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

# Form 20-F

**(Mark One)**

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

**or**

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

**For the fiscal year ended December 31, 2021 or**

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

**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 _____**
**For the transition period from _____ to _____**
**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)**

**18th Floor Tower B, CEC Plaza**
**3 Dan Ling Street**
**Haidian District, Beijing 100080**
**The People's Republic of China**
**(Address of principal executive offices)**

**Quan Long**
**Chief Executive Officer**
**Tel: +86 (10) 5985-7001**
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**ir@autohome.com.cn**
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**18th Floor Tower B, CEC Plaza**
**3 Dan Ling Street**
**Haidian District, Beijing 100080**
**The People's Republic of China**
**(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)**

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

| Title of Each Class | Trading Symbol(s) | Name of Each Exchange on Which Registered |
|---|---|---|
| American depositary shares, each representing four ordinary shares | ATHM | The New York Stock Exchange |
| Ordinary shares, par value US$0.0025 per share | 2518 | The Stock Exchange of Hong Kong Limited |

**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. **505,183,788 ordinary shares (excluding 4,203,812 treasury shares and ordinary shares that had been issued and reserved for the purpose of our share incentive plans as of December 31, 2021), par value US$0.0025 per share, were outstanding as of December 31, 2021.**

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 every Interactive Data File required to be submitted 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 such files) Yes ☒ No ☐

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

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Emerging growth company | ☐ |

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

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 ☐

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## 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, par value US$0.01 per share, before our variation of share capital in 2021, and four ordinary shares, par value US$0.0025 per share, after our variation of share capital in 2021;
- "CAGR" refers to compound annual growth rate;
- "CCASS" are to the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchange and Clearing Limited;
- "China" or the "PRC" are to the People's Republic of China, excluding, for the purpose of this annual report only, Hong Kong, Macau and Taiwan;
- "CSRC" are to the China Securities Regulatory Commission;
- "HK$" or "Hong Kong dollars" or "HK dollars" are to Hong Kong dollars, the lawful currency of Hong Kong;
- "Hong Kong" or "HK" or "Hong Kong S.A.R." are to the Hong Kong Special Administrative Region of the PRC;
- "Hong Kong Listing Rules" are to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time;
- "Hong Kong Share Registrar" are to Computershare Hong Kong Investor Services Limited;
- "Hong Kong Stock Exchange" are to The Stock Exchange of Hong Kong Limited;
- "Main Board" are to the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Hong Kong Stock Exchange;
- "Ping An Group" refers to Ping An Insurance (Group) Company of China, Ltd. (HKEX: 2318; SHA: 601318), a company organized under the laws of the PRC whose H shares and A shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively;
- "RMB" and "Renminbi" are to the legal currency of China;
- "SFC" are to the Securities and Futures Commission of Hong Kong;
- "SFO" are to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time;
- "shares" or "ordinary shares" are our Class A ordinary shares, par value US$0.01 per share, before our variation of share capital in 2021, and ordinary shares, par value US$0.0025 per share, after our variation of share capital in 2021;
- "VIEs" and "VIE Entities" are the variable interest entities;
- "we," "us," "our," "our company" or "the Company" are to Autohome Inc., its predecessors, subsidiaries and, in the context of describing our operations and consolidated financial information, the VIEs in China;

- "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.

In February 2021 we effected a 4-for-1 share split and an ADS-to-ordinary share ratio adjustment from one ADS representing one Class A ordinary share to one ADS representing four ordinary shares upon the approval of our shareholders, which applies to all share numbers in this annual report retrospectively.

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 and Hong Kong dollar amounts into U.S. dollars at specific rates solely for the convenience of the readers. Unless otherwise noted, all translations from RMB and Hong Kong dollars to U.S. dollars and from U.S. dollars to RMB in this annual report were made at a rate of RMB6.3726 to US$1.00 and HK$7.7996 to US$1.00, the respective exchange rates set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System as of December 30, 2021. We make no representation that any RMB, Hong Kong dollar or U.S. dollar amounts could have been, or could be, converted into U.S. dollars, RMB or Hong Kong dollars, as the case may be, at any particular rate, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of RMB into foreign exchange and through restrictions on foreign trade.

## 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.

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 and/or ordinary shares. 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

### Our Holding Company Structure and VIE Contractual Arrangements

Autohome Inc. is not a Chinese operating company but a Cayman Islands holding company with no equity ownership in its VIEs. We conduct our operations primarily through our PRC subsidiaries and the VIEs. We conduct our business activities related to internet content services through the VIEs in order to comply with the PRC laws and regulations, which place certain restrictions on foreign ownership of companies that provide internet content services in China. Accordingly, we operate these businesses in China through the VIEs, and rely on contractual arrangements among our PRC subsidiaries, the VIEs and their shareholders to control the business operations of the VIEs. The VIEs are consolidated for accounting purposes, but are not entities in which our Cayman Islands holding company, or our investors, own equity. Revenues contributed by the VIEs accounted for 8.3%, 8.1% and 13.1% of our total net revenues for the fiscal years 2019, 2020 and 2021, respectively. As used in this annual report, "we," "us," "our," "our company" or "the Company" refer to Autohome Inc., its predecessors, subsidiaries and, in the context of describing our operations and consolidated financial information, the VIEs in China, including, but not limited to, Beijing Autohome Information Technology Co., Ltd., or Autohome Information, Beijing Shengtuo Hongyuan Information Technology Co., Ltd., or Shengtuo Hongyuan, and Shanghai Jinwu Auto Technology Consultant Co., Ltd., or Shanghai Jinwu. Investors in our ordinary shares or ADSs are not purchasing equity interest in the VIEs in China but instead are purchasing equity interest in a holding company incorporated in the Cayman Islands.

A series of contractual agreements, including power of attorney, equity interest pledge agreements, exclusive technology consulting and service agreements, equity option agreements and loan agreements, have been entered into by and among our PRC subsidiaries, the VIEs and their respective shareholders. Terms contained in each set of contractual arrangements with the VIEs and their respective shareholders are substantially similar. As a result of the contractual arrangements, we have effective control over and are considered the primary beneficiary of these companies, and we have consolidated the financial results of these companies in our consolidated financial statements. For more details of these contractual arrangements, see "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Contractual Arrangements with the Variable Interest Entities."

However, the contractual arrangements may not be as effective as direct ownership in providing us with control over the VIEs, and we may incur substantial costs to enforce the terms of the arrangements. In addition, these arrangements have not been tested in PRC courts. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—Our contractual arrangements with the VIEs may not be as effective in providing operational control as direct ownership" and "—The interests of the individual nominee shareholders of the VIEs may be different from our interests, which may materially and adversely affect our business."

There are also substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules regarding the status of the rights of our Cayman Islands holding company with respect to its contractual arrangements with the VIEs and their shareholders. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide. If we or any of the VIEs is 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 would have broad discretion to take action in dealing with such violations or failures. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—If the PRC government finds that the agreements that establish the structure for operating our 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, and we may face significant disruption to our business operations" and "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Substantial uncertainties exist with respect to the interpretation and implementation of the PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations."

Our corporate structure is subject to risks associated with our contractual arrangements with the VIEs. If the PRC government deems that our contractual arrangements with the VIEs do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change or are interpreted differently in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations. Our holding company, our PRC subsidiaries and VIEs, and investors of our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIEs and, consequently, significantly affect the financial performance of the VIEs and our company as a whole. For a detailed description of the risks associated with our corporate structure, please refer to risks disclosed under "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure."

We face various risks and uncertainties related to doing business in China. Our business operations are primarily conducted in China, and we are subject to complex and evolving PRC laws and regulations. For example, we face risks associated with regulatory approvals on offshore offerings, anti-monopoly regulatory actions, and oversight on cybersecurity and data privacy, as well as the lack of inspection by the Public Company Accounting Oversight Board, or the PCAOB, on our auditors, which may impact our ability to conduct certain businesses, accept foreign investments, or list on a United States or other foreign exchanges. On December 16, 2021, the PCAOB issued a report to notify the United States Securities and Exchange Commission (the "**SEC**") its determinations that it is unable to inspect or investigate completely registered public accounting firms headquartered in Mainland China, and identifies the registered public accounting firms in Mainland China that are subject to such determinations. Our auditor is identified by the PCAOB and is subject to the determination. Under the Holding Foreign Companies Accountable Act, or the HFCAA, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspection by the PCAOB for three consecutive years beginning in 2021, the SEC shall prohibit our shares or ADSs from being traded on a national securities exchange or in the over the counter trading market in the U.S. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment. These risks could result in a material adverse change in our operations and the value of our securities, significantly limit or completely hinder our ability to continue to offer securities to investors, or cause the value of such securities to significantly decline or become worthless. For a detailed description of risks related to doing business in China, please refer to risks disclosed under "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China."

The PRC government's significant authority in regulating our operations and its oversight and control over offerings conducted overseas by, and foreign investment in, China-based issuers could significantly limit or completely hinder our ability to offer or continue to offer securities to investors. Implementation of industry-wide regulations, including data security or anti-monopoly related regulations, in this nature may cause the value of such securities to significantly decline or become worthless. For more details, see "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—The PRC government's significant oversight and discretion over our business operations could result in a material adverse change in our operations and the value of our ADSs and/or ordinary shares."

Risks and uncertainties arising from the legal system in China, including risks and uncertainties regarding the enforcement of laws and quickly evolving rules and regulations in China, could result in a material adverse change in our operations and the value of our ADSs. For more details, see "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Uncertainties with respect to the PRC legal system could adversely affect us" and "—We may be adversely affected by the complexity, uncertainties and changes in PRC regulation of internet business and companies."

**Permissions Required from the PRC Authorities for Our Operations**

We conduct our business primarily through our subsidiaries and the VIEs in China. Our operations in China are governed by PRC laws and regulations. As of the date of this annual report, our PRC subsidiaries and the VIEs have obtained the requisite licenses and permits from the PRC government authorities that are material for the business operations of our holding company, the VIEs in China, including, among others, the ICP licenses, the Value-added Telecommunications License for Online Data Processing and Transaction Processing Business (for operational e-commerce only), the Surveying and Mapping Qualification Certificate for Internet Mapping (such certificate held by the Autohome Information is in the process of the renewal), an Operating License for the Production and Dissemination of Radio and Television Programs, an internet Audio/Video Program Transmission License, an Internet Culture Business Permit, which is in the process of the renewal. Given the uncertainties of interpretation and implementation of relevant laws and regulations and the enforcement practice by relevant government authorities, we may be required to obtain additional licenses, permits, filings or approvals for the functions and services of our platform in the future. For more detailed information, see "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—We may be adversely affected by the complexity, uncertainties and changes in PRC regulation of internet business and companies."

Furthermore, if we are deemed as a critical information infrastructure operator under the PRC cybersecurity laws and regulations, we must fulfill certain obligations as required under the PRC cybersecurity laws and regulations, including, among others, storing personal information and important data collected and produced within the PRC territory during our operations in China, and we may be subject to review when purchasing internet products and services. If we are not able to comply with the cybersecurity and data privacy requirements in a timely manner, or at all, we may be subject to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, or removal of our app from the relevant application stores, among other sanctions, which could materially and adversely affect our business and results of operations. In addition, we and the VIEs may be required to obtain permissions from CSRC, and may be required to go through cybersecurity review by the Cyberspace Administration of China, or the CAC, in case of any future issuance of securities to foreign investors. Any failure to obtain or delay in obtaining such approval or completing such procedures would subject us to sanctions by the CSRC, CAC or other PRC regulatory authorities. These regulatory authorities may impose fines and penalties on our operations in China, limit our ability to pay dividends outside of China, limit our operating privileges in China, delay or restrict the repatriation of the proceeds from our offshore offerings into China or take other actions that could materially and adversely affect our business, financial condition, results of operations, and prospects, as well as the trading price of our ADSs. For more detailed information, see "Item 3. Key Information—D. Risk Factors—Risks Related to our Business and Industry—Our business is subject to complex and evolving Chinese laws and regulations regarding data privacy and cybersecurity, many of which are subject to changes and uncertain interpretations. Any changes in these laws could cause changes to our business practices and increased cost of operations, and any security breaches or our actual or perceived failure to comply with such laws could result in claims, penalties, damages to our reputation and brand, declines in user growth or engagement, or otherwise harm our business, results of operations and financial condition," and "—Risks Related to Doing Business in China—The approval of and filing with the CSRC or other PRC government authorities may be required if we were to conduct offshore offerings in the future, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing."

**Cash Flows through Our Organization**

Autohome Inc. is a holding company with no operations of its own. We conduct our operations in China primarily through our subsidiaries and the VIEs in China. As a result, although other means are available for us to obtain financing at the holding company level, Autohome Inc.'s ability to pay dividends to the shareholders and to service any debt it may incur may depend upon dividends paid by our PRC subsidiaries and service fees paid by the VIEs.

If any of our subsidiaries incurs debt on its own behalf in the future, the instruments governing such debt may restrict its ability to pay dividends to Autohome Inc. In addition, our PRC subsidiaries are permitted to pay dividends to Autohome Inc. only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Further, our PRC subsidiaries and the VIEs are required to make appropriations to certain statutory reserve funds or may make appropriations to certain discretionary funds, which are not distributable as cash dividends and can only be used for specific purposes. Under PRC laws and regulations, our PRC subsidiaries and the VIEs are subject to certain restrictions with respect to paying dividends or otherwise transferring any of their net assets to us. Remittance of dividends by a wholly foreign-owned enterprise out of China is also subject to examination by the banks designated by the State Administration of Foreign Exchange, or SAFE. The amounts restricted include the paid-up capital and the statutory reserve funds of our PRC subsidiaries and the net assets of the VIEs in which we have no legal ownership. For more details, see "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Holding Company Structure." For risks relating to the fund flows of our operations in China, see "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—We may rely to a significant extent 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." In the years ended December 31, 2019, 2020 and 2021, our PRC subsidiaries paid to Autohome Inc. and its offshore subsidiaries a total of nil, RMB649.6 million and RMB681.4 million (US$106.9 million), respectively, in the form of dividends.

Under PRC law, Autohome Inc. and its offshore subsidiaries may provide funding to our PRC subsidiaries only through capital contributions or loans, and to the VIEs only through loans, subject to satisfaction of applicable government registration and approval requirements.

The VIEs may transfer cash to our PRC subsidiaries by paying service fees according to the exclusive technology consulting and service agreements. Pursuant to these agreements, the VIEs agree to pay the applicable subsidiaries technology consulting and service fees, subject to conditions therein.

