INTERPRETATIONS	4
2. PURCHASE AND SALE OF EQUITY INTEREST	5
3. UNDERTAKINGS	5
4. REPRESENTATIONS AND WARRANTIES	8
5. FURTHER WARRANTIES	9
6. TERM	9
7. APPLICABLE LAW AND DISPUTE RESOLUTION	10
8. CONFIDENTIALITY	10
9. MISCELLANEOUS	11

THIS EQUITY OPTION AGREEMENT (**Agreement**) is entered into on July 8, 2015 in Beijing, People's Republic of China (**PRC**).

by and among

(1) **Beijing Chezhiying Technologies Co., Ltd.** (北京车智赢科技有限公司), a liability limited company incorporated under the PRC laws with its registered address at Room1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China (**Party A**);

and

(2) **Qin Zhi**, a PRC citizen, holder of identification card number ***, whose residential address is at Room 452, Unit 4, Building 31, Yuetan South Street, Xicheng District, Beijing, China (**Party B**);

and

(3) **Beijing Shengtuo Hongyuan Information Technology Co., Ltd.** (北京盛拓鸿远信息技术有限公司), a company duly organized and existing under the PRC laws with its legal address at Room 1005, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China (**Party C**).

Recitals

- A. Party B holds 50% of the equity interest in Party C.
- B. Party C is a PRC domestic company lawfully existing in the PRC and engaged in the business of Internet information service.
- C. On July 8, 2015, a Loan Agreement was entered into between Party A and Party B (**Loan Agreement**), pursuant to which Party B took a loan(**Loan**) from, and therefore owes a debt to, Party A to subscribe to the aforementioned 50% equity interest in Party C.
- D. On July 8, 2015, a Exclusive Technical Consulting and Services Agreement was entered into between Party A and Party C (**Services Agreement**), pursuant to which Party C will pay a service fee to Party A in consideration for services provided by Party A.

NOW THEREFORE, the parties agree as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1 **Definitions.** Unless otherwise provided in this Agreement, the following terms shall have the meanings set forth below:

- Designated Person(s)** means 1 or more person(s) designated by Party A;
- Equity Interest** means 50% of the equity interest held by Party B in Party C;
- Equity Pledge Agreement** means the Equity Interest Pledge Agreement entered into by and among Party A and Party B, dated on July 8, 2015, under which Party B pledges to Party A Party B's Equity Interest in consideration for Party C's performance of its obligations under the Loan Agreement and Services Agreement;
- Notice of Purchase** means the written notice sent by Party A to exercise the Purchase Right (as defined below), as set forth in Article 2.2;
- Person** means a person, corporation, joint venture, partnership, enterprise, trust, or non-corporate entity;
- Purchase Right** means an irrevocable right to purchase, at any time, all or part of the Equity Interest held by Party B at a price equivalent to the lowest price permitted by then-current PRC laws; and
- Security Interest** means any third party's security, right or interest, any right to purchase Party B's equity interest in Party C, or any right of acquisition, right of set-off, or other security arrangement, including any security interest subject to this Agreement, the Equity Pledge Agreement or the Loan Agreement.

1.2 **Interpretations.** All headings used are for reference purposes only and do not affect the meaning or interpretation of any provision. The use of the plural shall include the use of the singular, and vice versa. Unless otherwise indicated, a reference to a day, month or year is to a calendar day, month or year. The use of the masculine shall include the use of the feminine, and vice versa.

2. PURCHASE AND SALE OF EQUITY INTEREST

- 2.1 **Authorization.** Party B hereby irrevocably grants Party A or its Designated Person(s) the Purchase Right for his Equity Interest.
- 2.2 **Procedures.** Upon Party A's decision to exercise such Purchase Right, it shall send a written Notice of Purchase to Party B setting forth details for the purchase.
- 2.3 **Exercise of Purchase Right.** Every time Party A exercises the Purchase Right:
- 2.3.1 Party B shall supervise and ensure other shareholders of Party C to convene a shareholders meeting, and pass a resolution to transfer the Equity Interest from Party B to Party A and/or the Designated Person;
- 2.3.2 Party B shall, upon the terms and conditions of this Agreement and the Notice of Purchase, enter into all documents requested by Party A; and
- 2.3.3 Party B and Party C shall execute all documents, acquire all approvals, and perform all actions necessary to transfer the valid ownership of the Equity Interest to Party A and/or the Designated Person.
- 2.4 **Method of Payment.** Upon exercise of the Purchase Right by Party A or its Designated Person(s), Party A shall make payment by cancelling all or a portion of the Loan, in the same proportion that Party A or its Designated Person(s) has acquired the Security Interest. In case PRC laws require Party A or its Designated Person(s) to pay to Party B, Party B shall immediately and unconditionally pay or transfer to Party A any proceeds in whatsoever form obtained from the Party A or its Designated Person(s) at the time such payables arise, after having deducted and paid any and all relevant taxes and expenses applicable to such a shareholder as a result of his receipt of such proceeds.

3. UNDERTAKINGS

- 3.1 **Undertakings of Party C.** Party C hereby undertakes that:
- 3.1.1 it will maintain its corporate existence, operate its business, and transact affairs prudently and efficiently in accordance with good financial and commercial standards and practices;
- 3.1.2 without the prior written consent of Party A, it will not sell, assign, mortgage, or otherwise dispose of any legal or beneficiary rights to any of its assets, business, or revenues, or permit the creation of any other Security Interest over such rights at any time after the execution date of this Agreement;

- 3.1.3 without the prior written consent of Party A, it will not incur, assume, guarantee or allow the existence of any debts, except for those to which Party A has given its written consent;
- 3.1.4 it will always operate its business to maintain the value of its assets, and will not do anything which will affect its business situation nor the value of its assets;
- 3.1.5 without the prior written consent of Party A, it will not enter into any contract at an amount exceedingly higher or outside the ordinary business;
- 3.1.6 without the prior written consent of Party A, it will not provide any loan to any third party;
- 3.1.7 at the request of Party A, it will provide to Party A all information relating to its operation and financial conditions;
- 3.1.8 without the prior written consent of Party A, it will not be consolidated or merged with any third party, nor acquire or invest in any third party;
- 3.1.9 it will promptly inform Party A of any existing or threatened litigation, arbitration, or administrative proceedings relating to its assets, business, or revenues;
- 3.1.10 in order to maintain the ownership of all its assets, it will execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate charges, and conduct all necessary or appropriate defenses against all claims;
- 3.1.11 without the prior written consent of Party A, it will not in any form whatsoever allocate dividends to shareholders; and
- 3.1.12 if PRC law requires it to be dissolved or liquidated, it shall sell all of its assets to the extent permitted by PRC laws to Party A or another qualifying entity designated by Party A, at the lowest selling price permitted by applicable PRC law. Any obligation for Party A to pay Party C as a result of such transaction shall be forgiven by Party C or any proceeds from such transaction shall be paid to Party A in partial satisfaction of the service fee under the Services Agreement or remitted to Party A or the qualifying entity designated by Party A, as applicable under then-current PRC laws.

- 3.2 **Undertakings of Party B.** Party B undertakes on his own behalf that:
- 3.2.1 without the prior written consent of Party A, he will not sell, transfer, mortgage, pledge, grant any option rights or otherwise dispose of any legal or beneficiary rights to the Equity Interest, or permit the creation of any other Security Interest over such rights at any time, except for the pledge under the Equity Pledge Agreement;
 - 3.2.2 without the prior written consent of Party A, he will not vote in favor of, endorse, or sign any shareholders resolution approving the sale, assignment, mortgage, or other disposal of the legal or beneficiary rights of any shareholder or allowing the creation of any other Security Interest over such rights at the shareholders meeting of Party C;
 - 3.2.3 without the prior written consent of Party A, he will not vote in favor of, endorse, or sign any shareholders resolution approving the consolidation or merger of Party C with any third party or the acquisition of or investment in any third party by Party C at the shareholders meeting of Party C;
 - 3.2.4 he will promptly inform Party A of any existing or threatened litigation, arbitration, or administrative proceedings relating to the Equity Interest;
 - 3.2.5 at the request of Party A, he will cause the shareholders meeting of Party C to vote in favor of the transfer of the Equity Interest as contemplated hereunder;
 - 3.2.6 in order to maintain his ownership of the Equity Interest, he will execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate charges, or conduct all necessary or appropriate defenses against all claims;
 - 3.2.7 at the request of Party A, he will appoint the person nominated by Party A as the director of, or to hold any other position in, Party C;
 - 3.2.8 at the request of Party A, he will immediately transfer the requested Equity Interest to the Designated Person(s);
 - 3.2.9 he will strictly comply with the provisions of this Agreement and any other contracts entered into jointly or separately by the parties hereto, strictly perform the obligations under such contracts, and will not do anything which will affect the validity and enforceability of such contracts;