Autohome Inc. has in place a regular dividend policy. For the fiscal years of 2019, 2020 and 2021, we paid cash dividends in the total amounts of nil, US$99.8 million and US$105.7 million, respectively, to our shareholders, pursuant to our dividend policy. See "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Policy." For the United States federal income tax consequences of the dividends we make, see "Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations—Dividends." For PRC, Hong Kong and United States federal income tax considerations of an investment in our ADSs and/or ordinary shares, see "Item 10. Additional Information—E. Taxation."

The cash transfer within the Company was summarized as below:

| | For the Year Ended December 31, | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | US$ |
| | (in thousands) | | | |
| Intercompany due from/(to) amounts | | | | |
| Amounts from parent to offshore subsidiaries[1] | 55,208 | 101,785 | 3,523,478 | 552,911 |
| Capital contributions from offshore subsidiaries to onshore subsidiaries | — | — | 163,755 | 25,697 |
| Amounts transferred among onshore subsidiaries[2] | — | — | 1,060,098 | 166,352 |
| Amounts transferred among VIEs and onshore subsidiaries[3] | — | — | 538,794 | 84,549 |
| Dividend (paid) by onshore subsidiaries to offshore subsidiaries/parent company | | | | |
| Dividend paid by onshore subsidiaries to offshore subsidiaries | — | (649,551) | (681,427) | (106,931) |
| Dividend paid by offshore subsidiaries to parent company | — | (634,078) | (682,188) | (107,050) |
| Amounts paid / (received) by subsidiaries to / (from) VIEs | | | | |
| Cash paid by onshore subsidiaries to the VIEs[4] | 245,693 | 121,156 | 251,369 | 39,445 |
| Cash paid by VIEs to onshore subsidiaries[5] | 601,458 | 231,420 | 587,771 | 92,234 |

Notes:
(1) It represented temporary operating cash support and the proceeds in connection with our Hong Kong Offering in March, 2021, which was transferred from parent company to offshore subsidiaries.
(2) It represented temporary operating cash support, which was transferred among onshore subsidiaries.
(3) It represented temporary operating cash support, which was transferred among VIEs and onshore subsidiaries.
(4) It mainly represented service fees paid by the WFOEs and other subsidiaries to the VIEs for information services.
(5) It mainly represented service fees paid by VIEs to the WFOEs and other subsidiaries for technological development and promotion service.

In the years ended December 31, 2019, 2020 and 2021, no assets other than cash were transferred through our organization.

## A. Selected Financial Data

The following tables present the selected consolidated financial information for our company. Our selected consolidated statements of operations data presented below for the years ended December 31, 2019, 2020 and 2021 and our selected consolidated balance sheet data as of December 31, 2020 and 2021 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, 2017, 2018 and 2019 and the selected consolidated statements of operations data for 2017 and 2018 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, | | | | | |
|---|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | RMB | RMB | US$ |
| | (in thousands, except for number of shares and per share data) | | | | | |
| **Selected Consolidated Statements of Operations Data:** | | | | | | |
| **Net revenues**[1] | **6,210,181** | **7,233,151** | **8,420,751** | **8,658,559** | **7,237,004** | **1,135,644** |
| Cost of revenues[2] | (1,358,685) | (820,288) | (960,292) | (961,170) | (1,047,892) | (164,437) |
| **Gross profit** | **4,851,496** | **6,412,863** | **7,460,459** | **7,697,389** | **6,189,112** | **971,207** |
| **Operating expenses** | | | | | | |
| Sales and marketing expenses[2] | (1,647,519) | (2,435,236) | (3,093,345) | (3,246,507) | (2,759,905) | (433,089) |
| General and administrative expenses[2] | (281,951) | (314,846) | (317,967) | (381,843) | (543,799) | (85,334) |
| Product development expenses[2] | (878,773) | (1,135,247) | (1,291,054) | (1,364,227) | (1,398,037) | (219,383) |
| **Total operating expenses** | **(2,808,243)** | **(3,885,329)** | **(4,702,366)** | **(4,992,577)** | **(4,701,741)** | **(737,806)** |
| Other operating income, net | 8,577 | 341,391 | 477,699 | 443,215 | 294,241 | 46,173 |
| **Operating profit** | **2,051,830** | **2,868,925** | **3,235,792** | **3,148,027** | **1,781,612** | **279,574** |
| Interest and investment income, net | 220,282 | 347,794 | 464,529 | 521,731 | 395,245 | 62,022 |
| Earnings/(loss) from equity method investments | (10,571) | 24,702 | 685 | (1,246) | 301 | 47 |
| **Income before income taxes** | **2,261,541** | **3,241,421** | **3,701,006** | **3,668,512** | **2,177,158** | **341,643** |
| Income tax expense | (267,082) | (377,890) | (500,361) | (260,945) | (34,006) | (5,336) |
| **Net income** | **1,994,459** | **2,863,531** | **3,200,645** | **3,407,567** | **2,143,152** | **336,307** |
| Net (income)/loss attributable to noncontrolling interests | 7,160 | 7,484 | (679) | (2,338) | 105,633 | 16,576 |
| **Net income attributable to Autohome Inc.** | **2,001,619** | **2,871,015** | **3,199,966** | **3,405,229** | **2,248,785** | **352,883** |
| Accretion of mezzanine equity. | — | — | — | — | (411,792) | (64,619) |
| Accretion attributable to noncontrolling interests. | — | — | — | — | 311,573 | 48,893 |
| **Net income attributable to ordinary shareholders** | **2,001,619** | **2,871,015** | **3,199,966** | **3,405,229** | **2,148,566** | **337,157** |
| **Earnings per share for ordinary shares**[3] | | | | | | |
| Basic | 4.30 | 6.10 | 6.75 | 7.13 | 4.30 | 0.67 |
| Diluted | 4.24 | 6.02 | 6.69 | 7.10 | 4.29 | 0.67 |
| **Earnings per ADS attributable to ordinary shareholders (one ADS equals four ordinary shares)** | | | | | | |
| Basic | 17.20 | 24.40 | 26.99 | 28.53 | 17.19 | 2.70 |
| Diluted | 16.95 | 24.08 | 26.77 | 28.40 | 17.17 | 2.69 |
| **Weighted average number of shares used to compute earnings per share** [4] | | | | | | |
| Ordinary shares: | | | | | | |
| Basic | 465,519,384 | 470,687,884 | 474,328,384 | 477,467,268 | 499,861,764 | 499,861,764 |
| Diluted | 472,235,424 | 476,941,516 | 478,060,988 | 479,686,380 | 500,481,540 | 500,481,540 |
| Dividend per share[5] | — | — | — | — | — | — |

Notes:

(1) In May 2014, the Financial Accounting Standards Board issued ASC 606, Revenue from Contracts with Customers, a new standard related to revenue recognition. The most significant impact on our company is the change of the presentation of value-added tax from gross basis to net basis. We adopted this guidance effective from January 1, 2018 using the modified retrospective method. The comparative information has not been restated and continues to be reported under the accounting standards in effect for the relevant periods. As a result, the operating results for the years ended December 31, 2017 have not been restated and are presented on a gross basis with value-added tax being included in the net revenues and cost of revenues in such years, while the operating results for the years ended December 31, 2018, 2019, 2020 and 2021 are presented on net basis, with the value-added tax being excluded from the net revenues and cost of revenues in such year, and value-added tax refunds being presented as a component of other operating income, net.

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

| | For the Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | RMB | RMB | US$ |
| | (in thousands) | | | | | |
| **Allocation of share-based compensation expenses** | | | | | | |
| Cost of revenues | 15,166 | 16,112 | 15,508 | 21,372 | 23,142 | 3,631 |
| Sales and marketing expenses | 53,064 | 61,599 | 46,081 | 40,103 | 46,823 | 7,348 |
| General and administrative expenses | 59,954 | 55,992 | 62,884 | 55,868 | 48,803 | 7,658 |
| Product development expenses | 49,602 | 68,622 | 79,535 | 93,863 | 87,292 | 13,698 |
| **Total share-based compensation expenses** | **177,786** | **202,325** | **204,008** | **211,206** | **206,060** | **32,335** |

(3) Par value per share and the number of shares have been retrospectively adjusted for the share split and the ADS ratio change that were effective on February 5, 2021 as detailed in Note 2(a) of "Item 18. Financial Statements."

(4) Earnings per share for ordinary shares (diluted) for each year from 2017 to 2021 were computed after taking into account the dilutive effect of the shares underlying our employees' share-based awards.

(5) The special cash dividends declared in November 2017 to the holders of our ordinary shares of record as of the close of business on January 4, 2018 were paid in the amount of US$0.76 per share (inclusive of applicable fees payable to our depositary bank) on or about January 15, 2018. The cash dividends declared in February 2020 to the holders of our ordinary shares of record as of the close of business on April 15, 2020 were paid in the amount of US$0.77 per share (inclusive of applicable fees payable to our depositary bank) on or about April 22, 2020. The cash dividends declared in February 2021 to the holders of our ordinary shares of record as of the close of business on February 25, 2021 were paid in the amount of US$0.87 per ADS (inclusive of applicable fees payable to our depositary bank) on or about March 5, 2021. The cash dividends declared in February 2022 to holders of our ordinary shares of record as of the close of business on March 21, 2022 were paid in an amount of US$0.1325 per share (or US$0.53 per ADS) on March 31, 2022. See "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Policy."

| | For the Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | RMB | RMB | US$ |
| | (in thousands) | | | | | |
| **Selected Consolidated Balance Sheet Data:** | | | | | | |
| Cash and cash equivalents, restricted cash, current and short-term investments | 8,154,224 | 10,061,458 | 12,795,110 | 14,629,398 | 20,822,623 | 3,267,523 |
| Accounts receivable, net | 1,893,737 | 2,795,835 | 3,231,486 | 3,124,197 | 2,139,471 | 335,730 |
| Total current assets | 10,258,586 | 13,141,317 | 16,358,382 | 18,364,080 | 23,325,718 | 3,660,314 |
| **Total assets [(1)]** | **12,294,975** | **15,756,201** | **19,155,865** | **23,730,845** | **28,529,006** | **4,476,824** |
| Deferred revenue | 1,409,485 | 1,510,726 | 1,370,953 | 1,315,667 | 1,553,013 | 243,702 |
| Total current liabilities | 3,889,316 | 4,164,769 | 3,965,903 | 4,185,683 | 3,986,219 | 625,524 |
| Total non-current liabilities | 470,373 | 479,989 | 584,021 | 736,370 | 605,417 | 95,004 |
| **Total liabilities [(1)]** | **4,359,689** | **4,644,758** | **4,549,924** | **4,922,053** | **4,591,636** | **720,528** |
| **Mezzanine equity** | **—** | **—** | **—** | **1,056,237** | **1,468,029** | **230,366** |
| **Total Autohome Inc. shareholders' equity** | **7,951,637** | **11,135,278** | **14,629,097** | **17,625,734** | **22,754,419** | **3,570,665** |
| **Total equity** | **7,935,286** | **11,111,443** | **14,605,941** | **17,752,555** | **22,469,341** | **3,525,930** |
| **Total liabilities, mezzanine equity and equity** | **12,294,975** | **15,756,201** | **19,155,865** | **23,730,845** | **28,529,006** | **4,476,824** |

Note:

(1) In February 2016, the Financial Accounting Standards Board issued ASU No. 2016-02, Leases, or ASU 2016-02. Under the new provisions, all lessees will report a right-of-use asset and a liability for the obligation to make payments for all leases with the exception of those leases with a term of 12 months or less. We adopted this guidance effective January 1, 2019 using the modified retrospective method, with the comparative information not being restated and continues to be reported under the accounting standards in effect for those periods. The most significant impact upon adoption was the recognition of right-of-use assets and lease liabilities for operating leases related to our office buildings and internet data center facilities. As of December 31, 2021, operating lease right-of-use assets (included in other non-current assets) of RMB133.4 million (US$20.9 million), operating lease liabilities, current (included in accrued expenses and other payables) of RMB96.2 million (US$15.1 million) and operating lease liabilities, non-current (included in other liabilities) of RMB28.6 million (US$4.5 million) were recognized on our consolidated balance sheet.

**Financial Information Related to the VIEs**

The following table presents the condensed consolidating schedule of financial position for the VIEs and other entities as of the dates presented.

***Selected Condensed Consolidated Statements of Income Information***

| | For the Year Ended December 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | Autohome Inc. | Other Subsidiaries | Primary Beneficiary of VIEs | VIEs and VIEs' subsidiaries | Eliminations | Consolidated Total |
| | (RMB in thousands) | | | | | |
| **Net revenues:** | | | | | | |
| *-Third-party revenues* | — | 6,081,662 | 206,822 | 948,520 | — | 7,237,004 |
| *-Inter-company revenues* (1) | — | 18,446 | 1,085,139 | 131,524 | (1,235,109) | — |
| **Total Revenue** | — | **6,100,108** | **1,291,961** | **1,080,044** | **(1,235,109)** | **7,237,004** |
| **Total Cost and expense** | **(36,007)** | **(4,671,667)** | **(1,100,250)** | **(1,176,818)** | **1,235,109** | **(5,749,633)** |
| Share of income of subsidiaries and VIEs(2): | | | | | | |
| *-Share of income of subsidiaries* | 2,326,018 | 130,868 | 26,825 | — | (2,483,711) | — |
| *-Share of income of VIEs* | — | — | (89,397) | — | 89,397 | — |
| Others, Income/(loss) | (41,226) | 725,283 | 3,869 | 1,861 | — | 689,787 |
| **Income before income taxes** | **2,248,785** | **2,284,592** | **133,008** | **(94,913)** | **(2,394,314)** | **2,177,158** |
| Income tax expense | — | (64,207) | 24,685 | 5,516 | — | (34,006) |
| **Net income/(loss)** | **2,248,785** | **2,220,385** | **157,693** | **(89,397)** | **(2,394,314)** | **2,143,152** |
| Net loss/(income) attributable to noncontrolling interests | — | 105,633 | — | — | — | 105,633 |
| **Net income attributable to Autohome Inc.** | **2,248,785** | **2,326,018** | **157,693** | **(89,397)** | **(2,394,314)** | **2,248,785** |

Note:

(1) It represents the elimination of the intercompany service charge at the consolidation level.

(2) It represents the elimination of incurrence of losses by parent company and its subsidiaries for, or the receipt of economic benefits by parent company and its subsidiaries from, their respective subsidiaries and the VIEs.

| | For the Year Ended December 31, 2020 | | | | | |
|---|---|---|---|---|---|---|
| | Autohome Inc. | Other Subsidiaries | Primary Beneficiary of VIEs | VIEs and VIEs' subsidiaries | Eliminations | Consolidated Total |
| | (RMB in thousands) | | | | | |
| **Net revenues:** | | | | | | |
| *-Third-party revenues* | — | 7,642,110 | 315,841 | 700,608 | — | 8,658,559 |
| *-Inter-company revenues* (1) | — | 10,623 | 900,900 | 173,299 | (1,084,822) | — |
| **Total Revenue** | — | **7,652,733** | **1,216,741** | **873,907** | **(1,084,822)** | **8,658,559** |
| **Total Cost and expense** | **(21,109)** | **(5,252,144)** | **(887,750)** | **(877,566)** | **1,084,822** | **(5,953,747)** |
| Share of income of subsidiaries and VIEs(2): | | | | | | |
| *-Share of income of subsidiaries* | 3,361,422 | 482,106 | 9,172 | — | (3,852,700) | — |
| *-Share of income of VIEs* | — | — | 23,342 | — | (23,342) | — |
| Others, Income/(loss) | 64,916 | 752,063 | 131,438 | 15,283 | — | 963,700 |
| **Income before income taxes** | **3,405,229** | **3,634,758** | **492,943** | **11,624** | **(3,876,042)** | **3,668,512** |
| Income tax expense | — | (270,998) | (1,665) | 11,718 | — | (260,945) |
| **Net income/(loss)** | **3,405,229** | **3,363,760** | **491,278** | **23,342** | **(3,876,042)** | **3,407,567** |
| Net loss/(income) attributable to noncontrolling interests | — | (2,338) | — | — | — | (2,338) |
| **Net income attributable to Autohome Inc.** | **3,405,229** | **3,361,422** | **491,278** | **23,342** | **(3,876,042)** | **3,405,229** |

Notes:

(1) It represents the elimination of the intercompany service charge at the consolidation level.

(2) It represents the elimination of incurrence of losses by parent company and its subsidiaries for, or the receipt of economic benefits by parent company and its subsidiaries from, their respective subsidiaries and the VIEs.

| | For the Year Ended December 31, 2019 | | | | | |
|---|---|---|---|---|---|---|
| | Autohome Inc. | Other Subsidiaries | Primary Beneficiary of VIEs | VIEs and VIEs' subsidiaries | Eliminations | Consolidated Total |
| | (RMB in thousands) | | | | | |
| **Net revenues:** | | | | | | |
| *-Third-party revenues* | — | 7,385,579 | 333,132 | 702,040 | — | 8,420,751 |
| *-Inter-company revenues* (1) | — | 22,113 | 1,055,078 | 113,430 | (1,190,621) | — |
| **Total Revenue** | — | **7,407,692** | **1,388,210** | **815,470** | **(1,190,621)** | **8,420,751** |
| **Total Cost and expense** | **(14,757)** | **(4,996,916)** | **(1,016,710)** | **(824,896)** | **1,190,621** | **(5,662,658)** |
| Share of income of subsidiaries and VIEs(2): | | | | | | |
| *-Share of income of subsidiaries* | 3,140,537 | 462,075 | 15,057 | — | (3,617,669) | — |
| *-Share of income of VIEs* | — | — | (848) | — | 848 | — |
| Others, Income/(loss) | 74,186 | 752,344 | 102,141 | 14,242 | — | 942,913 |
| **Income before income taxes** | **3,199,966** | **3,625,195** | **487,850** | **4,816** | **(3,616,821)** | **3,701,006** |
| Income tax expense | — | (483,979) | (10,718) | (5,664) | — | (500,361) |
| **Net income/(loss)** | **3,199,966** | **3,141,216** | **477,132** | **(848)** | **(3,616,821)** | **3,200,645** |
| Net loss/(income) attributable to noncontrolling interests | — | (679) | — | — | — | (679) |
| **Net income attributable to Autohome Inc.** | **3,199,966** | **3,140,537** | **477,132** | **(848)** | **(3,616,821)** | **3,199,966** |

Notes:

(1) It represents the elimination of the intercompany service charge at the consolidation level.

(2) It represents the elimination of incurrence of losses by parent company and its subsidiaries for, or the receipt of economic benefits by parent company and its subsidiaries from, their respective subsidiaries and the VIEs.

***Selected Condensed Consolidated Balance Sheets Information***

| | As of December 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | Autohome Inc. | Other Subsidiaries | Primary Beneficiary of VIEs | VIEs and VIEs' subsidiaries | Eliminations | Consolidated Total |
| | (RMB in thousands) | | | | | |
| Cash and cash equivalents, restricted cash and short-term investments | 320,639 | 16,968,899 | 3,074,976 | 458,109 | — | 20,822,623 |
| Amounts due from Group companies | 3,862,063 | 2,295,176 | 1,156,827 | 183,335 | (7,497,401) | — |
| Other current assets | 7,117 | 2,342,777 | 58,677 | 94,524 | — | 2,503,095 |
| **Total current assets** | **4,189,819** | **21,606,852** | **4,290,480** | **735,968** | **(7,497,401)** | **23,325,718** |
| Investment in subsidiaries and VIEs | | | | | | |
| *-Investment in subsidiaries*(1) | 18,606,902 | 3,009,373 | 395,800 | — | (22,012,075) | — |
| *-Investment in VIE*(1) | — | — | 1,697,324 | — | (1,687,324) | — |
| Other non-current assets | — | 3,135,986 | 144,454 | 1,922,848 | — | 5,203,288 |
| **Total non-current assets** | **18,606,902** | **6,145,359** | **2,237,578** | **1,922,848** | **(23,709,399)** | **5,203,288** |
| **Total assets** | **22,796,721** | **27,752,211** | **6,528,058** | **2,658,816** | **(31,206,800)** | **28,529,006** |
| Amounts due to Group companies | 22,740 | 4,713,764 | 2,235,914 | 524,983 | (7,497,401) | — |
| Accrued expenses and other payables | 19,562 | 1,529,808 | 271,463 | 255,661 | — | 2,076,494 |
| Advance from customers | — | 34,610 | 61 | 88,699 | — | 123,370 |
| Deferred revenue | — | 1,495,984 | 25,544 | 31,485 | — | 1,553,013 |
| Income tax payable | — | 115,154 | 118,188 | — | — | 233,342 |
| **Total current liabilities** | **42,302** | **7,889,320** | **2,651,170** | **900,828** | **(7,497,401)** | **3,986,219** |
| **Total non-current liabilities** | — | **73,038** | **471,715** | **60,664** | **—** | **605,417** |
| **Total liabilities** | **42,302** | **7,962,358** | **3,122,885** | **961,492** | **(7,497,401)** | **4,591,636** |
| **Mezzanine equity** | — | 1,468,029 | — | — | — | 1,468,029 |
| **Total Autohome Inc. shareholders' equity** | **22,754,419** | **18,606,902** | **3,405,173** | **1,697,324** | **(23,709,399)** | **22,754,419** |
| Noncontrolling interests | — | (285,078) | — | — | — | (285,078) |
| **Total shareholders' equity** | **22,754,419** | **18,321,824** | **3,405,173** | **1,697,324** | **(23,709,399)** | **22,469,341** |
| **Total liabilities, mezzanine equity and equity** | **22,796,721** | **27,752,211** | **6,528,058** | **2,658,816** | **(31,206,800)** | **28,529,006** |

Notes:

(1) It represents the elimination of the equity investment in subsidiaries and VIEs by parent company, other subsidiaries, and primary beneficiary of VIEs.

| | As of December 31, 2020 | | | | | |
|---|---|---|---|---|---|---|
| | Autohome Inc. | Other Subsidiaries | Primary Beneficiary of VIEs | VIEs and VIEs' subsidiaries | Eliminations | Consolidated Total |
| | (RMB in thousands) | | | | | |
| Cash and cash equivalents, restricted cash and short-term investments | 281,379 | 10,313,540 | 3,776,289 | 258,190 | — | 14,629,398 |
| Amounts due from Group companies | — | 2,482,058 | 1,440,420 | 129,223 | (4,051,701) | — |
| Other current assets | 815,934 | 3,316,548 | 228,311 | 171,028 | (797,139) | 3,734,682 |
| **Total current assets** | **1,097,313** | **16,112,146** | **5,445,020** | **558,441** | **(4,848,840)** | **18,364,080** |
| Investment in subsidiaries and VIEs | | | | | | |
| *-Investment in subsidiaries*[1] | 16,540,687 | 4,097,465 | 368,975 | — | (21,007,127) | — |
| *-Investment in VIE*[1] | — | — | 1,854,526 | — | (1,854,526) | — |
| Other non-current assets | — | 3,153,357 | 135,639 | 2,077,769 | — | 5,366,765 |
| **Total non-current assets** | **16,540,687** | **7,250,822** | **2,359,140** | **2,077,769** | **(22,861,653)** | **5,366,765** |
| **Total assets** | **17,638,000** | **23,362,968** | **7,804,160** | **2,636,210** | **(27,710,493)** | **23,730,845** |
| Accrued expenses and other payables | 12,266 | 2,596,144 | 348,591 | 497,742 | (797,139) | 2,657,604 |
| Advance from customers | — | 39,464 | 167 | 87,604 | — | 127,235 |
| Deferred revenue | — | 1,287,351 | 10,672 | 17,644 | — | 1,315,667 |
| Income tax payable | — | 85,177 | — | — | — | 85,177 |
| Amounts due to Group companies | — | 1,464,087 | 2,484,221 | 103,393 | (4,051,701) | — |
| **Total current liabilities** | **12,266** | **5,472,223** | **2,843,651** | **706,383** | **(4,848,840)** | **4,185,683** |
| **Total non-current liabilities** | — | **167,000** | **494,069** | **75,301** | — | **736,370** |
| **Total liabilities** | **12,266** | **5,639,223** | **3,337,720** | **781,684** | **(4,848,840)** | **4,922,053** |
| **Mezzanine equity:** | — | 1,056,237 | — | — | — | 1,056,237 |
| **Total Autohome Inc. shareholders' equity** | **17,625,734** | **16,540,687** | **4,466,440** | **1,854,526** | **(22,861,653)** | **17,625,734** |
| Noncontrolling interests | — | 126,821 | — | — | — | 126,821 |
| **Total shareholders' equity** | **17,625,734** | **16,667,508** | **4,466,440** | **1,854,526** | **(22,861,653)** | **17,752,555** |
| **Total liabilities, mezzanine equity and equity** | **17,638,000** | **23,362,968** | **7,804,160** | **2,636,210** | **(27,710,493)** | **23,730,845** |

Notes:

(1) It represents the elimination of the equity investment in subsidiaries and VIEs by parent company, other subsidiaries, and primary beneficiary of VIEs.

***Selected Condensed Consolidated Cash Flows Information***

| | For the Year Ended December 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Only | Other Equity Subsidiaries | Primary Beneficiary of VIEs | VIEs and VIEs' subsidiaries | Eliminations | Consolidated Total |
| | (RMB in thousands) | | | | | |
| Net cash (used in)/provided by operating activities | (10,770) | 2,852,900 | 269,838 | 411,966 | — | 3,523,934 |
| Net cash (used in)/provided by investing activities | (2,841,291) | (4,681,424) | 173,535 | (386,343) | 3,922,510 | (3,813,013) |
| Net cash (used in)/provided by financing activities | 2,898,296 | 3,886,326 | (127,240) | 163,424 | (3,922,510) | 2,898,296 |

| | For the Year Ended December 31, 2020 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Only | Other Equity Subsidiaries | Primary Beneficiary of VIEs | VIEs and VIEs' subsidiaries | Eliminations | Consolidated Total |
| | (RMB in thousands) | | | | | |
| Net cash (used in)/provided by operating activities | (1,188) | 1,481,771 | 1,821,901 | 23,147 | — | 3,325,631 |
| Net cash (used in)/provided by investing activities | 532,293 | (727,798) | (1,801,299) | 193,190 | (1,181,844) | (2,985,458) |
| Net cash (used in)/provided by financing activities | (546,967) | (532,293) | (649,551) | — | 1,181,844 | (546,967) |

| | For the Year Ended December 31, 2019 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Only | Other Equity Subsidiaries | Primary Beneficiary of VIEs | VIEs and VIEs' subsidiaries | Eliminations | Consolidated Total |
| | (RMB in thousands) | | | | | |
| Net cash (used in)/provided by operating activities | (498) | 2,691,648 | 644,577 | (446,358) | — | 2,889,369 |
| Net cash (used in)/provided by investing activities | 218,406 | (1,951,026) | 30,632 | 478,513 | 55,208 | (1,168,267) |
| Net cash (used in)/provided by financing activities | 68,676 | 55,208 | — | — | (55,208) | 68,676 |

## B. Capitalization and Indebtedness

Not applicable.

## C. Reasons for the Offer and Use of Proceeds

Not applicable.

## D. Risk Factors

**Summary of Risks Factors**

An investment in our ADSs or ordinary shares involves significant risks. Below is a summary of material risks we face, organized under relevant headings. These risks are discussed more fully in Item 3. Key Information—D. Risk Factors.

***Risks Related to Our Business and Industry***

- We are dependent 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 and health epidemics.
- 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.
- We may not be able to maintain our current level of growth or ensure the success of our expansion and new business initiatives.
- If we fail to attract and retain users and customers or if our services do not gain market acceptance or result in the loss of our current customer base, our business and results of operations may be materially and adversely affected.
- Our business depends on strong brand recognition, and failure to maintain or enhance our brands could adversely affect our business and prospects.
- Our business is subject to complex and evolving Chinese laws and regulations regarding data privacy and cybersecurity, many of which are subject to changes and uncertain interpretations. Any changes in these laws could cause changes to our business practices and increased cost of operations, and any security breaches or our actual or perceived failure to comply with such laws could result in claims, penalties, damages to our reputation and brand, declines in user growth or engagement, or otherwise harm our business, results of operations and financial condition.
- A limited number of automaker customers have accounted for, and are expected to continue to account for, a large portion of our revenues. Failure to maintain or to increase revenues from these customers could harm our prospects.

***Risks Related to Our Corporate Structure***

- We are a Cayman Islands holding company with no equity ownership in the VIEs and we conduct our operations in China primarily through our subsidiaries and VIEs, with which we have maintained contractual arrangements. Investors in our ordinary shares and ADSs thus are not purchasing equity interest in the VIEs in China but instead are purchasing equity interest in a Cayman Islands holding company. 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, and we may face significant disruption to our business operations. Our holding company, VIEs and investors of our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIEs and, consequently, significantly affect the financial performance of the VIEs and our company as a whole. The PRC regulatory authorities could disallow the variable interest entities structure, which would likely result in a material adverse change in our operations, and our ordinary shares or our ADSs may decline significantly in value.
- Our contractual arrangements with the VIEs may not be as effective in providing operational control as direct ownership.
- The shareholders of the VIEs may breach, or cause the VIEs to breach, or refuse to renew, the existing contractual arrangements we have with them and the VIEs. Any failure by the 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 contractual arrangements among our subsidiaries and the VIEs may be subject to scrutiny by the PRC tax authorities and a finding that we or the VIEs owe additional taxes could substantially reduce our consolidated net income and the value of your investment.
- The interests of the individual nominee shareholders of the VIEs may be different from our interests, which may materially and adversely affect our business.