- 3.2.10 he shall not put forward, or vote in favor of, any shareholder resolution to, or otherwise request Party C to, issue any dividends or other distributions with respect to his equity interest in Party C; provided, however, in the event that he receives any profit, bonus, distribution or dividend from Party C, he shall, as permitted under PRC laws, immediately pay or transfer such profit, bonus, distribution or dividend to Party A or to any party designated by Party A in order to 1) first, to repay in part the Loan payable under the Loan Agreement; and 2) then, if there is any profit, bonus, distribution or dividend amount remaining, to pay in part the service fee under the Services Agreement on behalf of Party C; and
- 3.2.11 after mandatory liquidation described in 3.1.12 above, he will remit in full to the Party A any residual interest he receives in a nonreciprocal transfer or cause it happen. If such transfer is prohibited by PRC law, he will remit the proceeds to Party A or its Designated Person(s) in a manner permitted under PRC law

4. REPRESENTATIONS AND WARRANTIES

- 4.1 **Representations and Warranties of Party B.** Party B hereby represents and warrants on his own behalf to Party A that as of the date of this Agreement:
 - 4.1.1 he has the power and right to sign, deliver, and perform his obligations under this Agreement, and that the said documents shall constitute his legal, valid, and binding obligations enforceable in accordance with their terms;
 - 4.1.2 the execution and delivery of this Agreement or any other contracts, and the performance of his obligations thereunder, will not violate PRC law, breach or result in a default of any contract or instrument to which he is subject, or result in a breach, suspension, or revocation of any grant, license, or approval or result in the imposition of any additional conditions being imposed thereon; and
 - 4.1.3 he is the lawful owner of the Equity Interest held by himself and has not created any Security Interest over such Equity Interest other than the Equity Pledge Agreement.

4.2 **Representations and Warranties of Party C.** Party C represents and warrants to Party A that:

- 4.2.1 it has the power and right to sign, deliver, and perform its obligations under this Agreement, and said documents shall constitute its legal, valid, and binding obligations enforceable in accordance with their terms;
- 4.2.2 the execution and delivery, of this Agreement or any other contracts, and the performance of its obligations thereunder, will not violate PRC law, conflict with its Articles of Association or other constituent documents, breach or result in a default of any contract or instrument to which it is subject, or result in a breach, suspension, or revocation of any grant, license, or approval or result in the imposition of any additional conditions being imposed thereon;
- 4.2.3 it is the lawful owner of its assets, and has not created any Security Interest over such assets;
- 4.2.4 it does not have any outstanding debts other than those incurred in the ordinary course of business and which have been disclosed to Party A;
- 4.2.5 it will comply with all PRC law applicable to the acquisition of assets; and
- 4.2.6 there is no existing, pending or threatened litigation, arbitration, or administrative proceedings relating to the Equity Interest, its assets, or itself.

5. **FURTHER WARRANTIES**

The parties to the agreement agree to promptly execute documents reasonably requisite to the performance of the provisions and the aim of this Agreement or documents beneficial to it, and to take actions reasonably requisite to the performance of the provisions and the aim of this Agreement or actions beneficial to it.

6. **TERM**

This Agreement shall take effect as of the Effective Date and shall remain in full force and effect until the earlier of (1) the date on which all of the Equity Interests have been acquired by Party A directly or through its Designated Person(s); or (2) the unilateral termination by Party A (at its sole and absolute discretion), by giving 30 days prior written notice to the Party B of its intention to terminate this Agreement.

7. **APPLICABLE LAW AND DISPUTE RESOLUTION**

- 7.1 **Governing Law.** This Agreement shall be governed by and construed in accordance with PRC law.
- 7.2 **Consultation and Mediation.** If any dispute arises in connection with this Agreement, the parties shall attempt in the first instance to resolve such dispute through friendly consultation or mediation.
- 7.3 **Arbitration.** Any dispute, controversy or claim arising out of or in connection with this Agreement shall be submitted to the China International Economic and Trade Arbitration Commission (**CIETAC**) for arbitration, which shall be conducted in accordance with the CIETAC's rules in effect at the time of applying for arbitration. The place of arbitration shall be Beijing. The language of the arbitration shall be English. The tribunal shall consist of 3 arbitrators. The arbitral award is final and binding upon the parties. The cost of arbitration shall be allocated as determined by the arbitrators.

8. **CONFIDENTIALITY**

- 8.1 **Confidentiality Obligations.** The parties shall protect and maintain the confidentiality of all Confidential Information. Without the prior written consent of the other parties, no party shall disclose any Confidential Information to any third party unless the disclosure is required by law or by enforceable orders of the court or related government departments. Under such circumstances, the party required to disclose the Confidential Information shall notify the other parties immediately, take all possible measures to minimize the disclosure, and notify the persons to whom information is being disclosed of the confidentiality obligation.
- 8.2 **Obligations upon Termination.** Upon termination of this Agreement, each party shall, at the request of the other parties, return any document, material, database, equipment, or software containing the Confidential Information to the other parties. If, for any reason, such document, material, database, equipment, or software cannot be returned, the parties shall destroy all the Confidential Information and delete the Confidential Information from any memory devices. No party shall be permitted to continue using the Confidential Information in any way after the termination of this Agreement.
- 8.3 **No Time Limit.** There is no time limit to the confidentiality obligations stipulated in this Article, which obligations will survive after the termination of this Agreement unless the Confidential Information is disclosed to the public for reasons not due to the breach of this Agreement by any party.

9. MISCELLANEOUS

9.1 **Notices.** All notices or other communications sent by either party shall be written in English or Chinese, and delivered in person, by mail, or telecopy, to the other party at the following addresses. The date at which the communication shall be deemed to be duly given or made shall be confirmed as follows: (a) for notices delivered in person, the date of delivery shall be deemed as having been duly given or made; (b) for notices delivered by mail, the 10th day of the delivery date of air certified mail with postage prepaid (as shown on stamp) or the 4th day of the delivery date to an internationally certified delivery institution shall be deemed as having been duly given or made; and (c) for notices by telecopy, the receipt date showed on the delivery confirming paper of the relevant document shall be deemed as having been duly given or made.

Party A	:	Beijing Chezhiying Technologies Co., Ltd.
Address	:	Room 1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Tel	:	+86 10 59857001
Attn	:	Qin Zhi
Party B	:	Qin Zhi
Address	:	Room 452, Unit 4, Building 31, Yuetan South Street, Xicheng District, Beijing, China
Tel	:	+86 13511021165
Attn	:	Qin Zhi
Party C	:	Beijing Shengtuo Hongyuan Information Technology Co., Ltd.
Address	:	Room 1005, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Tel	:	86-10-59857002
Attn	:	Qin Zhi

9.2 **Entire Agreement.** This Agreement, the Services Agreement, the Loan Agreement, the Equity Pledge Agreement, and the power of attorney from Party B in favor of Party A shall constitute the entire agreement among the parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements related thereto.

- 9.3 **Amendment.** Without the prior written consent of Party A, neither of Party B or Party C of this Agreement shall be entitled to amend this Agreement. If required by law, the parties shall obtain all requisite approvals from the relevant authorities to give effect to the amendment.
- 9.4 **No Waiver.** Unless otherwise agreed upon by the parties in writing, any failure or delay on the part of any party to exercise any right, authority or privilege under this Agreement, or under any other agreement relating hereto, shall not operate as a waiver thereof; nor shall any single or partial exercise of any right, authority or privilege preclude any other future exercise thereof.
- 9.5 **Severability.** The provisions of this agreement are severable from each other. The invalidity of any provision of this agreement shall not affect the validity or enforceability of any other provision of this agreement.
- 9.6 **Successors.** This Agreement shall be valid and binding on the parties, their successors and permitted assigns.
- 9.7 **Assignment.** Party A may transfer or assign any or all of its rights and obligations under this Agreement to any of its designated parties (natural person or legal entity) at any time. In such circumstances, the transferee or assignee shall enjoy and undertake the same rights and obligations herein of Party A as if the transferee or assignee is Party A hereunder. When Party A transfers or assigns the rights and obligations under this Agreement, at the request of Party A, Party B shall execute the relevant agreements and/or documents with respect to such transfer or assignment. Party B and Party C shall assign any of its rights or obligations hereunder without the prior written consent of the Party A.
- 9.8 **Language and Counterparts.** This Agreement is prepared in 3 sets of originals in the English language. Each party shall hold 1 set.