***Risks Related to Doing Business in China***

- The PCAOB is currently unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections over our auditor deprives our investors with the benefits of such inspections.
- Our ADSs will be delisted and prohibited from trading in the United States under the HFCAA, in 2024 if the PCAOB is unable to inspect or fully investigate auditors located in China, or in 2023 if proposed changes to the law are enacted. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.
- The PRC government's significant oversight and discretion over our business operations could result in a material adverse change in our operations and the value of our ADSs and/or ordinary shares.
- Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business and operations.
- Uncertainties with respect to the PRC legal system could adversely affect us.
- Substantial uncertainties exist with respect to the interpretation and implementation of the PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.
- We may be adversely affected by the complexity, uncertainties and changes in PRC regulation of internet business and companies.
- The approval of and filing with the CSRC or other PRC government authorities may be required if we were to conduct offshore offerings in the future, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing.

***Risks Related to Our ADSs and Ordinary Shares***

- The trading price of our ADSs and/or ordinary shares has been and is likely to continue to be, volatile, which could result in substantial losses to holders of our ADSs and/or ordinary shares.
- We adopt different practices as to certain matters as compared with many other companies listed on the Hong Kong Stock Exchange.
- We cannot guarantee that any share repurchase program will be fully consummated or that any share repurchase program will enhance long-term shareholder value, and share repurchases could increase the volatility of the price of our ADSs and/or ordinary shares and could diminish our cash reserves.
- If securities or industry analysts do not publish research or reports about our business, or publish inaccurate or unfavorable research or reports about our business or if they adversely change their recommendations regarding our ADSs and/or ordinary shares, the market price for our ADSs and/or ordinary shares and trading volume could decline.

**Risks Related to Our Business and Industry**

***We are dependent 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 and health epidemics.***

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 historically. However, this industry has experienced headwinds in its development. In July 2018, China's automotive industry experienced negative growth for the first time in the past 28 years and new automobile purchases in China declined for the whole year of 2018, 2019 and 2020. We cannot predict how this industry will develop in the future, as it could be affected by complex factors, including general economic conditions in China, the urbanization rate of China's population, the growth of disposable household income, the costs of new automobiles, the trade barriers and tensions and other governmental protectionist measures, as well as taxes and incentives related to automobile purchases, among other things. Specifically, tariffs or a global trade war could increase the cost of imported automobiles, which could negatively impact the demand for automobiles and adversely impact our business. In addition, governmental policies-including restrictions by major cities on new passenger vehicle plate issuance, increasingly stringent emission standards, and adjustment of purchase tax-may have a considerable impact on the growth of the automotive industry in China.

The automotive industry in China was negatively impacted as well by the outbreak of COVID-19, during which automobile production and the number of purchasers declined due to precautionary government-imposed closures of certain travel and business, the government's order to delay resumption of service and mass production and the related quarantine measures. The containment efforts led by the government also caused delay in the near-term marketing demand of our automaker and dealer customers. While most of the restrictions on movement within China had been relaxed as of December 31, 2021, there is great uncertainty as to the future development of the COVID-19 outbreak and its impact on the automotive industry. Restrictions have been re-imposed from time to time by certain local authorities in China to combat sporadic outbreaks. Relaxation of restrictions on economic and social life may lead to new cases which may lead to the re-imposition of restrictions.

Such regulatory developments, health epidemics 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 auto media business, we face competition from China's automotive vertical websites and mobile applications, such as BitAuto, Dongchedi, Xcar and PCauto, from the automotive channels of major internet portals, such as Sina and Sohu, and from companies engaged in mobile social media, news, video and live-streaming applications. We may also face competition from online automobile transaction platforms, such as Uxin, Guazi and Renrenche as we develop our used car transaction business. Our auto finance business faces competition from other auto finance companies, such as Yixin and Souche. In addition, we also face competition from companies engaged in social media business, such as ByteDance and Tencent, and companies engaged in data product offering, such as Bitauto. We may also face competition from mobile applications of automakers as some automakers explore to connect with users directly. Competition with these and other websites and mobile applications is primarily centered on increasing user reach, user engagement and brand recognition, relationships with the suppliers, and attracting and retaining customers, among other factors.

Some of our competitors or potential competitors have longer operating histories and may have greater financial, management, technological, 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 and customers, investing more heavily in marketing, traffic acquisition and research and development, and making more 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 media 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 online marketplace business, as online automobile transaction is a relatively new business model and consumers in China might be accustomed to make automobile purchases offline, we cannot guarantee that the automobile consumers in China will accept such business model.

Beginning in 2019, we extended our business to the European market and established two subsidiaries in the UK and Germany. These subsidiaries have not generated significant revenues as of December 31, 2021 and are scaling back their operations due to the macroenvironmental changes, especially the COVID-19 impact and the evolution of our strategies. However, if we maintain our business overseas or decide to expand our global footprint in the future, we will face competition from local automotive vertical websites and mobile applications and online automobile transaction platforms, whose platforms may have more experience in the local markets and have relatively more established user bases. We cannot guarantee that we will be able to compete effectively for talents, users or customers. We may also incur additional expenses in our overseas acquisitions and subsequent marketing and other spending to acquire new customers. If we cannot maintain customer recognition and trust in us and successfully attract and retain sufficient users on our overseas platform, our results of operations and growth prospects could be adversely affected.

***We may not be able to maintain our current level of growth or ensure the success of our expansion and new business initiatives.***

Our historical growth rates may not be indicative of our future growth, and we may not be able to generate similar growth rates in the future. Our revenue or profit growth may slow down, or our revenues or profits may decline for any occurrence of possible reasons, including increasing operating expenses, increasing competition, slow growth of our business development, emergence of alternative business models, adjustment of our certain business operations, and changes in government policies or general economic conditions. We cannot assure you that we will grow at the same rate as we had in the past.

We expect to continue to grow our user base and our business operations. We have been implementing our future strategy to integrate and create a consumer centric automotive ecosystem, but we may not have sufficient experience in executing our new business initiatives during this process. These new business initiatives may not be well received by the market and we may determine to cease some new initiatives from time to time. We cannot assure you that they will achieve the success we expect, in which case we may not be able to recoup the resources we invest to develop, optimize and expand our new business initiatives.

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 need to adapt our business management to the local corporate cultures and customs, and train, manage and motivate our growing employee base. In addition, we need to maintain and expand our relationships with automakers, automobile dealers, advertising agencies, financial institutions, insurance companies 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, neither can we guarantee that we will be able to effectively adapt our business management to the local corporate cultures and customs and attract and motivate sufficient talents to support our new business initiatives if and when any of them are launched.

We may be required to further increase our research and development expenses in order to enhance our technology capabilities, such as artificial intelligence technologies, big data technologies and cloud technologies, to support any such expansion and our efforts may not be effective. Our new business initiatives may also expose us to new regulatory risks, which could be different from what we have experienced before and may increase our compliance costs. Lack of experience in handling these new risks and manage the related costs may result in failure to generate the expected results of operations and prospects.

***If we fail to attract and retain users and customers or if our services do not gain market acceptance or result in the loss of our current customer base, 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 and mobile applications, which requires us to continue to provide quality content throughout the automobile ownership life cycles. 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, enriched and customized 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 and mobile applications may be rendered less attractive to customers, including automakers and dealers, and our services may become less attractive, which may have a material and adverse impact on our business, financial condition and results of operations.

In addition, one element of our growth strategy is to expand our services to customers. As a result, we have added additional services in the past few years. To serve our dealer customers, we had local sales and service representatives covering 63 cities across China as of December 31, 2021. We intend to increase our penetration in existing dealer advertising and subscription services markets. We have implemented business strategies to further monetize our large dealer network by enlarging the offering of products and services with new technologies on our dealer digital platform, increasing the average spending of our existing dealer subscribers and upselling our dealership packages for our leads generation services. In order to increase the average spending of our existing dealer subscribers, we keep close communications and negotiations with relevant parties such as dealers, dealer groups and automakers. However, we may not succeed in making our customers sufficiently aware of existing and future services or in creating customer acceptance of these services at the prices we would want to charge, and we cannot guarantee that our pricing strategy and measures will always be agreed and accepted by any and all of our customers. We may not be able to achieve the market acceptance of our products and services as we expect and thus may fail to achieve an increase from our “share of wallet” approach. Our existing customers may even terminate their cooperation with us if they are not satisfied with our pricing strategy or measures, which may subject us to negative publicity and adversely impact our business. The decline in the auto market may result in our dealer customers’ cancelation of subscription services from us or even discontinuance of operations, which would directly impact our number of dealer customers. Also, we may not identify trends correctly, or may not be able to bring new services to market as quickly, effectively or price-competitively as our competitors. New services may alienate existing customers or cause us to lose business to our competitors. If the number of our dealer customers decreases, we might not be able to generate sufficient revenues to cover our increased costs and expenses. As a result, our business and results of operations may be materially and adversely affected.

Our ability to attract and retain users and customers may also be impacted by the sales and marketing approach taken by automakers. For example, automakers of new energy vehicles are conducting advertising and marketing through direct engagement with consumers in addition to advertising placements on internet platforms like us. If new energy vehicles become increasingly popular among automobile consumers, a portion, if not all, of our users or potential users who are interested in new energy vehicles may be diverted to these automakers for information and services directly. In addition, advertising budgets allocated to internet platforms like us may be negatively impacted if automakers of new energy vehicles continue to adopt the direct sales and marketing approach while new energy vehicles taking more shares of the automobile market or the direct sales and marketing approach gains more adoption among all automakers. Although we offer diversified products and services and look for new avenues to capture the opportunities brought by this trend, we cannot assure you that our products and services will gain wide acceptance from automakers. Any of these occurrences could adversely affect our results of operations, financial condition and business prospectus.

***Our business depends on strong brand recognition, and failure 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 or mobile applications, negative publicity involving our business, our management, our brand spokespersons, our relationship with our partners and customers, the failure of our sales and marketing activities, employee relationship and welfare, regulatory compliance and financial conditions. 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 might be materially and adversely affected.

***Our business is subject to complex and evolving Chinese laws and regulations regarding data privacy and cybersecurity, many of which are subject to changes and uncertain interpretations. Any changes in these laws could cause changes to our business practices and increased cost of operations, and any security breaches or our actual or perceived failure to comply with such laws could result in claims, penalties, damages to our reputation and brand, declines in user growth or engagement, or otherwise harm our business, results of operations and financial condition.***

Our platform collects, stores and processes certain personal and other sensitive data from our users for purpose of providing our services. We have taken technical measures to ensure the security of such personal information and prevent the personal information from being divulged, damaged or lost, and we believe the measures we take regarding collection, storage, and use of personal data are generally compliant with industry standards. However, we face risks inherent in handling and protecting personal data. In particular, we face a number of challenges relating to data from transactions and other activities on our platform, including:

- protecting the data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behavior or improper use by our employees;
- addressing concerns related to privacy and sharing, safety, security and other factors; and
- complying with applicable laws, rules and regulations relating to the collection, use, storage, transfer, disclosure and security of personal information which are subject to change and new interpretations, including any requests from regulatory and government authorities relating to such data.

In general, we expect that data security and data protection compliance will receive greater attention and focus from regulators, both domestically and globally, as well as continued or greater public scrutiny and attention going forward, which could increase our compliance costs and subject us to heightened risks and challenges associated with data security and protection. If we are unable to manage these risks, or if we are accused of failing to comply with such laws and regulations, we could become subject to penalties, including fines, suspension of business, websites or applications, and revocation of required licenses, and our reputation and results of operations could be materially and adversely affected.

Recently, regulatory authorities in China have enhanced data protection and cybersecurity regulatory requirements, many of which are subject to change and uncertain interpretation. These laws continue to develop, and the PRC government may adopt further rules, restrictions and clarifications in the future. Moreover, different PRC regulatory bodies, including the Standing Committee of the National People's Congress, the Ministry of Industry and Information Technology, or the MIIT, the CAC, The Ministry of Public Security and the State Administration for Market Regulation, or the SAMR, have enforced data privacy and protections laws and regulations with varying standards and applications. See "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Internet Privacy and Data Security." The following are non-exhaustive examples of certain recent PRC regulatory activities in this area:

*Cybersecurity*

- The Cyber Security Law of the PRC, or the PRC Cyber Security Law, which became effective in June 2017, created China's first national-level data protection framework for "network operators." However, it is subject to interpretations and clarifications by the regulator. It requires, among other things, that network operators take security measures to protect the network from interference, damage and unauthorized access and to prevent data from being divulged, stolen or tampered with. Network operators are also required to collect and use personal information in compliance with the principles of legitimacy, properness and necessity, expressly notify the purpose, methods and scope of such collection and use, and obtain the consent of the person whose personal information is to be collected. Substantial financial, managerial and human resources are required to comply with such legal requirements, enhance information security and address any issues caused by security failures. Even if our security measures are sufficient and in compliance, we nonetheless face the risk of security breaches or similar disruptions.

Due to the data assets we have, our platform is an attractive target and potentially vulnerable to cyberattacks, computer viruses, physical or electronic break-ins or similar disruptions. Because techniques used to sabotage or obtain unauthorized access to systems evolve continuously and frequently and generally are not recognized until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative counter-measures. In addition to advances in technology, an increased level of sophistication and diversity of our products and services, an increased level of expertise of hackers, new discoveries in the field of cryptography or other risks can result in the compromise or breach of our websites or our apps. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in our technology infrastructure are exposed and exploited, user data or personal information could be stolen or misused, which could expose us to penalties or other administrative actions, time-consuming and expensive litigation and negative publicity, materially and adversely affect our business and reputation and deter potential users from using our products, each of which would have a material adverse impact on our results of operations, financial condition and business prospect.

*Data Security*

- In June 2021, the Standing Committee of the NPC promulgated the PRC Data Security Law, which took effect in September 2021. The PRC Data Security Law, among other things, provides for security review procedure for data-related activities that may affect national security. A series of regulations, guidelines and other measures have been and are expected to be adopted to implement the requirements created by the PRC Data Security Law. For example, in July 2021, the State Council promulgated the Regulations on Protection of Critical Information Infrastructure, which became effective on September 1, 2021. Pursuant to this regulation, a "critical information infrastructure" is defined as key network facilities or information systems of critical industries or sectors, such as public communication and information service, energy, transportation, water conservation, finance, public services, e-government affairs and national defense science, the damage, malfunction or data leakage of which may endanger national security, people's livelihoods and the public interest. In December 2021, the CAC, together with other authorities, jointly promulgated the Cybersecurity Review Measures, which became effective on February 15, 2022 and replaces its predecessor regulation. Pursuant to the Cybersecurity Review Measures, critical information infrastructure operators purchasing network products and services and internet platform operators carrying out data processing activities, in a manner which affects or may affect national security, are subject to cybersecurity review. The Cybersecurity Review Measures further provides that network platform operators that hold personal information of over one million users shall apply with the Cybersecurity Review Office for a cybersecurity review before any public offering at a foreign stock exchange. As of the date of this annual report, we have not been informed that we are a "critical information infrastructure operator" by any government authority. However, the exact scope of "critical information infrastructure operators" under the current regulatory regime remains unclear, and the PRC government authorities may have wide discretion in the interpretation and enforcement of the applicable laws. Therefore, it is uncertain whether we would be deemed to be a critical information infrastructure operator under PRC law. If we are deemed a "critical information infrastructure operator" under the PRC cybersecurity laws and regulations, we may be subject to obligations in addition to those with which we are currently obligated to comply.
- In November 2021, the CAC released the Regulations on the Network Data Security (Draft for Comments), or the Draft Regulations on Network Data Security. The Draft Regulations on Network Data Security define "data processors" as individuals or organizations that can autonomously determine the purpose and the manner of data processing. In accordance with the Draft Regulations on Network Data Security, data processors shall apply for a cybersecurity review for certain activities, including, among other things, (i) seeking for listing abroad of data processors that process the personal information of more than one million users and (ii) any data processing activity that affects or may affect national security. However, there have been no clarifications from the relevant authorities as of the date of this annual report as to the standards for determining whether an activity is one that "affects or may affect national security" under the Draft Regulations on Network Data Security. In addition, the Draft Regulations on Network Data Security requires that data processors that process "important data" or which seeks for listing overseas must conduct an annual data security assessment by itself or authorize a data security service provider to do so, and submit the assessment report of the preceding year to the municipal cybersecurity department by the end of January each year. As of the date of this annual report, the Draft Regulations on Network Data Security were released for public comment only, and their respective provisions and anticipated adoption or effective date may be subject to change with substantial uncertainty.

*Personal Information and Privacy*

- The Guideline on Anti-monopoly of Platform Economy Sector published by the Anti-monopoly Committee of the State Council, effective on February 7, 2021, prohibits collection of unnecessary user information through coercive means by online platform operators.
- In August 2021, the Standing Committee of the NPC promulgated the Personal Information Protection Law, which took effect on November 1, 2021. The Personal Information Protection Law further strengthened requirements on personal information protection, enhanced the punishment for illegal processing of personal information and consolidated various previously promulgated rules with respect to personal information rights and privacy protection. We update our privacy policies from time to time to meet the latest regulatory requirements of PRC government authorities and adopt technical measures to protect data and ensure cybersecurity in a systematic way. Nonetheless, the Personal Information Protection Law elevates the protection requirements for personal information processing, and many specific requirements of this law remain to be clarified by the CAC, other regulatory authorities, and courts in practice. We may be required to make adjustments to our business practices to comply with the personal information protection laws and regulations.

Furthermore, the PRC government authorities have taken steps to limit the method and manner that internet companies may apply when using algorithms. For instance, on December 31, 2021, the CAC, the MIIT, the Ministry of Public Security, and the SAMR jointly promulgated the Administrative Provisions on Algorithm Recommendation in Internet Information Services, which came into effect on March 1, 2022. The Administrative Provisions on Algorithm Recommendation in Internet Information Services implements classification and hierarchical management for algorithm recommendation service providers based on various criteria. Under the Administrative Provisions on Algorithm Recommendation in Internet Information Services, algorithm recommendation service providers shall inform users in a conspicuous manner that algorithm is used in service recommendations, inform users of the basic principles, purpose and intentions, and inform users in an appropriate manner of the main operating mechanisms for the algorithm recommendation services. Under the Administrative Provisions on Algorithm Recommendation in Internet Information Services, algorithm recommendation service providers selling goods or providing services to consumers shall (i) protect consumers' rights of fair trade, and (ii) be prohibited from applying differential treatments to consumers with respect to transaction terms and conditions in an unreasonable manner based on consumers' preferences, purchasing habits and such other characteristics. In addition, on October 23, 2021, the Standing Committee of the National People's Congress published the Anti-monopoly Law (Revised Draft), or the Draft Revised Anti-monopoly Law for public comment. The Draft Revised Anti-monopoly Law provides, among others, that business operators shall not abuse, among others, algorithms, to exclude or limit competition. As of the date of this annual report, the Draft Revised Anti-monopoly Law has not been formally adopted. We will closely monitor the regulatory development and adjust our business operations from time to time to comply with the regulations over algorithm-based recommendation. However, we cannot assure you that our algorithm recommendation functions are or will continue to be in compliance in all respects with the evolving rules in the area of the algorithm-based recommendations. If our algorithm recommendation functions were to be required to adjust in a manner that is adverse to our business in accordance with applicable rules, our ability to enhance the quality of content offering on our platform and deepen user engagement may be adversely affected.

Many of the data and data privacy-related laws and regulations are relatively new and certain concepts thereunder remain subject to interpretation by the regulators. If any data that we possess belongs to data categories that are or may become subject to heightened scrutiny, we may be required to adopt stricter measures for protection and management of such data. The Cybersecurity Review Measures and the Draft Regulations on Network Data Security remain unclear on whether the relevant requirements will be applicable to companies that, like us, are already listed in the United States. We cannot predict the impact of the Cybersecurity Review Measures and the Draft Regulations on Network Data Security, if any, at this stage, and we will closely monitor and assess any developments in the rule-making process. If the Cybersecurity Review Measures and the enacted version of the Draft Regulations on Network Data Security mandate clearance of cybersecurity review and other specific actions to be taken by issuers like us, we face uncertainties as to whether these additional procedures can be completed by us timely, or at all, which may subject us to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, or removal of our app from the relevant application stores, and materially and adversely affect our business and results of operations. As of the date of this annual report, we have not been involved in any formal investigations on cybersecurity review made by the CAC on such basis.

In general, compliance with the existing PRC laws and regulations, as well as additional laws and regulations that PRC legislative and regulatory bodies may enact in the future, related to cybersecurity, data security and personal information protection, may be costly and result in additional expenses to us, and subject us to negative publicity, which could harm our reputation and business operations. There are also uncertainties with respect to how such laws and regulations will be implemented and interpreted in practice. In light of the fact that laws and regulations on cybersecurity, data privacy and personal information protection are evolving and uncertainty remains with respect to their interpretation and implementation, we cannot guarantee that we will be able to maintain full compliance at all times, or that our existing user information protection system and technical measures will be considered sufficient. Any non-compliance or perceived non-compliance with these laws, regulations or policies may lead to warnings, fines, investigations, lawsuits, confiscation of illegal gains, revocation of licenses, closedown of websites, removal of apps and suspension of downloads, price drops in our securities or even criminal liabilities against us by government agencies or other individuals. In addition, our launch of new products or services or other actions that we take in the future may subject us to additional laws, regulations, or other government scrutiny.

***A limited number of automaker customers have accounted for, and are expected to continue to account for, a large portion of our revenues. Failure to maintain or to increase revenues from these customers could harm our prospects.***

A limited number of automaker customers have accounted for, and are expected to continue to account for, a large portion of our revenues. In 2019, 2020 and 2021, 92, 92 and 91 automakers operating in China used our media services, respectively. These automakers include independent Chinese automakers, joint ventures between Chinese and international automakers and international automakers that sell cars made outside of China. In 2021, our top five automaker customers contributed 27.8% of our media services revenues. 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 budget. We cannot assure you that our automaker customers will continue to be satisfied with our cooperation model and strategy as well as our services, or our relationships with any of these automaker customers will continue in the future. Failure to provide deliverables satisfactory to our automaker customers or failure to reach a mutually amicable agreement with our automaker customers on the collection of payable fees may adversely impact our relationships with our automaker customers, which would have a negative impact on our reputation and results of operations. If we lose one or more of our important automaker customers, or if they materially reduce their purchase of our services, our results of operations would be materially and adversely affected.

We typically extend credit terms to automaker customers, which is relatively longer than other customers. We face risk of being unable to collect all the accounts receivable from automaker customers in light of the slowdown in China's domestic automotive market. If we fail to collect accounts receivable from automakers in a timely manner, or at all, our business, results of operations and financial conditions may be materially and adversely affected. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We are subject to credit risk in collecting the accounts receivable due from our customers."

Due to the limited number of automakers operating in China, which is exacerbated by the increasing competition and concentration of automakers 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 cancelation by one or more significant customers and our failure to identify and acquire additional or replacement customers;
- dissatisfaction with our services by one or more of our significant customers;

- a substantial reduction by one or more of our significant customers in the price they are willing to pay for our services; and
- financial difficulty of one or more of our significant customers who become unable to make timely payment for our services.

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

Our *che168.com* website has been focusing on used automobile information and content since October 2011. We also launched *che168.com* mobile application in 2012. Through these platforms, we offer used automobile listing services to used automobile 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 seller. To further enhance user experience and optimize our used automobile-related business, in June 2018, we invested in TTP Car Inc., or TTP, a company operating an online bidding platform for used automobiles, and in the fourth quarter of 2020, we acquired control in TTP.

We may not be able to successfully grow our used automobile-related business. 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-related business may benefit from such growth. We may not be able to source sufficient used automobiles or attract a broad user base to our *che168.com* website and mobile application or be successful compared to our competitors. Even if we are able to do so, we may not be able to establish a business model that allows us to effectively 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. Additionally, customers may not respond well to our new business initiatives as we expect. In such cases, we may suffer negative publicity and may not be able to achieve our expected business growth and our results of operations may be 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 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 level of sales of products and services that we anticipate. We incurred RMB3,093.3 million, RMB3,246.5 million and RMB2,759.9 million (US$433.1 million) in sales and marketing expenses in 2019, 2020 and 2021, respectively, representing 36.7%, 37.5% and 38.1%, 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 websites, search engines, mobile platforms, navigation sites and traditional media channels, for example, the annual “Singles’ Day” event, the “AR Auto Show” event and TV ad broadcast on China Central Television. We also conducted various offline promotional activities and cooperated with brands and dealers for promotions in target regions. In August, 2019, we launched the 818 Global Super Auto Show, the first auto-themed gala in China that created an innovative integration of online and offline promotion elements, which attracted a large number of automakers, dealers and potential auto consumers to participate and further promoted Autohome’s brand awareness to a much wider user base. In addition, we engaged celebrities, primarily athletes, as our brand spokespersons to further promote our brand and stimulate user interest in our platform. 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.

***Our auto insurance brokerage businesses are highly regulated. Non-compliance with applicable laws, regulations and regulatory requirements or failure to respond to legal and regulatory changes may adversely affect our business and prospects.***

We have obtained the relevant license to conduct auto insurance brokerage businesses from the China Banking and Insurance Regulatory Commission, or the CBIRC, and such businesses generated an insignificant amount of revenue for us in the three years ended December 31, 2019, 2020 and 2021. The insurance industry in China is highly regulated, and the regulatory regime continues to evolve. The CBIRC has extensive authority to supervise and regulate the insurance industry in China. The CBIRC conducts various reviews and inspections on insurance brokerage business operations from time to time, which could cover a broad range of aspects, including financial reporting, tax reporting, internal control and compliance with applicable laws, rules and regulations. If any non-compliance incidents in our insurance brokerage business operation are identified, we may be required to take certain rectification measures in accordance with applicable laws and regulations, and would be subject to regulatory actions including penalties, warnings, suspension of operations, revocation of licenses, tax, civil, administrative and criminal liabilities, any one or a combination of which would have negative impacts on our reputation, businesses, results of operations and financial conditions.

Furthermore, China's insurance regulatory regime is undergoing significant changes. Development of regulations applicable to online insurance business or our auto insurance brokerage business may result in additional restrictions on its business operations or more intensive competition in this industry. We might be required to spend time and resources in order to comply with any material changes in the regulatory environment, which could trigger changes to the competitive landscape and we may lose some or all of our competitive advantages on our auto insurance business during this process. The attention of our management team could be diverted to these efforts to cope with an evolving regulatory or competitive environment. Meanwhile, staying compliant with the restriction may result in limitation to our insurance brokerage business and limitation to its product and service offerings, which may reduce the attraction to clients. As a result, our business and results of operations might be negatively affected though insurance brokerage business currently does not contribute a material amount of revenue for us.

***Goodwill and intangible assets impairment could adversely affect our results of operations and financial condition.***

We recorded goodwill of RMB1,504.3 million, RMB4,071.4 million and RMB4,071.4 million as of December 31, 2019, 2020 and 2021, respectively, in connection with the acquisition of Cheerbright International Holdings Limited, or Cheerbright, China Topside Co., Ltd. and Norstar Advertising Media Holdings Co., Ltd. in June 2008 and the acquisition of TTP, in December 2020. In addition, we recorded intangible assets of RMB349.7 million as of December 31, 2021, primarily consisting of technologies, trademarks, customer relationship and database from the acquisition of TTP. We do not amortize goodwill. We have and will continue to incur amortization expenses as we amortize intangible assets over their estimated useful life on a straight-line basis. We undertake goodwill and intangible assets impairment reviews periodically or more frequently if there are indicators of impairment present. As of December 31, 2019, 2020 and 2021, we performed an impairment assessment and no provisions of goodwill and intangible assets were required. However, if in the future our goodwill or intangible assets is determined to be impaired, we would be required to write down the carrying value or record a provision of impairment loss for goodwill or intangible assets in our financial statements during the period in which our goodwill or intangible assets is determined to be impaired, and this impairment would adversely affect our results of operations and our financial condition.

***We may be adversely affected by the mergers, acquisitions and other consolidation activities in the automobile industry which may exacerbate our customer concentration.***

The potential mergers, acquisitions and other consolidation activities in China's automobile industry will result in a lower number of automakers and dealers, which make up a major part of our customer base. We are already subject to risks related to customer concentration. See "—A limited number of automaker customers have accounted for, and are expected to continue to account for, a large portion of our revenues. Failure to maintain or to increase revenues from these customers could harm our prospects." Further consolidation within the automobile industry could exacerbate our customer concentration. If we fail to maintain a good relationship with a large customer, our business, results of operations and financial condition could be harmed.