[The space below is intentionally left blank.]

IN WITNESS WHEREOF the parties hereof have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

**Party A:
Beijing Chezhiying Technologies Co., Ltd.**

By: /s/ Qin Zhi
Name: Qin Zhi
Title: Legal Representative
Company Seal: /s/ Beijing Chezhiying Technologies Co., Ltd.

**Party B:
Qin Zhi**

By: /s/ Qin Zhi
Name: Qin Zhi

**Party C
Beijing Shengtuo Hongyuan Information Technology Co., Ltd.**

By: /s/ Qin Zhi
Name: Qin Zhi
Title: Legal Representative
Company seal: /s/ Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

Equity Option Agreement

Equity Option Agreement

among

Beijing Chezhiying Technologies Co., Ltd.

and

Fan Zheng

and

Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

July 8, 2015

TABLE OF CONTENTS

<u>Articles</u>	<u>Pages</u>
1. DEFINITIONS AND INTERPRETATIONS	4
2. PURCHASE AND SALE OF EQUITY INTEREST	5
3. UNDERTAKINGS	5
4. REPRESENTATIONS AND WARRANTIES	8
5. FURTHER WARRANTIES	9
6. TERM	9
7. APPLICABLE LAW AND DISPUTE RESOLUTION	10
8. CONFIDENTIALITY	10
9. MISCELLANEOUS	11

THIS EQUITY OPTION AGREEMENT (**Agreement**) is entered into on July 8, 2015 in Beijing, People's Republic of China (**PRC**).

by and among

(1) **Beijing Chezhiying Technologies Co., Ltd.** (北京车智赢科技有限公司), a liability limited company incorporated under the PRC laws with its registered address at Room1117, F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China (**Party A**);

and

(2) **Fan Zheng**, a PRC citizen, holder of identification card number ***, whose residential address is at Room 302, Unit 2, Building 2, No. 336, Xinshi North Road, Qiaoxi District, Shijiazhuang, Hebei Province, China (**Party B**);

and

(3) **Beijing Shengtuo Hongyuan Information Technology Co., Ltd.** (北京盛拓鸿远信息技术有限公司), a company duly organized and existing under the PRC laws with its legal address at Room 1005, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China (**Party C**).

Recitals

- A. Party B holds 50% of the equity interest in Party C.
- B. Party C is a PRC domestic company lawfully existing in the PRC and engaged in the business of Internet information service.
- C. On July 8, 2015, a Loan Agreement was entered into between Party A and Party B (**Loan Agreement**), pursuant to which Party B took a loan(**Loan**) from, and therefore owes a debt to, Party A to subscribe to the aforementioned 50% equity interest in Party C.
- D. On July 8, 2015, a Exclusive Technical Consulting and Services Agreement was entered into between Party A and Party C (**Services Agreement**), pursuant to which Party C will pay a service fee to Party A in consideration for services provided by Party A.

NOW THEREFORE, the parties agree as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1 **Definitions.** Unless otherwise provided in this Agreement, the following terms shall have the meanings set forth below:

- Designated Person(s)** means 1 or more person(s) designated by Party A;
- Equity Interest** means 50% of the equity interest held by Party B in Party C;
- Equity Pledge Agreement** means the Equity Interest Pledge Agreement entered into by and among Party A and Party B, dated on July 8, 2015, under which Party B pledges to Party A Party B's Equity Interest in consideration for Party C's performance of its obligations under the Loan Agreement and Services Agreement;
- Notice of Purchase** means the written notice sent by Party A to exercise the Purchase Right (as defined below), as set forth in Article 2.2;
- Person** means a person, corporation, joint venture, partnership, enterprise, trust, or non-corporate entity;
- Purchase Right** means an irrevocable right to purchase, at any time, all or part of the Equity Interest held by Party B at a price equivalent to the lowest price permitted by then-current PRC laws; and
- Security Interest** means any third party's security, right or interest, any right to purchase Party B's equity interest in Party C, or any right of acquisition, right of set-off, or other security arrangement, including any security interest subject to this Agreement, the Equity Pledge Agreement or the Loan Agreement.

1.2 **Interpretations.** All headings used are for reference purposes only and do not affect the meaning or interpretation of any provision. The use of the plural shall include the use of the singular, and vice versa. Unless otherwise indicated, a reference to a day, month or year is to a calendar day, month or year. The use of the masculine shall include the use of the feminine, and vice versa.

2. PURCHASE AND SALE OF EQUITY INTEREST

- 2.1 **Authorization.** Party B hereby irrevocably grants Party A or its Designated Person(s) the Purchase Right for his Equity Interest.
- 2.2 **Procedures.** Upon Party A's decision to exercise such Purchase Right, it shall send a written Notice of Purchase to Party B setting forth details for the purchase.
- 2.3 **Exercise of Purchase Right.** Every time Party A exercises the Purchase Right:
 - 2.3.1 Party B shall supervise and ensure other shareholders of Party C to convene a shareholders meeting, and pass a resolution to transfer the Equity Interest from Party B to Party A and/or the Designated Person;
 - 2.3.2 Party B shall, upon the terms and conditions of this Agreement and the Notice of Purchase, enter into all documents requested by Party A; and
 - 2.3.3 Party B and Party C shall execute all documents, acquire all approvals, and perform all actions necessary to transfer the valid ownership of the Equity Interest to Party A and/or the Designated Person.
- 2.4 **Method of Payment.** Upon exercise of the Purchase Right by Party A or its Designated Person(s), Party A shall make payment by cancelling all or a portion of the Loan, in the same proportion that Party A or its Designated Person(s) has acquired the Security Interest. In case PRC laws require Party A or its Designated Person(s) to pay to Party B, Party B shall immediately and unconditionally pay or transfer to Party A any proceeds in whatsoever form obtained from the Party A or its Designated Person(s) at the time such payables arise, after having deducted and paid any and all relevant taxes and expenses applicable to such a shareholder as a result of his receipt of such proceeds.

3. UNDERTAKINGS

- 3.1 **Undertakings of Party C.** Party C hereby undertakes that:
 - 3.1.1 it will maintain its corporate existence, operate its business, and transact affairs prudently and efficiently in accordance with good financial and commercial standards and practices;
 - 3.1.2 without the prior written consent of Party A, it will not sell, assign, mortgage, or otherwise dispose of any legal or beneficiary rights to any of its assets, business, or revenues, or permit the creation of any other Security Interest over such rights at any time after the execution date of this Agreement;

- 3.1.3 without the prior written consent of Party A, it will not incur, assume, guarantee or allow the existence of any debts, except for those to which Party A has given its written consent;
- 3.1.4 it will always operate its business to maintain the value of its assets, and will not do anything which will affect its business situation nor the value of its assets;
- 3.1.5 without the prior written consent of Party A, it will not enter into any contract at an amount exceedingly higher or outside the ordinary business;
- 3.1.6 without the prior written consent of Party A, it will not provide any loan to any third party;
- 3.1.7 at the request of Party A, it will provide to Party A all information relating to its operation and financial conditions;
- 3.1.8 without the prior written consent of Party A, it will not be consolidated or merged with any third party, nor acquire or invest in any third party;
- 3.1.9 it will promptly inform Party A of any existing or threatened litigation, arbitration, or administrative proceedings relating to its assets, business, or revenues;
- 3.1.10 in order to maintain the ownership of all its assets, it will execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate charges, and conduct all necessary or appropriate defenses against all claims;
- 3.1.11 without the prior written consent of Party A, it will not in any form whatsoever allocate dividends to shareholders; and
- 3.1.12 if PRC law requires it to be dissolved or liquidated, it shall sell all of its assets to the extent permitted by PRC laws to Party A or another qualifying entity designated by Party A, at the lowest selling price permitted by applicable PRC law. Any obligation for Party A to pay Party C as a result of such transaction shall be forgiven by Party C or any proceeds from such transaction shall be paid to Party A in partial satisfaction of the service fee under the Services Agreement or remitted to Party A or the qualifying entity designated by Party A, as applicable under then-current PRC laws.

- 3.2 **Undertakings of Party B.** Party B undertakes on his own behalf that:
- 3.2.1 without the prior written consent of Party A, he will not sell, transfer, mortgage, pledge, grant any option rights or otherwise dispose of any legal or beneficiary rights to the Equity Interest, or permit the creation of any other Security Interest over such rights at any time, except for the pledge under the Equity Pledge Agreement;
 - 3.2.2 without the prior written consent of Party A, he will not vote in favor of, endorse, or sign any shareholders resolution approving the sale, assignment, mortgage, or other disposal of the legal or beneficiary rights of any shareholder or allowing the creation of any other Security Interest over such rights at the shareholders meeting of Party C;
 - 3.2.3 without the prior written consent of Party A, he will not vote in favor of, endorse, or sign any shareholders resolution approving the consolidation or merger of Party C with any third party or the acquisition of or investment in any third party by Party C at the shareholders meeting of Party C;
 - 3.2.4 he will promptly inform Party A of any existing or threatened litigation, arbitration, or administrative proceedings relating to the Equity Interest;
 - 3.2.5 at the request of Party A, he will cause the shareholders meeting of Party C to vote in favor of the transfer of the Equity Interest as contemplated hereunder;
 - 3.2.6 in order to maintain his ownership of the Equity Interest, he will execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate charges, or conduct all necessary or appropriate defenses against all claims;
 - 3.2.7 at the request of Party A, he will appoint the person nominated by Party A as the director of, or to hold any other position in, Party C;
 - 3.2.8 at the request of Party A, he will immediately transfer the requested Equity Interest to the Designated Person(s);
 - 3.2.9 he will strictly comply with the provisions of this Agreement and any other contracts entered into jointly or separately by the parties hereto, strictly perform the obligations under such contracts, and will not do anything which will affect the validity and enforceability of such contracts;

- 3.2.10 he shall not put forward, or vote in favor of, any shareholder resolution to, or otherwise request Party C to, issue any dividends or other distributions with respect to his equity interest in Party C; provided, however, in the event that he receives any profit, bonus, distribution or dividend from Party C, he shall, as permitted under PRC laws, immediately pay or transfer such profit, bonus, distribution or dividend to Party A or to any party designated by Party A in order to 1) first, to repay in part the Loan payable under the Loan Agreement; and 2) then, if there is any profit, bonus, distribution or dividend amount remaining, to pay in part the service fee under the Services Agreement on behalf of Party C; and
- 3.2.11 after mandatory liquidation described in 3.1.12 above, he will remit in full to the Party A any residual interest he receives in a nonreciprocal transfer or cause it happen. If such transfer is prohibited by PRC law, he will remit the proceeds to Party A or its Designated Person(s) in a manner permitted under PRC law

4. REPRESENTATIONS AND WARRANTIES

- 4.1 **Representations and Warranties of Party B.** Party B hereby represents and warrants on his own behalf to Party A that as of the date of this Agreement:
 - 4.1.1 he has the power and right to sign, deliver, and perform his obligations under this Agreement, and that the said documents shall constitute his legal, valid, and binding obligations enforceable in accordance with their terms;
 - 4.1.2 the execution and delivery of this Agreement or any other contracts, and the performance of his obligations thereunder, will not violate PRC law, breach or result in a default of any contract or instrument to which he is subject, or result in a breach, suspension, or revocation of any grant, license, or approval or result in the imposition of any additional conditions being imposed thereon; and
 - 4.1.3 he is the lawful owner of the Equity Interest held by himself and has not created any Security Interest over such Equity Interest other than the Equity Pledge Agreement.

4.2 **Representations and Warranties of Party C.** Party C represents and warrants to Party A that:

- 4.2.1 it has the power and right to sign, deliver, and perform its obligations under this Agreement, and said documents shall constitute its legal, valid, and binding obligations enforceable in accordance with their terms;
- 4.2.2 the execution and delivery, of this Agreement or any other contracts, and the performance of its obligations thereunder, will not violate PRC law, conflict with its Articles of Association or other constituent documents, breach or result in a default of any contract or instrument to which it is subject, or result in a breach, suspension, or revocation of any grant, license, or approval or result in the imposition of any additional conditions being imposed thereon;
- 4.2.3 it is the lawful owner of its assets, and has not created any Security Interest over such assets;
- 4.2.4 it does not have any outstanding debts other than those incurred in the ordinary course of business and which have been disclosed to Party A;
- 4.2.5 it will comply with all PRC law applicable to the acquisition of assets; and
- 4.2.6 there is no existing, pending or threatened litigation, arbitration, or administrative proceedings relating to the Equity Interest, its assets, or itself.

5. **FURTHER WARRANTIES**

The parties to the agreement agree to promptly execute documents reasonably requisite to the performance of the provisions and the aim of this Agreement or documents beneficial to it, and to take actions reasonably requisite to the performance of the provisions and the aim of this Agreement or actions beneficial to it.

6. **TERM**

This Agreement shall take effect as of the Effective Date and shall remain in full force and effect until the earlier of (1) the date on which all of the Equity Interests have been acquired by Party A directly or through its Designated Person(s); or (2) the unilateral termination by Party A (at its sole and absolute discretion), by giving 30 days prior written notice to the Party B of its intention to terminate this Agreement.

7. **APPLICABLE LAW AND DISPUTE RESOLUTION**

- 7.1 **Governing Law.** This Agreement shall be governed by and construed in accordance with PRC law.
- 7.2 **Consultation and Mediation.** If any dispute arises in connection with this Agreement, the parties shall attempt in the first instance to resolve such dispute through friendly consultation or mediation.
- 7.3 **Arbitration.** Any dispute, controversy or claim arising out of or in connection with this Agreement shall be submitted to the China International Economic and Trade Arbitration Commission (**CIETAC**) for arbitration, which shall be conducted in accordance with the CIETAC's rules in effect at the time of applying for arbitration. The place of arbitration shall be Beijing. The language of the arbitration shall be English. The tribunal shall consist of 3 arbitrators. The arbitral award is final and binding upon the parties. The cost of arbitration shall be allocated as determined by the arbitrators.

8. **CONFIDENTIALITY**

- 8.1 **Confidentiality Obligations.** The parties shall protect and maintain the confidentiality of all Confidential Information. Without the prior written consent of the other parties, no party shall disclose any Confidential Information to any third party unless the disclosure is required by law or by enforceable orders of the court or related government departments. Under such circumstances, the party required to disclose the Confidential Information shall notify the other parties immediately, take all possible measures to minimize the disclosure, and notify the persons to whom information is being disclosed of the confidentiality obligation.
- 8.2 **Obligations upon Termination.** Upon termination of this Agreement, each party shall, at the request of the other parties, return any document, material, database, equipment, or software containing the Confidential Information to the other parties. If, for any reason, such document, material, database, equipment, or software cannot be returned, the parties shall destroy all the Confidential Information and delete the Confidential Information from any memory devices. No party shall be permitted to continue using the Confidential Information in any way after the termination of this Agreement.
- 8.3 **No Time Limit.** There is no time limit to the confidentiality obligations stipulated in this Article, which obligations will survive after the termination of this Agreement unless the Confidential Information is disclosed to the public for reasons not due to the breach of this Agreement by any party.

9. MISCELLANEOUS

9.1 **Notices.** All notices or other communications sent by either party shall be written in English or Chinese, and delivered in person, by mail, or telecopy, to the other party at the following addresses. The date at which the communication shall be deemed to be duly given or made shall be confirmed as follows: (a) for notices delivered in person, the date of delivery shall be deemed as having been duly given or made; (b) for notices delivered by mail, the 10th day of the delivery date of air certified mail with postage prepaid (as shown on stamp) or the 4th day of the delivery date to an internationally certified delivery institution shall be deemed as having been duly given or made; and (c) for notices by telecopy, the receipt date showed on the delivery confirming paper of the relevant document shall be deemed as having been duly given or made.