***Increasing focus with respect to environmental, social and governance matters may impose additional costs on us or expose us to additional risks. Failure to adapt to or comply with the evolving expectations and standards on environmental, social and governance matters from investors and the PRC government may adversely affect our business, financial condition and results of operation.***

The PRC government and public advocacy groups have been increasingly focused on environment, social and governance, or ESG, issues in recent years, making our business more sensitive to ESG issues and changes in governmental policies and laws and regulations associated with environment protection and other ESG-related matters. Investor advocacy groups, certain institutional investors, investment funds, and other influential investors are also increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. Regardless of the industry, increased focus from investors and the PRC government on ESG and similar matters may hinder access to capital, as investors may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. Any ESG concern or issue could increase our regulatory compliance costs. If we do not adapt to or comply with the evolving expectations and standards on ESG matters from investors and the PRC government or are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, we may suffer from reputational damage and the business, financial condition, and the price of our ADSs and/or ordinary shares could be materially and adversely effected.

***Our business is subject to fluctuations, including seasonality, 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. Our business experiences seasonal variations in association with the demand for automobiles in China. For example, the first quarter of each year generally contributes the lowest portion of our annual net revenues primarily due to a slowdown in business activity around and during the Chinese New Year holiday, which occurs during the period. Consequently, our results of operations may fluctuate from quarter to quarter. 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. As each of our business lines may have different seasonality factors and the mix of our revenue source may shift from year to year, our past performance may not be indicative of future trends.

In addition, because a portion of our revenues arising from our media services 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.

***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.***

We are currently selling a substantial portion of our advertising services and solutions to third-party advertising agencies that represent the automakers and automobile dealers, who could maintain our business relationships with automakers and automobile dealers. 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, in particular the few ones we frequently transact with, 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 have been relying on third-party advertising agencies for the collection of payment from advertisers and we have been relying on a few advertising agencies to collect a significant portion of our total account receivables. As a result, the financial soundness of advertising agencies may affect our collection of accounts receivable. We make a credit assessment of a potential 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. Amid the sustained decline in new automobile purchases in China, certain automakers operating in China have suffered declining performance or financial difficulties. As a result, advertising agencies that represent the automakers and automobile dealers may encounter financial and operational difficulties, or even go out of businesses. This in turn causes us to suffer from longer accounts receivable turnover days, allowance for doubtful accounts or even bad debt. Initiating legal proceedings against such advertising agencies can be expensive and time-consuming, and could divert our management's attention and other resources from our business operations, which could adversely affect our results of operations. Even if we receive a favorable judgment in such legal proceedings, it may still be challenging and uncertain for us to collect the outstanding payments promptly and in full from the advertising agencies if they are experiencing financial difficulties or even go bankrupt. Moreover, even if we are able to enforce our rights against any collaterals other than cash for the outstanding payments, it may still be challenging and uncertain for us to effectively liquidate such collaterals.

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

With the continuous growth of internet usage in China, the internet has become an increasingly important marketing and advertising channel to China's automotive industry. Although online advertising and promotion have constituted a significant portion of the overall marketing activities of our current and potential advertisers and dealer subscribers, if the promotional effect or outcome realized through online advertising and promotion cannot meet the expectations of advertisers and dealer subscribers or address their needs, our advertisers and dealer subscribers may decrease their spending and efforts on online advertising and promotion and devote more marketing budgets 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;
- uncertainties and changes in regards to PRC regulations on internet advertisements;
- 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.

***We are subject to credit risk in collecting the accounts receivable due from our customers.***

The credit terms we extend to our customers result in accounts receivable. As of December 31, 2019, 2020 and 2021, our accounts receivable (net of allowance for doubtful accounts) were RMB3,231.5 million, RMB3,124.2 million and RMB2,139.5 million, respectively, and we recognized additions to allowance for doubtful accounts of RMB36.7 million, RMB95.7 million and RMB53.3 million in 2019, 2020 and 2021, respectively. We usually make credit assessment of our customers before entering into agreements. However, we cannot assure you that we are or will be able to accurately assess the creditworthiness of each of our customers before entering into agreements, neither can we guarantee that each of these customers will be able to strictly follow and enforce the payment schedules provided in the agreements. Any inability of our customers to pay us in a timely manner may adversely affect our liquidity and cash flows, which in turn has a material adverse effect on our business operations and financial condition.

***Our short-term investments may expose us to default risk and adversely affect our business, financial condition and results of operations.***

During the years ended December 31, 2019, 2020 and 2021, we invested in bank deposits and adjustable-rate financial products with original maturities of less than 1 year. As of December 31, 2019, 2020 and 2021, our short-term investments amounted to RMB10,806.8 million, RMB12,878.2 million and RMB16,496.3 million, respectively. We are subject to default risk associated with these short-term investments, and we have experienced default on payment by asset managers of certain of our investments. For example, the investment of one of our subsidiaries in a financial product experienced default on payment by the financial institution when the relevant investment units reached maturity. As of the date of this annual report, we have not received the payment from such financial institution, for which we recognized the related loss in the consolidated statements of comprehensive income, and we cannot guarantee that we can ultimately successfully collect the related amount. Neither can we assure you that we will receive investment income or will not incur financial losses from our other investments. In addition, changes of inputs such as annual interest rate will change the fair value of certain of our short-term investments. In the event that we incur financial losses from these short-term investments, our business, financial condition and results of operations may be adversely affected.

***Inaccuracy in pricing and listing information provided by third parties on our platform may adversely affect our business and financial performance.***

Our automobile listings and promotional information are provided and updated by third parties on our platform, including the automakers, dealers, financial partners and used car sellers. 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 or solicit related information from other sources. Although we have optimized our system to detect pricing inaccuracy and have leveraged our advanced technology and third-party data to improve the accuracy of price listings and promotional information on our platform, we cannot assure you that these measures are always effective to ensure the accuracy and reliability of pricing and listing information provided to our users. If such listings and promotional information provided by the third parties on our platform are frequently inaccurate or not reliable, our users may lose faith in our websites and mobile applications, resulting in reduced user traffic to our websites and mobile applications and diminished value to customers. 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 outcome. Our reputation could be harmed, which could adversely affect our business and financial performance. For used car listings on our platforms in particular, we are subject to risks associated with inaccurate representation of used car conditions in the inspection reports we show on the listings. We may receive complaints or claims of damages arising out of such inaccuracies. While we are attempting to mitigate the issue through third-party inspection warranty, revising the report items and showing inspection methodologies, there is no guarantee that those measures will be effective.

***If we are unable to effectively manage our auto finance business, we may not be able to achieve our expected business growth, our results of operations may be adversely affected and we may be subject to penalties as a result of noncompliance.***

Since 2017, with the collaboration and integration of our business with Ping An Group, we have been developing our auto finance services for our cooperative banks and financial institutions and displaying and marketing their financial products, including financing and financial leasing products, on our platform. We enable our cooperative banks and financial institutions to present their financial products to users of our websites and mobile applications and to accept users' auto financing applications. Although we have an existing large user base, we cannot assure you that the business model of our auto finance business will be attractive to users and financial partners. Failure to provide satisfactory services on our platform or facilitate financing transactions between our users and financial product providers would cause an adverse impact on our auto finance business. As a result, we may not be able to achieve our expected business growth and our results of operations may be adversely affected.

Since our auto finance business is subject to broad regulation and supervision in the PRC, we may need to handle regulatory inspections during our ordinary course of business from time to time. In addition, although we don't have business operations in the U.S., we may nevertheless be subject to its laws and regulations related to our auto finance business such as anti-money laundering laws and regulations. We have developed an internal control system relating to compliance matters for auto finance business. However, we cannot assure you that the internal control system could always work effectively in tracking and administering the compliance matters relevant to our auto finance business and we may need to incur increased compliance costs to maintain and upgrade such internal control system effectively. If we cannot satisfy any of the requirements of competent authorities, we would be exposed to the relevant regulatory risks, which may result in penalties imposed against us.

***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. In addition, the recent conflict in Ukraine and the imposition of broad economic sanctions on Russia could raise energy prices and disrupt global markets. It is unclear whether these challenges will continue to exist 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. 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, and our customers 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.

***We and our directors and officers may be subject to claims, suits, government investigations, and other proceedings that may result in adverse outcomes.***

We and our directors and officers may be subject to claims, suits, and government investigations involving competition, intellectual property, privacy, consumer protection, tax, fiduciary duty, labor and employment, commercial disputes, advertisements and content placed on our websites and mobile applications, and other matters. Our business may also face intellectual property infringement claims, as further discussed elsewhere in this annual report, that expose us to the risk of reputation damage. Such claims, suits, and government investigations are inherently uncertain and their results cannot be predicted with certainty. Regardless of the outcome, any of these types of legal proceedings can have an adverse impact on us and our directors and officers due to the legal costs, diversion of management resources, negative publicity and other factors involved therein. It is possible that one or more of such proceedings could result in substantial fines and penalties that could adversely affect our business.

***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 originally-generated content and professionally-generated content available on our websites and mobile applications 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 or mobile applications 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 not 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. Also, third parties may submit intellectual property infringement claims against us to the app stores where our mobile applications are available. In such cases, our mobile applications may be taken down by the relevant app stores until such claims have been resolved, which could significantly restrict our users from downloading or updating our mobile applications and thus adversely affect our business and results of operations. In addition, 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, our mobile platforms or accessible from our websites through links to other websites or information on our websites and mobile applications 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 and mobile applications. 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 and mobile applications 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 and mobile applications.***

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 and mobile applications 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 Administrative Measures for Internet Information Services, which were promulgated in September 2000 and revised in January 2011, 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. Internet service providers are required to conduct verification of identity information of users. If information disseminated by internet users on their internet accounts or internet chat groups contains information prohibited by laws and regulations, the service providers are obliged to take measures including issuing warnings to the relevant users, suspending their publication of the inappropriate information or closing their accounts or chat groups. Under the Provisions on Governance of Network Information Content Ecosystem, which was promulgated on December 15, 2019 and came into effect on March 1, 2020, the network information content service platform shall strengthen the management of information content, and upon detecting any illegal information, shall immediately take measures prescribed by laws, keep relevant records, and report to the relevant competent authority. Additionally, the network information content platform shall also strengthen the examination and inspection of the advertising space set on the platform and the advertising content displayed on the platform. Those who publish illegal advertisements shall be punished according to laws. See "Item 4. Information on the Company—B. Business Overview—PRC Regulation—Regulations on Internet Content Services." Under the Provisions on the Administration of Online Live Streaming Services, online live-streaming service providers shall establish platforms for reviewing live-streaming content. Online live-streaming service providers and online live-streaming publishers that provide internet news information services without permits, or exceeding the scope of their permits, are subject to punishment. In addition, online live-streaming service providers shall make record filings with the local internet information office and the local public security authorities. Online live-streaming service providers that fail to file records with or get relevant permission from relevant authorities will be punished in accordance with laws. See "Item 4. Information on the Company—B. Business Overview—PRC Regulation—Regulations on Online Performances and Online Live-streaming Services."

We display automotive advertisements on our websites and mobile applications. In addition, we allow users to upload written materials, images, pictures and other content on our websites, mobile applications, including user forums, and also allow users to share and link to content from other websites through our websites, mobile applications, including user forums. Moreover, we have also added online live-streaming features on our websites and mobile applications. Failure to identify and prevent illegal or inappropriate content from being displayed on or through our websites and mobile applications may subject us to liability. We cannot assure you that all of the advertisements and content shown or posted on our websites and mobile applications 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 and mobile applications 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 and mobile applications 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 internet content related licenses, 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 and mobile applications 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.

***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 customers may be damaged and our users and customers 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 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.

***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 efforts 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. Our senior management team is crucial to executing our business strategies. Failure to retain our key management and personnel may create considerable uncertainty on the direction of our future development. If any of our executive officers joins a competitor or forms a competing company, we may lose customers, know-how and key professionals and staff members. Each of our executive officers has entered into an employment agreement with us, 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.

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 the personnel holding key positions at our company are not as qualified as we expect or 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.

In addition, employee misconduct could expose us to significant legal liability and reputational harm. If any of our employees and management members engages in improper, illegal or suspicious activities or other misconduct in violation of our ethical policies, regulatory rules or regulations concerning anti- corruption, bribery and other ethical issues, we could suffer serious harm to our reputation, financial condition, relationships with our business partners, automakers and dealers and our ability to attract new users and customers. We could even be subject to regulatory sanctions and significant legal liability.

***We may undertake acquisitions, investments, joint ventures or other alliances, which could prove difficult to integrate, disrupt our business or otherwise negatively impact our results of operations.***

As part of our business strategy, we regularly evaluate potential acquisitions, investments and alliances, including joint ventures, minority equity investments and strategic 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 and 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 and/or ordinary shares.

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.

***Our 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. The third-party service providers may raise 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 that are willing or able to provide comparable high-quality services and that will not charge us higher prices for their services. If the prices that we are required to pay to third-party service providers rise significantly, our results of operations could be adversely affected.

***Divestitures of businesses and assets may have a material and adverse effect on our business and financial situation.***

We have undertaken, and may undertake in the future, partial or complete divestitures or other disposal transactions in connection with certain of our businesses and assets, particularly ones that are not closely related to our core focus areas or might require excessive resources or financial capital, to help our company meet its objectives. We also have and may in the future withdraw from certain of our businesses to shift our focus to other businesses. For example, we substantially withdrew from the offline insurance brokerage business in the PRC in 2021. These decisions are largely based on our management's assessment of the business models and likelihood of success of these businesses. However, our judgment could be inaccurate, and we may not achieve the desired strategic and financial benefits from these transactions. Our financial results could be adversely affected by the impact from the loss of earnings and corporate overhead contribution/allocation associated with divested businesses. In addition, as our net (loss)/ income from discontinued operations are non-recurrent, it may be difficult for investors and analysts to predict our future earnings potential based on our historical financial performance.

Dispositions may also involve continued financial involvement in the divested business, such as through guarantees, indemnities or other financial obligations. Under these arrangements, performance by the divested businesses or other conditions outside of our control could affect our future financial results. We may also be exposed to negative publicity as a result of the potential misconception that the divested business is still part of our consolidated group. On the other hand, we cannot assure you that the divesting business would not pursue opportunities to provide services to our competitors or other opportunities that would conflict with our interests. If any conflicts of interest that may arise between the divesting business and us cannot be resolved in our favor, our business, financial condition, results of operations could be materially and adversely affected.