Party A	:	Beijing Chezhiying Technologies Co., Ltd.
Address	:	Room 1117,F/11, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Tel	:	+86 10 59857001
Attn	:	Qin Zhi
Party B	:	Fan Zheng
Address	:	Room 302, Unit 2, Building 2, No. 336, Xinshi North Road, Qiaoxi District, Shijiazhuang, Hebei Province, China
Tel	:	+86 18631100000
Attn	:	Fan Zheng
Party C	:	Beijing Shengtuo Hongyuan Information Technology Co., Ltd.
Address	:	Room 1005, Tower B, No. 3, Danling Street, Haidian District, Beijing 100080, China
Tel	:	86-10-59857002
Attn	:	Qin Zhi

9.2 **Entire Agreement.** This Agreement, the Services Agreement, the Loan Agreement, the Equity Pledge Agreement, and the power of attorney from Party B in favor of Party A shall constitute the entire agreement among the parties in respect of the subject matter hereof and shall supersede any previous discussions, negotiations and agreements related thereto.

- 9.3 **Amendment.** Without the prior written consent of Party A, neither of Party B or Party C of this Agreement shall be entitled to amend this Agreement. If required by law, the parties shall obtain all requisite approvals from the relevant authorities to give effect to the amendment.
- 9.4 **No Waiver.** Unless otherwise agreed upon by the parties in writing, any failure or delay on the part of any party to exercise any right, authority or privilege under this Agreement, or under any other agreement relating hereto, shall not operate as a waiver thereof; nor shall any single or partial exercise of any right, authority or privilege preclude any other future exercise thereof.
- 9.5 **Severability.** The provisions of this agreement are severable from each other. The invalidity of any provision of this agreement shall not affect the validity or enforceability of any other provision of this agreement.
- 9.6 **Successors.** This Agreement shall be valid and binding on the parties, their successors and permitted assigns.
- 9.7 **Assignment.** Party A may transfer or assign any or all of its rights and obligations under this Agreement to any of its designated parties (natural person or legal entity) at any time. In such circumstances, the transferee or assignee shall enjoy and undertake the same rights and obligations herein of Party A as if the transferee or assignee is Party A hereunder. When Party A transfers or assigns the rights and obligations under this Agreement, at the request of Party A, Party B shall execute the relevant agreements and/or documents with respect to such transfer or assignment. Party B and Party C shall assign any of its rights or obligations hereunder without the prior written consent of the Party A.
- 9.8 **Language and Counterparts.** This Agreement is prepared in 3 sets of originals in the English language. Each party shall hold 1 set.

[The space below is intentionally left blank.]

IN WITNESS WHEREOF the parties hereof have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

Party A:
Beijing Chezhiying Technologies Co., Ltd.

By: /s/ Qin Zhi
Name: Qin Zhi
Title: Legal Representative
Company Seal: /s/ Beijing Chezhiying
Technologies Co., Ltd.

Party B:
Fan Zheng

By: /s/ Fan Zheng
Name: Fan Zheng

Party C
Beijing Shengtuo Hongyuan Information Technology Co., Ltd.

By: /s/ Qin Zhi
Name: Qin Zhi
Title: Legal Representative
Company seal: /s/ Beijing Shengtuo Hongyuan
Information Technology Co., Ltd.

Equity Option Agreement

AUTOHOME INC.

2016 SHARE INCENTIVE PLAN

ARTICLE 1

PURPOSE

The purpose of the Autohome Inc. 2016 Share Incentive Plan (the "Plan") is to promote the success and enhance the value of Autohome Inc., a company formed under the laws of the Cayman Islands (the "Company"), by linking the personal interests of the Directors, Employees, and Consultants to those of the Company's shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Company's shareholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Directors, Employees, and Consultants upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent.

ARTICLE 2

DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 "Applicable Laws" means the legal requirements relating to the Plan and the Awards under applicable provisions of the corporate, securities, tax and other laws, rules, regulations and government orders, and the rules of any applicable stock exchange or national market system, of any jurisdiction applicable to Awards granted to residents therein.

2.2 "Award" means an Option, Restricted Share or Restricted Share Unit award and share appreciation rights granted to a Participant pursuant to the Plan.

2.3 "Award Agreement" means any written agreement, contract, or other instrument or document evidencing an Award, including through electronic medium.

2.4 "Board" means the Board of Directors of the Company.

2.5 "Cause" shall mean (i) performing an act or failing to perform any act in bad faith and to the detriment of the Company or any other Service Recipient; (ii) engaging in dishonesty, intentional misconduct or material breach of any agreement with the Company or any other Service Recipient; or (iii) conviction of, or plea of guilty or no contest to, a felony or any other crime involving dishonesty, breach of trust, or physical or emotional harm to any person.

2.6 "Code" means the Internal Revenue Code of 1986 of the United States, as amended.

2.7 “Committee” has the meaning described in Article 10.

2.8 “Consultant” means any consultant or adviser if: (a) the consultant or adviser renders bona fide services to a Service Recipient; (b) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company’s securities; and (c) the consultant or adviser is a natural person who has contracted directly with the Service Recipient to render such services.

2.9 “Corporate Transaction”, unless otherwise defined in an Award Agreement, means any of the following transactions, provided, however, that the Committee shall determine under (d) and (e) whether multiple transactions are related, and its determination shall be final, binding and conclusive and, provided further, that the occurrence of a Trading Date shall not constitute a Corporate Transaction:

(a) an amalgamation, arrangement, merger or consolidation or scheme of arrangement (i) in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated, or (ii) the holders of the voting securities of the Company immediately prior to the transaction or their respective affiliates do not continue to hold more than 50% of the combined voting power of the voting securities of the surviving entity (or, as applicable, any Parent of such surviving entity) immediately following the transaction;

(b) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(c) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company;

(d) any reverse takeover or series of related transactions culminating in a reverse takeover (including, but not limited to, a tender offer followed by a reverse takeover) in which the Company is the surviving entity but (A) the Company’s equity securities outstanding immediately prior to such takeover are converted or exchanged by virtue of the takeover into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person or persons (other than to an affiliate) different from those who held such securities immediately prior to such takeover or the initial transaction culminating in such takeover, but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; or

(e) acquisition in a single or series of related transactions by any person or related group of persons of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; provided, however, that any of the following acquisitions shall not be deemed to be a Corporate Transaction: (1) by the Company, any Parent, Subsidiary or Related Entity, (2) by any employee benefit plan (or related trust) sponsored or maintained by the Company, any Parent, Subsidiary or Related Entity, or (3) by any underwriter temporarily holding securities pursuant to an offering of such securities.

2.10 “Date of Grant” means, with respect to an Award, the date that the Award is granted and its exercise price is set (if applicable), consistent with Applicable Laws and applicable financial accounting rules.

2.11 “Director” means a member of the Board.

2.12 “Disability”, unless otherwise defined in an Award Agreement, means that the Participant qualifies to receive long-term disability payments under the Service Recipient’s long-term disability insurance program, as it may be amended from time to time, to which the Participant provides services regardless of whether the Participant is covered by such policy. If the Service Recipient to which the Participant provides service does not have a long-term disability plan in place, “Disability” means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Participant will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Committee in its discretion.

2.13 “Effective Date” shall have the meaning set forth in Section 11.1.

2.14 “Employee” means any person employed by the Company or any Parent or Subsidiary of the Company.

2.15 “Exchange Act” means the Securities Exchange Act of 1934 of the United States, as amended.

2.16 “Fair Market Value” means, as of any date, the value of Shares determined as follows:

(a) If the Shares are listed on one or more established stock exchanges or national market systems, including without limitation, The New York Stock Exchange or The Nasdaq Stock Market, the Fair Market Value shall be the closing sales price for such shares (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Shares are listed (as determined by the Committee) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable;

(b) If the Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, the Fair Market Value shall be the closing sales price for such shares as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a Share shall be the mean between the high bid and low asked prices for the Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(c) In the absence of an established market for the Shares of the type described in (a) and (b), above, the Fair Market Value thereof shall be determined by the Committee in good faith and in its discretion.

2.17 "Fiscal Year" means a fiscal year of the Company.

2.18 "Incentive Share Option" means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

2.19 "Independent Director" means a Director who meets the independence standards under the applicable corporate governance rules of the stock exchange and any other Applicable Laws.

2.20 "Non-Qualified Share Option" means an Option that is not intended to be an Incentive Share Option.

2.21 "Option" means a right granted to a Participant pursuant to Article 5 of the Plan to purchase a specified number of Shares at a specified price during specified time periods. An Option may be either an Incentive Share Option or a Non-Qualified Share Option.