Furthermore, reducing or eliminating our ownership interests in these businesses might negatively affect our operations, prospects, or long-term value. We may lose access to resources or know-how that would have been useful in the development of our own business. Our ability to diversify or expand our existing businesses or to move into new areas of business may be reduced, and we may have to modify our business strategy to focus more exclusively on areas of business where we already possess the necessary expertise. We may sell our interests too early, and thus forego gains that we otherwise would have received had we not sold. Selecting businesses to dispose of or spin off, finding buyers for them (or the equity interests in them to be sold) and negotiating prices for what may be relatively illiquid ownership interests with no easily ascertainable fair market value will also require significant attention from our management and may divert resources from our existing business, which in turn could have an adverse effect on our business operations.

***Ping An Group has substantial influence over our company and its interests may not be aligned with ours.***

As of March 31, 2022, Yun Chen Capital Cayman, or Yun Chen, a subsidiary of Ping An Group, owned 44.8% of the total equity interest in our company. Because Ping An Group beneficially owns a significant percentage of the voting rights in our company, it has substantial 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 Ping An Group, we may be prevented from entering into transactions that could be beneficial to us. The interests of Ping An Group may differ from the interests of our other shareholders. Furthermore, Ping An Group's business activities, although not related to our operations, may adversely impact reputation. As Ping An Group is a public company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, and beneficially controls a significant percentage of our voting rights, Ping An Group may be required to disclose information on us from time to time, which may subject us to additional costs and efforts in making such disclosures.

We have and expect to continue to have related party transactions with Ping An Group. In 2019, 2020 and 2021, Ping An Group provided us with services and assets in the amount of RMB107.7 million, RMB156.4 million and RMB176.9 million (US$27.8 million), respectively. In 2019, 2020 and 2021, we provided services to Ping An Group in the amount of RMB447.0 million, RMB621.8 million and RMB417.1 million (US$65.4 million), respectively. Besides these transactions, we had cash or time deposits in commercial banks associated with Ping An Group and purchased short-term cash management products managed by Ping An Group as a part of our cash management plan, which totaled RMB 1,907.2 million, RMB3,466.9 million and RMB4,144.8 million (US$650.4 million) as of December 31, 2019, 2020 and 2021, respectively. In January 2022, we entered into a limited partner interest subscription agreement, a limited partnership agreement and certain other auxiliary documents with Ping An Capital Co., Ltd., pursuant to which we agreed to subscribe for RMB400 million worth of limited partner interests in an equity investment fund managed by Ping An Capital Co., Ltd. Although we did not and do not expect to rely upon revenues from Ping An Group, if Ping An Group decides to reduce or even terminate its transactions with us, our business, financial conditions and results of operations may be adversely affected.

***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 and/or ordinary shares may be adversely impacted.***

The U.S. 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, 2021. 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, 2021. 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 and/or ordinary shares. 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 limited business insurance coverage.***

As of December 31, 2021, we maintained all the insurance policies required by PRC laws and regulations. We consider that the coverage from the insurance policies maintained by us is in line with the industry norm. However, 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.***

We are vulnerable to health epidemics, natural disasters, and other calamities. Any of such occurrences could cause severe disruption to our daily operations, and may even require a temporary closure of our offices, which may disrupt our business operations and adversely affect our results of operations. In addition, our results of operations could be adversely affected to the extent that any of these catastrophic events harms the Chinese economy in general. For example, our business has been negatively impacted by the COVID-19 pandemic, especially in the first half of 2020, during which operation of ours, automakers and dealers slowed down, automobile production and purchases declined and the general economy of China was negatively impacted due to, among others, the precautionary government-imposed closures of certain travel and business, the government's order to delay resumption of service and mass production and the related quarantine measures. The spread of COVID-19 had been substantially controlled in China in late 2020. However, since 2021, there has been a resurgence of COVID-19 cases caused by new variants such as Delta and Omicron in multiple cities in China, as well as across the world. Restrictions have been re-imposed in certain cities to combat such outbreaks and emerging variants of the virus. The long-term trajectory of COVID-19, both in terms of scope and intensity of the pandemic, in China as well as globally, together with its impact on the industry and the broader economy remain difficult to assess or predict and face significant uncertainties that will be difficult to quantify. The extent to which the COVID-19 pandemic impacts us and the Chinese economy as a whole in 2022 and beyond depends on its future developments, which are highly uncertain and unpredictable. If there is not a material recovery in the COVID-19 situation, or it further deteriorates in China or globally, our business, results of operations and financial condition could be materially and adversely affected.

**Risks Related to Our Corporate Structure**

***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, and we may face significant disruption to our business operations.***

Current PRC laws and regulations place certain restrictions on foreign ownership of companies that provide internet content services in China. Pursuant to the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021 Version) promulgated on December 27, 2021 and became effective on January 1, 2022, or the Negative List, and the Provisions on Administration of Foreign Invested Telecommunications Enterprises, or the FITE Provisions, promulgated by the State Council on December 11, 2001 and amended from time to time with the latest amendment to be effective on May 1, 2022, foreign investors are not allowed to own more than 50% of the equity interests in a value-added telecommunication service provider, unless otherwise stipulated in relevant rules. In addition, foreign investors are prohibited from investing in companies engaged in internet audio-visual programs businesses, internet culture businesses (except for music) and radio and television program production businesses. 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 or other value-added telecommunication services or conduct other businesses which foreign-owned companies are prohibited or restricted from conducting in China.

As such, we conduct our business activities related to internet content services by entering into a series of contractual arrangements with the VIEs in China, primarily including Autohome Information, Shengtuo Hongyuan and Shanghai Jinwu, and their respective shareholders. In particular, Autohome Information currently holds a license for provision of internet information services, or the ICP license, a Value-added Telecommunications License for Online Data Processing and Transaction Processing Business (for operational e-commerce only), a Surveying and Mapping Qualification Certificate for Internet Mapping which is in the process of the renewal, an Operating License for the Production and Dissemination of Radio and Television Programs, an internet Audio/Video Program Transmission License, and an Internet Culture Business Permit which is in the process of the renewal. In addition, Autohome Information is the sole shareholder of Shanghai Tianhe Insurance Brokerage Co., Ltd., or Shanghai Tianhe, an insurance brokerage company, which has completed the registration process required for engaging in online insurance business in the PRC. Shengtuo Hongyuan currently holds an ICP license, a Surveying and Mapping Qualification Certificate for Internet Mapping, and an Operating License for the Production and Dissemination of Radio and Television Programs and is operating the *che168.com* website and automobile application-related business. Shanghai Jinwu currently holds an ICP license, an auction business approval certificate, and is filed as an entity conducting used automobiles brokerage business in the relevant systems of the MOFCOM, and is operating the *www.ttpai.cn* website.

These VIEs are currently owned by individual shareholders who are PRC citizens and hold the requisite licenses or permits to operate internet business in China. We do not have any equity interests in these VIEs but substantially control their operations and receive the economic benefits through contractual arrangements. We have been and are expected to continue to be dependent upon these VIEs and their respective subsidiaries for the above mentioned business operations. For more information regarding these contractual arrangements, see “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Contractual Arrangements with the Variable Interest Entities.”

Based on the advice of our PRC legal counsel, Commerce & Finance Law Offices, the corporate structure of the VIEs and our subsidiaries in China are in compliance with all existing PRC laws and regulations. However, we are a Cayman Islands holding company with no equity ownership in the VIEs and we conduct our operations in China primarily through our subsidiaries and VIEs with which we have maintained contractual arrangements. Investors in our ordinary shares or the ADSs thus are not purchasing equity interest in the VIEs in China but instead are purchasing equity interest in a Cayman Islands holding company. If the PRC government deems that our contractual arrangements with the VIEs do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change or are interpreted differently in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations. The value of our ADSs/ordinary shares may decline or become worthless, if we are unable to assert our contractual control rights over the assets of the VIEs, which contributed 13.1% of our revenues in 2021. Our holding company in the Cayman Islands, the VIEs, and investors of our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIEs and, consequently, significantly affect the financial performance of the VIEs and our company as a whole.

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. The PRC regulatory authorities could disallow the variable interest entities structure, which would likely result in a material adverse change in our operations, and our ordinary shares or our ADSs may decline significantly in value.

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 MIIT, the CAC, which regulates internet information services companies, the CBIRC, whose predecessor is China Insurance Regulatory Commission, or the CIRC, and the China Securities Regulatory Commission, or the CSRC, would have broad discretion in dealing with such violations, including, without limitation, levying fines, confiscating our income or the income of Beijing Cheerbright Technologies Co., Ltd., or Autohome WFOE, Beijing Chezhiying Technology Co., Ltd., or Chezhiying WFOE, Shanghai Jinpai E-commerce Co., Ltd. or TTP WFOE, and the VIEs, revoking the business licenses or operating licenses of Autohome WFOE, Chezhiying WFOE, TTP WFOE and the VIEs, shutting down our servers or blocking our websites and mobile applications, discontinuing or placing restrictions or onerous conditions on our operations, requiring us to undergo a costly and disruptive restructuring, restricting the VIEs' right to collect revenues, imposing additional conditions or requirements with which the VIEs may not be able to comply, or taking other enforcement actions that could be harmful to our business.

Any of these actions could cause significant disruption to our business operations, including our business operations not carried out through the VIEs, and severely damage our reputation, which would in turn materially and adversely affect our business and results of operations. As we generate substantially all our revenues through or with the support of our online platforms, whose operation is dependent on the business or operating licenses held by Autohome WFOE, Chezhiying WFOE and the VIEs, if such licenses are revoked, or if our servers are shut down or our websites and mobile applications are blocked, we may not be able to continue our operation. 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 the 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 shareholders, (ii) contractual arrangements with Shengtuo Hongyuan and its shareholders and (iii) contractual arrangements with Shanghai Jinwu and its shareholder, among others. For a description of these contractual arrangements, see "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Contractual Arrangements with the Variable Interest Entities." There are very few precedents as to whether contractual arrangements would be judged to form effective control over the relevant VIEs through the contractual arrangements, or how contractual arrangements in the context of a VIE should be interpreted or enforced by the PRC courts. Should legal actions become necessary, we cannot guarantee that the court will rule in favor of the enforceability of the VIE contractual arrangements. In the event we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over the VIEs, and our ability to conduct our business may be materially adversely affected. Therefore, these contractual arrangements may not be as effective in providing us with control over the 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 the VIEs. Therefore, our contractual arrangements with the VIEs may not be as effective in ensuring our control over their operations as direct ownership would be.

***The shareholders of the VIEs may breach, or cause the VIEs to breach, or refuse to renew, the existing contractual arrangements we have with them and the VIEs. Any failure by the 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 the VIEs may breach, or cause the VIEs to breach, or refuse to renew, the existing contractual arrangements we have with them and the VIEs. If the 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 the VIEs 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 the VIEs, and our ability to conduct our business may be negatively affected.

***The contractual arrangements among our subsidiaries and the VIEs may be subject to scrutiny by the PRC tax authorities and a finding that we or the 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, TTP WFOE, the VIEs and the shareholders of the VIEs do not represent arm's length prices and consequently adjust Autohome WFOE, Chezhiying WFOE and TTP WFOE's or the 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 the 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, TTP WFOE or the VIEs for any unpaid taxes. Our consolidated net income may be materially and adversely affected if Autohome WFOE, Chezhiying WFOE and TTP WFOE or the VIEs' tax liabilities increase or if they are subject to late payment fees or other penalties.

***The interests of the individual nominee shareholders of the VIEs may be different from our interests, which may materially and adversely affect our business.***

The individual nominee shareholders of Autohome Information and Shengtuo Hongyuan are Quan Long, the chairman of our board of directors and our chief executive officer, and Haiyun Lei, an employee of the affiliate of Yun Chen who has been working with Ping An Group and its affiliates for more than 20 years. They each hold 50% of the equity interests in Autohome Information and Shengtuo Hongyuan. Each of these two individuals is a PRC citizen. The individual nominee shareholder of Shanghai Jinwu is Weiwei Wang. Weiwei Wang is a PRC citizen and the founder of TTP. The interests of the individual nominee shareholders of the VIEs may be different from our interest. For example, the individual nominee shareholders of our VIEs do not have a significant equity stake in our company. These shareholders may breach, or cause the VIEs to breach, or refuse to renew, the existing contractual arrangements we have with them and the VIEs, which would have a material and adverse effect on our ability to effectively control the VIEs and receive substantially all the economic benefits from them. For example, the shareholders may be able to cause our agreements with the VIEs to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. We cannot assure you that when a conflict of interest arises, any or all of these shareholders will act in the best interests of our company or such conflict will be resolved in our favor.

Currently, we rely on our contractual arrangements with these individual nominee shareholders and do not have other arrangements to address any potential difference of interests between them and our company. We rely on these individuals to comply with the laws of the PRC, 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 Mr. Quan Long, the chairman of our board of directors and our chief executive officer, to abide by the laws of the Cayman Islands, which provide that directors owe a duty of care 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 difference of interests or dispute between us and the shareholders of the 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.

The individual nominee shareholders of the VIEs may be involved in personal disputes with third parties or other incidents that may have an adverse effect on their respective equity interests in the relevant VIEs and the validity or enforceability of our contractual arrangements with the relevant entity and its shareholders. For example, in the event that any of such individual nominee shareholders divorces his or her spouse, the spouse may claim that the equity interest of the relevant VIE held by such individual nominee shareholder is part of their community property and should be divided between such individual nominee shareholder and his or her spouse. If such claim is supported by the court, the relevant equity interests may be obtained by the individual nominee shareholder's spouse or another third party who is not subject to obligations under our contractual arrangements, which could result in a loss of the effective control over the relevant VIE by us. Similarly, if any of the equity interests of the VIEs is inherited by a third party with whom the current contractual arrangements are not binding, we could lose our control over the relevant VIE or have to maintain such control by incurring unpredictable costs, which could cause significant disruption to our business and operations and harm our financial condition and results of operations.

Although under our current contractual arrangements, the VIEs and their individual nominee shareholders shall not assign any of their respective rights or obligations to any third party without the prior written consent of Autohome WFOE, Chezhiying WFOE and TTP WFOE, we cannot assure you that these undertakings and arrangements will be complied with or effectively enforced. In the case any of them is breached or becomes unenforceable and leads to legal proceedings, it could disrupt our business, distract our management's attention and subject us to substantial uncertainties as to the outcome of any such legal proceedings.

***We may rely to a significant extent 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 conduct all of our business through our subsidiaries and VIEs. We may rely to a significant extent 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, according to PRC Company Law, before the distribution of the dividends, enterprises in PRC 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.