2.22 "Participant" means a person who, as a Director, a Consultant or an Employee, has been granted an Award pursuant to the Plan.

2.23 "Parent" means a parent corporation under Section 424(e) of the Code.

2.24 "Plan" means this Autohome Inc. 2016 Share Incentive Plan, as it may be amended from time to time.

2.25 "Related Entity" means any business, corporation, partnership, limited liability company or other entity in which the Company or a Parent or Subsidiary of the Company holds a substantial ownership interest, directly or indirectly, but which is not a Subsidiary and which the Board designates as a Related Entity for purposes of the Plan.

2.26 "Restricted Share" means a Share awarded to a Participant pursuant to Article 6 that is subject to certain restrictions and may be subject to risk of forfeiture.

2.27 "Restricted Share Unit" means the right granted to a Participant pursuant to Article 7 to receive a Share at a future date.

2.28 "Restriction Period" means the period during which the transfer of Restricted Shares are subject to restrictions, which restrictions may be based on the passage of time, the achievement of certain performance objectives, or the occurrence of other events as determined by the Committee, in its discretion.

2.29 “Securities Act” means the Securities Act of 1933 of the United States, as amended.

2.30 “Service Recipient” means the Company or any Parent or Subsidiary of the Company and any Related Entity to which a Participant provides services as an Employee, a Consultant or a Director.

2.31 “Share” means a Class A Ordinary Share, as defined in the fourth amended articles of association of the Company adopted by a special resolution of shareholders on October 28, 2013, and such other securities of the Company that may be substituted for Shares pursuant to Article 9.

2.32 “Subsidiary” means any corporation or other entity of which a majority of the outstanding voting shares or voting power is beneficially owned or controlled through contractual arrangements directly or indirectly by the Company.

2.33 “Trading Date” means the closing of the first sale to the general public of the Shares pursuant to a registration statement filed with and declared effective by the U.S. Securities and Exchange Commission under the Securities Act.

2.34 “Trading Window Days” means the days which the Participant is not prohibited by the Company’s policy from trading.

ARTICLE 3

SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to the provisions of Article 9 and Section 3.1(b), the maximum aggregate number of Shares which may be issued pursuant to all Awards (including Incentive Share Options) shall be 4,890,000 Shares.

(b) To the extent that an Award terminates, expires, or lapses for any reason, any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan. To the extent permitted by Applicable Laws, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form or combination by the Company or any Parent or Subsidiary of the Company shall not be counted against Shares available for grant pursuant to the Plan. Shares delivered by the Participant or withheld by the Company upon the exercise of any Award under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). If any Restricted Shares are forfeited by the Participant or repurchased by the Company, such Shares may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Share Option to fail to qualify under Section 422 of the Code.

3.2 Shares Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury shares (subject to Applicable Laws) or Shares purchased on the open market. Additionally, in the discretion of the Committee, American Depository Shares in an amount equivalent to the number of Shares which otherwise would be distributed pursuant to an Award may be distributed in lieu of Shares in settlement of any Award. If the number of Shares represented by an American Depository Share is other than on a one-to-one basis, the limitations of Section 3.1 shall be adjusted to reflect the distribution of American Depository Shares in lieu of Shares.

ARTICLE 4

ELIGIBILITY AND PARTICIPATION

4.1 Eligibility. Persons eligible to participate in this Plan include Employees, Consultants, and all Directors, as determined by the Committee.

4.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all eligible individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. Except as provided in one or more written contracts between the Company and an individual, no individual shall have any right to be granted an Award pursuant to this Plan.

ARTICLE 5

OPTIONS

5.1 General. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to Employees, Consultants or Directors at any time and from time to time as determined by the Committee. The Committee, in its sole discretion, shall determine the number of Shares subject to each Option. The Committee may grant Incentive Share Options, Non-Qualified Share Options, or a combination thereof.

(b) Exercise Price. The exercise price per Share subject to an Option shall be determined by the Committee and set forth in the Award Agreement which may be a fixed or variable price related to the Fair Market Value of the Shares, to the extent not prohibited by the Applicable Laws. The exercise price per Share subject to an Option may be amended or adjusted in the absolute discretion of the Committee, the determination of which shall be final, binding and conclusive.

(c) Time and Conditions of Exercise; Term. The Committee shall determine the time or times at which an Option may be exercised in whole or in part. The Committee shall also determine any conditions, including performance conditions, if any, that must be satisfied before all or part of an Option may be exercised. The Committee shall determine the term of the Option, provided that the term of any Option granted under the Plan shall not exceed ten years from the Date of Grant and, provided further, that in the case of an Incentive Share Option granted to an Employee who, immediately prior to the time the Incentive Share Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company, the term of the Incentive Share Option shall be no longer than five (5) years from the Date of Grant.

(d) Payment. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without limitation (i) cash or check denominated in U.S. Dollars, (ii) to the extent permissible under the Applicable Laws, cash or check in Chinese Renminbi, (iii) cash or check denominated in any other local currency as approved by the Committee, (iv) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof, (v) after the Trading Date the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; *provided* that payment of such proceeds is then made to the Company upon settlement of such sale, (vi) other property acceptable to the Committee with a Fair Market Value equal to the exercise price, or (vii) any combination of the foregoing. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a Director or an “executive officer” of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the exercise price of an Option in any method which would violate Section 13(k) of the Exchange Act.

(e) Evidence of Grant. All Options shall be evidenced by an Award Agreement between the Company and the Participant. The Award Agreement shall include such additional provisions as may be specified by the Committee.

(f) Expiration of Option. Except as otherwise provided in an Award Agreement or in Section 5.2 of the Plan with respect to Incentive Share Options, Options may not be exercised to any extent by anyone after the first to occur of the following events:

(i) Ten years from the Date of Grant, unless an earlier time is set in the Award Agreement;

(ii) Sixty (60) Trading Window Days after the Participant’s termination of employment and service for any reason other than Cause, death or Disability;

(iii) Upon the Participant’s termination of employment for Cause; and

(iv) Three (3) months after the date of the Participant’s termination of employment and service on account of Disability or death. Upon the Participant’s Disability or death, any Options exercisable as of the Participant’s Disability or death may be exercised by the Participant’s legal representative or representatives, by the person or persons entitled to do so pursuant to the Participant’s last will and testament, or, if the Participant fails to make testamentary disposition of such Option or dies intestate, by the person or persons entitled to receive the Option pursuant to the applicable laws of descent and distribution.

Any Options not exercised within the period of time required pursuant to the earliest to occur of the events described in (i) – (iv) above shall terminate and the Shares covered by such Option shall revert to the Plan. In addition, except as otherwise provided in an Award Agreement, if, on the date of termination, the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall be forfeited by the Participant and shall immediately revert to the Plan. If the Participant's employment is terminated for Cause, the Company has the right to cancel, forfeit and revoke the Shares underlying the exercised Options, or seek damages or compensation.

5.2 Incentive Share Options. Incentive Share Options, which shall be no greater than 20% of the size of the total pool, may be granted to Employees of the Company or a Parent or Subsidiary of the Company.

(a) Individual Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Share Options are first exercisable by a Participant in any calendar year may not exceed US\$100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Share Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Share Options.

(b) Exercise Price. The exercise price of an Incentive Share Option shall be equal to the Fair Market Value on the date of grant. However, the exercise price of any Incentive Share Option granted to any individual who, at the date of grant, owns Shares possessing more than ten percent of the total combined voting power of all classes of shares of the Company may not be less than 110% of Fair Market Value on the date of grant and such Option may not be exercisable for more than five years from the date of grant.

(c) Notice of Disposition. The Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Share Option within (i) two years from the date of grant of such Incentive Share Option or (ii) one year after the transfer of such Shares to the Participant.

(d) Expiration of Incentive Share Options. No Award of an Incentive Share Option may be made pursuant to this Plan after the tenth anniversary of the Effective Date.

(e) Right to Exercise. During a Participant's lifetime, an Incentive Share Option may be exercised only by the Participant.

ARTICLE 6

RESTRICTED SHARES

6.1 Grant of Restricted Shares. The Committee, at any time and from time to time, may grant Restricted Shares to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Shares to be granted to each Participant.

6.2 Restricted Shares Award Agreement. Each Award of Restricted Shares shall be evidenced by an Award Agreement that shall specify the Restriction Period, the number of Restricted Shares granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine. Unless the Committee determines otherwise, Restricted Shares shall be held by the Company as escrow agent until the restrictions on such Restricted Shares have lapsed.

6.3 Issuance and Restrictions. Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the management may impose (including, without limitation, limitations on the right to vote Restricted Shares or the right to receive dividends on the Restricted Share). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

6.4 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable Restriction Period, Restricted Shares that are at that time subject to restrictions shall be forfeited or repurchased in accordance with the Award Agreement; *provided, however*, the management may (a) provide in any Restricted Share Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Shares.

6.5 Certificates for Restricted Shares. Restricted Shares granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Shares are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

6.6 Removal of Restrictions. Except as otherwise provided in this Article 6, Restricted Shares granted under the Plan shall be released from escrow as soon as practicable after the last day of the Restriction Period. The Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the Participant shall be entitled to have any legend or legends under Section 6.5 removed from his or her Share certificate, and the Shares shall be freely transferable by the Participant, subject to applicable legal restrictions. The Committee (in its discretion) may establish procedures regarding the release of Shares from escrow and the removal of legends, as necessary or appropriate to minimize administrative burdens on the Company.

ARTICLE 7

RESTRICTED SHARE UNITS

7.1 Grant of Restricted Share Units. The Committee, at any time and from time to time, may grant Restricted Share Units to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Share Units to be granted to each Participant.

7.2 Restricted Share Units Award Agreement. Each Award of Restricted Share Units shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of Restricted Share Units granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

7.3 Performance Objectives and Other Terms. The Committee, in its discretion, may set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of Restricted Share Units that will be paid out to the Participants.

7.4 Form and Timing of Payment of Restricted Share Units. At the time of grant, the Committee shall specify the date or dates and/or event or events upon which the Restricted Share Units shall become fully vested and nonforfeitable. Upon vesting, the Committee, in its sole discretion, may pay Restricted Share Units in the form of cash, in Shares or in a combination thereof.

7.5 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment and service during the applicable restriction period, Restricted Share Units that are at that time unvested shall be forfeited or repurchased in accordance with the Award Agreement; *provided, however*, the Committee may (a) provide in any Restricted Share Unit Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Share Units will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Share Units.

ARTICLE 8

PROVISIONS APPLICABLE TO AWARDS

8.1 Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award, which may include the term of an Award, the provisions applicable in the event the Participant's employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

8.2 Limits on Transfer. No right or interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or a Subsidiary, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or a Subsidiary. Except as otherwise provided by the Committee, no Award shall be assigned, transferred, or otherwise disposed of by a Participant other than by will or the laws of descent and distribution. Nevertheless, an Award (other than an Incentive Share Option) can be transferred to the immediate family members of a Participant, the holding companies controlled by a Participant or his immediate family members, or trusts established for the benefit of a Participant or his family members, provided that the costs and expenses arising from or in connection with such transfer will be assumed by the Participant.

8.3 Beneficiaries. Notwithstanding Section 8.2, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If the Participant is married and resides in a community property state, a designation of a person other than the Participant's spouse as his or her beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

8.4 Share Certificates. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing the Shares pursuant to the exercise of any Award, unless and until the Committee has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all Applicable Laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Shares are listed or traded. All Share certificates delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply all Applicable Laws, and the rules of any national securities exchange or automated quotation system on which the Shares are listed, quoted, or traded. The Committee may place legends on any Share certificate to reference restrictions applicable to the Shares. In addition to the terms and conditions provided herein, the Committee may require that a Participant make such reasonable covenants, agreements, and representations as the Committee, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements. The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Committee.

8.5 Paperless Administration. Subject to Applicable Laws, the Committee may make Awards, provide applicable disclosure and procedures for exercise of Awards by an internet website or interactive voice response system for the paperless administration of Awards.

8.6 Foreign Currency. A Participant may be required to provide evidence that any currency used to pay the exercise price of any Award were acquired and taken out of the jurisdiction in which the Participant resides in accordance with Applicable Laws, including foreign exchange control laws and regulations. In the event the exercise price for an Award is paid in Chinese Renminbi or other foreign currency, as permitted by the Committee, the amount payable will be determined by conversion from U.S. dollars at the official rate promulgated by the People's Bank of China for Chinese Renminbi, or for jurisdictions other than the People's Republic of China, the exchange rate as selected by the Committee on the date of exercise.

ARTICLE 9

CHANGES IN CAPITAL STRUCTURE

9.1 Adjustments. In the event of any dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (not including normal cash dividends after the Trading Date) of Company assets to its shareholders, or any other change affecting the shares of Shares or the price or value of a Share, the Committee, shall consider whether there is any diminution or enlargement of the benefits intended to be made available under the Award, and then may in its sole discretion make such proportionate adjustments (if any) as it considers to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); (c) the grant or exercise price per share for any outstanding Awards under the Plan and (d) in the case of a spin-off, the additional number and type of shares (including shares in the entities being spun-off) that shall be issued or an appropriate decrease of exercise price in connection with the spin-off.

9.2 Corporate Transactions. Except as may otherwise be provided in any Award Agreement or any other written agreement entered into by and between the Company and a Participant, if the Committee anticipates the occurrence, or upon the occurrence, of a Corporate Transaction, the Committee may, in its sole discretion, provide for one or more of the following: (i) any and all Awards outstanding hereunder to terminate at a specific time in the future and shall give each Participant the right to exercise the vested portion of such Awards during a period of time as the Committee shall determine, or (ii) the termination of any Award in exchange for an amount of cash equal to the amount that could have been attained upon the exercise of such Award (and, for the avoidance of doubt, if as of such date the Committee determines in good faith that no amount would have been attained upon the exercise of such Award, then such Award may be terminated by the Company without payment), or (iii) the replacement of such Award with other rights or property selected by the Committee in its sole discretion or the assumption of or substitution of such Award by the successor or surviving corporation, or a Parent or Subsidiary thereof, with appropriate adjustments as to the number and kind of Shares and prices, or (iv) payment of Award in cash based on the value of Shares on the date of the Corporate Transaction plus reasonable interest on the Award through the date when such Award would otherwise be vested or have been paid in accordance with its original terms, if necessary to comply with Section 409A of the Code.

9.3 Outstanding Awards – Other Changes. In the event of any other change in the capitalization of the Company or corporate change other than those specifically referred to in this Article 9, subject to Applicable Laws and the terms of the Plan, the Committee may, in its sole discretion, make such adjustments in the number and class of shares subject to Awards outstanding on the date on which such change occurs and in the per share grant or exercise price of each Award as the Committee may consider appropriate to prevent dilution or enlargement of rights.

9.4 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of Shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares subject to an Award or the grant or exercise price of any Award.

ARTICLE 10

ADMINISTRATION

10.1 Committee. The Plan shall be administered by the Board having regard to any recommendations made to the Board by the compensation committee or if the Board has delegated the authority to the Committee members in accordance with the terms of such delegation (provided that in such case the Committee shall not grant or amend Awards to any Committee members). The term "Committee" in this Plan shall refer to the Board unless a delegation has been made by the Board to the compensation committee and in which case only to the extent of such delegation.

10.2 Section 162(m). To the extent Section 162(m) of the Code is applicable to the Company and the Committee determines it to be desirable to qualify Awards granted hereunder as "performance-based compensation" within the meaning of Section 162(m) of the Code, the Plan shall be administered by a Committee of two or more "outside directors" within the meaning of Section 162(m) of the Code.

10.3 Action by the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, or acts approved in writing by all the Committee members in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Subsidiary or Parent of the Company, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

10.4 Authority of the Committee. Subject to any specific designation in the Plan, the Committee has the exclusive power, authority and discretion to:

- (a) Designate Participants to receive Awards;
- (b) Determine the type or types of Awards to be granted to each Participant;

(c) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;

(d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;

(e) Determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(f) Prescribe the form of each Award Agreement, which need not be identical for each Participant;

(g) Decide all other matters that must be determined in connection with an Award;

(h) Determine the Fair Market Value, consistent with the terms of the Plan;

(i) Establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;

(j) Interpret the terms of, and any matter arising pursuant to, the Plan, any Award Agreement and any Award granted thereunder; and

(k) Make all other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan.

10.5 Decisions Binding. The Committee's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties.

ARTICLE 11

EFFECTIVE AND EXPIRATION DATE

11.1 Effective Date. The Plan is effective as of the date the Plan is adopted and approved by the Board (the "Effective Date"). The Plan shall be ratified by the shareholders of the Company by written resolutions at a general meeting duly held in accordance with the Company's then effective memorandum and articles of association within twelve (12) months of the Effective Date. No new Shares shall be issued pursuant to Awards granted under the Plan prior to such ratification of the Plan by the shareholders of the Company. In the event that the Plan is not ratified by the shareholders of the Company, all new Awards shall be null and void.

11.2 Expiration Date. The Plan will expire on, and no Award may be granted pursuant to the Plan after, the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

ARTICLE 12

AMENDMENT, MODIFICATION, AND TERMINATION

12.1 Amendment, Modification, And Termination. With the approval of the Board, at any time and from time to time, the Committee may terminate, amend or modify the Plan; *provided, however*, that (a) to the extent necessary to comply with Applicable Laws, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required, unless the Company decides to follow home country practice, and (b) unless the Company is permitted to and decides to follow home country practice, shareholder approval is required for any amendment to the Plan that (i) increases the number of Shares available under the Plan (other than any adjustment as provided by Article 9) or (ii) permits the Committee to extend the term of the Plan.

12.2 Awards Previously Granted. Except with respect to amendments made pursuant to Section 12.1, no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted pursuant to the Plan without the prior written consent of the Participant.

ARTICLE 13

GENERAL PROVISIONS

13.1 No Rights to Awards. No Participant, employee, or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Participants, employees, and other persons uniformly.

13.2 No Shareholders Rights. Except as otherwise determined by the Committee at the time of the grant of an Award or thereafter, no Award gives the Participant any of the rights of a Shareholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

13.3 Taxes. No Shares shall be delivered under the Plan to any Participant until such Participant has made arrangements acceptable to the Committee for the satisfaction of any income and employment tax withholding obligations under Applicable Laws. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy all applicable taxes (including the Participant's payroll tax obligations) required or permitted by Applicable Laws to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan. The Committee may in its discretion and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan, the number of Shares which may be withheld with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Participant of such Award after such Shares were acquired by the Participant from the Company) in order to satisfy any income and payroll tax liabilities applicable to the Participant with respect to the issuance, vesting, exercise or payment of the Award shall, unless specifically approved by the Committee, be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for the applicable income and payroll tax purposes that are applicable to such supplemental taxable income.

13.4 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Service Recipient to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employment or services of any Service Recipient.

13.5 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary.

13.6 Indemnification. To the extent allowable pursuant to Applicable Laws, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; *provided* he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Memorandum of Association and Articles of Association, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

13.7 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary or Parent of the Company except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

13.8 Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

13.9 Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

13.10 Fractional Shares. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down as appropriate.

13.11 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any Participant who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by the Applicable Laws, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

13.12 Government and Other Regulations. The obligation of the Company to make payment of awards in Shares or otherwise shall be subject to all Applicable Laws, and to such approvals by government agencies as may be required. The Company shall be under no obligation to register any of the Shares paid pursuant to the Plan under the Securities Act or any other similar law in any applicable jurisdiction. If the Shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act or other Applicable Laws, the Company may restrict the transfer of such Shares in such manner as it deems advisable to ensure the availability of any such exemption.

13.13 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by but not the choice of law rules of the State of New York.

13.14 Section 409A. It is the intent of the Company that payments and benefits under the Plan comply with Section 409A of the Code to the extent subject thereto, and, accordingly, to the maximum extent permitted, the Plan shall be interpreted and be administered to be in compliance therewith. To the extent that the Committee determines that any Award granted under the Plan is or may become subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and the Award Agreements shall be interpreted in accordance with Section 409A of the Code and the U.S. Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulation or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Committee may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance.

13.15 Appendices. The Committee may approve such supplements, amendments or appendices to the Plan as it may consider necessary or appropriate for purposes of compliance with Applicable Laws or otherwise and such supplements, amendments or appendices shall be considered a part of the Plan; provided, however, that no such supplements shall increase the share limitation contained in Section 3.1 of the Plan without the approval of the Board and shareholder approval to the extent required by Applicable Laws.

Principal Subsidiaries of Autohome Inc.

Subsidiaries:

Cheerbright International Holdings Limited, a British Virgin Islands company
Autohome (Hong Kong) Limited, a Hong Kong company
Beijing Cheerbright Technologies Co., Ltd., a PRC company
Autohome Media Limited, a Hong Kong company
Autohome Shanghai Advertising Co. Ltd., a PRC company
Beijing Prbrownies Software Co., Ltd., a PRC company
Beijing Autohome Advertising Co., Ltd., a PRC company
Beijing Autohome Technologies Co., Ltd., a PRC company
Tianjin Autohome Technologies Co., Ltd., a PRC company
Guangzhou Autohome Advertising Co., Ltd., a PRC company
Autohome (Tianjin) Automobile Sales Co., Ltd., a PRC company
Autohome E-commerce Inc., a Cayman Islands company
Autohome E-commerce Hong Kong Limited, a Hong Kong company
Autohome Link Inc., a Cayman Islands company
Autohome Link Hong Kong Limited, a Hong Kong company
Autohome Financing Limited, a Cayman Islands company
Autohome Financing Hong Kong Limited, a Hong Kong company
Shanghai Baiche Julian Information Technology Co., Ltd., a PRC company
Beijing Kemoshijie Technology Co., Ltd., a PRC company
Beijing Chezhiying Software Co., Ltd., a PRC company
Beijing Chezhiying Technology Co., Ltd., a PRC company

Variable Interest Entities:

Beijing Autohome Information Technology Co., Ltd., a PRC company
Beijing Shengtuo Hongyuan Information Technology Co., Ltd., a PRC company
Beijing Shengtuo Chengshi Advertising Co., Ltd., a PRC company
Beijing Shengtuo Autohome Advertising Co., Ltd., a PRC company
Shanghai You Che You Jia Advertising Co., Ltd., a PRC company
Guangzhou You Che You Jia Advertising Co., Ltd., a PRC company
Beijing Autohome Used Car Appraisal Co., Ltd., a PRC company
Beijing Autohome Used Car Brokerage Co., Ltd., a PRC company

Certification by the Principal Executive Officer**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, James Zhi Qin, certify that:

1. I have reviewed this annual report on Form 20-F of Autohome Inc. ("the Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent function):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: March 17, 2016

By: /s/ James Zhi Qin

Name: James Zhi Qin

Title: Director and Chief Executive Officer

Certification by the Principal Financial Officer**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Nicholas Yik Kay Chong, certify that:

1. I have reviewed this annual report on Form 20-F of Autohome Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent function):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: March 17, 2016

By: /s/ Nicholas Yik Kay Chong

Name: Nicholas Yik Kay Chong

Title: Chief Financial Officer

Certification by the Principal Executive Officer

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the annual report of Autohome Inc. (the "Company") on Form 20-F for the year ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James Zhi Qin, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 17, 2016

By: /s/ James Zhi Qin

Name: James Zhi Qin

Title: Director and Chief Executive Officer

Certification by the Principal Financial Officer**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of Autohome Inc. (the "Company") on Form 20-F for the year ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nicholas Yik Kay Chong, chief financial officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 17, 2016

By: /s/ Nicholas Yik Kay Chong

Name: Nicholas Yik Kay Chong

Title: Chief Financial Officer

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-196006) pertaining to the 2011 Share Incentive Plan and 2013 Share Incentive Plan of Autohome Inc. of our reports dated March 17, 2016, with respect to the consolidated financial statements of Autohome Inc., and the effectiveness of internal control over financial reporting of Autohome Inc. included in its Annual Report (Form 20-F) for the year ended December 31, 2015.

/s/ Ernst & Young Hua Ming LLP

Beijing, the People's Republic of China

March 17, 2016



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March 17, 2016

Autohome Inc.
10th Floor Tower B, CEC Plaza
3 Dan Ling Street
Haidian District, Beijing
The People's Republic of China

Ladies and Gentlemen,

We consent to the reference to our firm under the captions of "Item 3.D—Risk Factors" in Autohome Inc.'s annual report on Form 20-F for the year ended December 31, 2015, which will be filed with the Securities and Exchange Commission in the month of March 2016, and further consent to the incorporation by reference of the summaries of our opinions under these captions into Autohome Inc.'s registration statement on Form S-8 (File No. 333-196006) that was filed on May 16, 2014.

Yours faithfully

/s/ TransAsia Lawyers
TransAsia Lawyers