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 our PRC subsidiaries to finance its activities cannot exceed statutory limits and must be registered with the competent local counterpart of the SAFE, or filed with SAFE in its information system. We may also decide to finance our PRC subsidiaries by means of capital contributions. These capital contributions must be filed with the MOFCOM and the State Administration for Market Regulation of the PRC, or SAMR, or their local counterparts. 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 the VIEs, which are PRC domestic companies. Further, we are not likely to finance the activities of the VIEs by means of capital contributions due to regulatory restrictions relating to foreign investment in PRC domestic enterprises engaged in internet content services.

Pursuant to the Circular on the Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or SAFE Circular 19, which became effective on June 1, 2015 and the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts, or SAFE Circular 16 which was promulgated in June 2016, 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. SAFE Circular 19 and SAFE Circular 16, therefore, have substantially lifted the restrictions on the usage by a foreign-invested enterprise of its Renminbi registered capital, foreign debt and repatriated funds raised through overseas listing converted from foreign currencies. According to SAFE Circular 19 and SAFE Circular 16, such Renminbi capital, foreign debt and repatriated funds raised through overseas listing 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, it is still not clear whether foreign-invested enterprises like our PRC subsidiaries are allowed to extend intercompany loans to the VIEs. In addition, SAFE promulgated the Circular Regarding Further Promotion of the Facilitation of Cross-Border Trade and Investment on October 23, 2019, or SAFE Circular 28, pursuant to which all foreign-invested enterprises can make equity investments in the PRC with their capital funds in accordance with the law. As the relevant government authorities have broad discretion in interpreting the regulation, it is unclear whether SAFE will permit such capital funds to be used for equity investments in the PRC in actual practice. See "Item 4. Information on the Company —B. Business Overview—PRC Regulation—Regulations on Foreign Exchange."

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, filings 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 with respect to future capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations, filings 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.

***If our PRC subsidiaries or VIEs become the subject of a bankruptcy or liquidation proceeding, we may lose the ability to use and enjoy some of our key 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 securities.***

As of the date of this annual report, we conduct our business mostly through our PRC subsidiaries and the VIEs, which hold operating permits and licenses and some of the key assets that are important to the operation of our business. We expect to continue to be dependent on these VIEs to operate our business related to internet content services in China. If the above-mentioned 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 such 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 securities.

***We are subject to changing laws and regulations regarding regulatory matters, corporate governance and public disclosure that may increase both our costs and the risk of non-compliance.***

We are subject to rules and regulations by various governmental and self-regulatory organizations at various levels of the governing bodies, including, for example, the SEC and financial market exchange entities, which are charged with the protection of investors and the oversight of companies whose securities are publicly traded, and various regulatory authorities in China, the Cayman Islands, the British Virgin Islands, Germany, Ireland and the UK, and to new and evolving regulatory measures under applicable law. Our efforts to comply with new and changing laws and regulations have resulted in and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalty and our business may be harmed.

**Risks Related to Doing Business in China**

***The PCAOB is currently unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections over our auditor deprives our investors with the benefits of such inspections.***

Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. Since our auditor is located in China, a jurisdiction where the PCAOB has been unable to conduct inspections without the approval of the Chinese authorities, our auditor is not currently inspected by the PCAOB. As a result, we and investors in our ordinary shares or ADSs are deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in China makes it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of China that are subject to the PCAOB inspections, which could cause investors and potential investors in our ordinary shares or ADSs to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

***Our ADSs will be delisted and prohibited from trading in the United States under the HFCAA, in 2024 if the PCAOB is unable to inspect or fully investigate auditors located in China, or in 2023 if proposed changes to the law are enacted. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.***

The HFCAA, was signed into law on December 18, 2020. The HFCAA states if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspection for the PCAOB for three consecutive years beginning in 2021, the SEC shall prohibit our ordinary shares or ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States. On December 2, 2021, the SEC adopted final amendments implementing the disclosure and submission requirements of the HFCAA, pursuant to which the SEC will identify an issuer as a "Commission Identified Issuer" if the issuer has filed an annual report containing an audit report issued by a registered public accounting firm that the PCAOB has determined it is unable to inspect or investigate completely, and will then impose a trading prohibition on an issuer after it is identified as a Commission-Identified Issuer for three consecutive years. On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB is unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong. The PCAOB identified our auditor as one of the registered public accounting firms that the PCAOB is unable to inspect or investigate completely. Therefore, we expect to be identified as a "Commission Identified Issuer" shortly after the filing of this annual report on Form 20-F.

Whether the PCAOB will be able to conduct inspections of our auditor before the issuance of our financial statements on Form 20-F for the year ending December 31, 2023 which is due by April 30, 2024, or at all, is subject to substantial uncertainty and depends on a number of factors out of our, and our auditor's, control. Such a prohibition would substantially impair your ability to sell or purchase our ordinary shares and/or ADSs when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of our ordinary shares and ADSs. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

On June 22, 2021, the U.S. Senate passed a bill which would reduce the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA from three years to two. On February 4, 2022, the U.S. House of Representatives passed a bill which contained, among other things, an identical provision. If this provision is enacted into law and the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA is reduced from three years to two, then our ordinary shares and ADSs could be prohibited from trading in the United States in 2023.

***The PRC government's significant oversight and discretion over our business operations could result in a material adverse change in our operations and the value of our ADSs and/or ordinary shares.***

We conduct our business primarily in China. Our operations in China are governed by PRC laws and regulations. The PRC government has significant oversight and discretion over the conduct of our business, and may intervene or influence our operations as the government deems appropriate to advance regulatory and societal goals and policy positions. The PRC government has recently published new policies that significantly affected certain industries and we cannot rule out the possibility that it will in the future release regulations or policies that directly or indirectly affect our industry or require us to seek additional permission to continue our operations, which could result in a material adverse change in our operation and/or the value of our ADSs and/or ordinary shares. Therefore, investors of our company and our business face potential uncertainty from actions taken by the PRC government affecting our business.

***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.

The PRC government has significant oversight over the conduct of our business and it has recently indicated an intent to exert more oversight over offerings that are conducted overseas and/or foreign investment in China-based issuers. Any such action could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless.

***Substantial uncertainties exist with respect to the interpretation and implementation of the PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.***

In March 2019, the Foreign Investment Law was enacted by the National People's Congress and it became effective in January 2020. The 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 VIE structure has been adopted by many PRC-based companies, including us, to obtain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions in China. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Contractual Arrangements with the Variable Interest Entities" and "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—If the PRC government finds that the agreements that establish the structure for operating our 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, and we may face significant disruption to our business operations." Although the Foreign Investment Law does not explicitly classify "contractual arrangements" as a form of foreign investment, it contains a catch-all provision under the definition of "foreign investment" which includes investments made by foreign investors through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. Therefore, it still reserves certain leeway for future legislation by the Stale Council to provide "contractual arrangements" as a form of foreign investment, in which case it will be uncertain as to whether our contractual arrangements with the VIEs will be deemed to be in violation of the market access requirements for foreign investments under the PRC laws and regulations, such as the Negative List. According to the Classification Catalog of Telecommunications Services, or 2015 Catalog and the Negative List, the provision of internet content services, which we conduct through the VIEs, is subject to foreign investment restrictions. Therefore, such foreign investment restrictions will be inevitably imposed on the VIEs if our contractual arrangements with the VIEs are further defined or regarded as a form of foreign investment by any future provisions stipulated in laws or administrative regulations or other methods prescribed by the State Council. In addition, if future laws, administrative regulations or provisions prescribed by the State Council mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we could complete such actions in a timely manner, or at all, and our business and financial condition may be materially and adversely affected. Given the foregoing, uncertainties still exist in relation to the interpretation and implementation of the Foreign Investment Law, which may result in adverse impact on our current corporate structure.

If our contractual arrangements with the VIEs are defined or regarded as a form of foreign investment in the future, our corporate governance practice may be impacted and our compliance costs may increase. For instance, the Foreign Investment Law requires foreign investors or foreign-funded enterprises to submit the investment information to competent governmental authorities for review. Although the contents and scope of such information shall be determined under the principle of necessity and the information that can be obtained through interdepartmental information sharing will not be required to be resubmitted, foreign investors or foreign-funded enterprises which fail to report their investment information as requested will be required to take corrective measures and/or be subject to fines. Moreover, the Foreign Investment Law provides that a security examination mechanism will be established to examine any foreign investment activity that affects or may affect national security. The decision made upon the security examination may impact the operations of the foreign-funded enterprises.

***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 uncertainties. 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 and mobile applications. We do not own the websites or the mobile applications due to the restriction on foreign investment in value-added telecommunication services and 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 subsidiaries and VIEs 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, the VIEs may be required to obtain additional licenses, including internet publishing licenses and internet news information service licenses, if the release of articles and information on our mobile applications and websites is deemed by the PRC regulatory authorities as being provision of internet publishing service, internet news information service. See “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, in March 2018, the State Council announced to transform the Central Leading Group for Cyberspace Affairs into a new department, the Office of the Central Cyberspace Affairs Commission. The primary role of this new agency is to facilitate the policy-making and legislative development in this field, to direct and coordinate with the relevant departments in connection with online content administration and to deal with cross-ministry regulatory matters in relation to the internet industry, and the National Computer Network and Information Security Management Center was adjusted to be managed by the Office of the Central Cyberspace Affairs Commission Office instead of the MIIT.
- New laws and regulations may be promulgated to regulate internet activities. 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.
- New government policies and internal rules relating to the regulations on internet activities may negatively affect our user traffic growth. For example, the E-commerce Law, which took effect on January 1, 2019, provides that the character “advertisement” should be noticeably marked on the commodities or services ranked under competitive bidding. Complying with such requirements may negatively affect the growth rate of user traffic on our websites and mobile applications. The promulgation of laws and regulations relating to the internet activities may further impair our user traffic growth.

On July 13, 2006, the MIIT, 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 telecommunications license 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, Shengtuo Hongyuan and Shanghai Jinwu, three of the VIEs, own the related domain names and trademarks and hold the ICP licenses, necessary to conduct our operations for websites and mobile applications in China.

On August 31, 2018, the Standing Committee of the National People's Congress of China issued the E-commerce Law, which came into effect on January 1, 2019. Pursuant to the E-commerce Law, operators of e-commerce platforms shall verify and register the basic information of e-commerce operators on their platforms, including the identity, address, contact and administrative license, and establish archives with regular updates for such information. It further provides that operators of e-commerce platforms shall submit information on the identification of e-commerce operators to department for market regulation, and submit e-commerce operators' identification information and other information relating to tax payment to tax authority. Additionally, operators of e-commerce platforms shall record and save information released on their platform about commodities and services, and report to competent authorities, if such information shows that e-commerce operators have failed to obtain the administrative license when they are subject to the relevant administrative approval, or commodities sold or services offered by e-commerce operators are found to be in violation of certain requirements to safeguard personal safety, property security and the requirements on environmental protection, or to be prohibited by laws and administrative regulations. The E-commerce Law establishes obligations to protect consumers for operators of e-commerce platforms, such as obligations to protect consumers' personal information and record information of deals concluded on their platforms, obligations to refund guarantee deposits to consumers in a timely manner and obligations to noticeably label commodities or services ranked under competitive bidding with the word "Advertisement." E-commerce operators shall not conduct false or misleading commercial publicity by fabricating transactions, making up user reviews or any other means, to cheat or mislead consumers. E-commerce platform operators shall not delete consumers' ratings of commodities sold or services provided on the platform. We have carried out compliance work in accordance with these regulatory requirements. However, there are substantial uncertainties with respect to the interpretation and implementation of the E-commerce Law and how it may impact our business operations. We cannot guarantee that the compliance measures we have taken are fully consistent with the interpretation of regulators, and there is a risk that the company will be punished by those regulators because of any non-compliance activities.

In addition, on February 7, 2021, the Anti-monopoly Committee of the State Council published the Guideline on Anti-monopoly of Platform Economy Sector, or the Guideline, which became effective on the same day, aiming at enhancing anti-monopoly administration on businesses that operate under the platform model and the overall platform economy. The Guideline intends to regulate abuse of a dominant position and other anti-competitive practices by online platform operators and the related operators and service providers on online platforms, i.e. unfairly locking in exclusive agreements with operators on the platform and targeting specific customers with unreasonable big-data driven tailored pricing through their online behavior to eliminate or limit market competition. As of the date of this annual report, we have not been subject to any regulatory actions or investigations in connection with anti-monopoly. However, as the Guideline is newly enacted, there remains uncertainties as to how the Guideline will be implemented, and we cannot assure you that the governmental authorities will not take an opposite opinion. Any failure or perceived failure by us to comply with the Guideline and other anti-monopoly laws and regulations may result in governmental investigations or enforcement actions, litigation or claims against us and could have an adverse effect on our business, financial condition and results of operations.

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 the 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.

***The approval of and filing with the CSRC or other PRC government authorities may be required if we were to conduct offshore offerings in the future, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing.***

On July 6, 2021, the relevant PRC government authorities issued Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law. These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. As a follow-up, on December 24, 2021, the State Council issued a draft of the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies, or the Draft Provisions, and the CSRC issued a draft of Administration Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies, or the Draft Administration Measures, for public comments.

The Draft Provisions and the Draft Administration Measures propose to establish a new filing-based regime to regulate overseas offerings and listings by domestic companies. According to the Draft Provisions and the Draft Administration Measures, an overseas offering and listing by a domestic company, whether directly or indirectly, shall be filed with the CSRC. Specifically, the examination and determination of an indirect offering and listing will be conducted on a substance-over-form basis, and an offering and listing shall be considered as an indirect overseas offering and listing by a domestic company if the issuer meets the following conditions: (i) the operating income, gross profit, total assets, or net assets of the domestic enterprise in the most recent fiscal year was more than 50% of the relevant line item in the issuer's audited consolidated financial statement for that year; and (ii) senior management personnel responsible for business operations and management are mostly PRC citizens or are ordinarily resident in the PRC, and the main place of business is in the PRC or carried out in the PRC. According to the Draft Provisions and the Draft Administration Measures, the issuer or its affiliated domestic company, as the case may be, shall file with the CSRC for its initial public offering, follow-on offering and other equivalent offering activities. Particularly, the issuer shall submit the filing with respect to its follow-on offering within three business days after completion of the follow-on offering. Failure to comply with the filing requirements may result in fines to the relevant domestic companies, suspension of their businesses, revocation of their business licenses or related operation permits and fines on the controlling shareholder and other responsible persons. The Draft Provisions also sets forth certain regulatory red lines for overseas offerings and listings by domestic enterprises.

As of the date of this annual report, the Draft Provisions and the Draft Administration Measures were released for public comment only. There are uncertainties as to whether the Draft Provisions and the Draft Administration Measures would be further amended, revised or updated. Substantial uncertainties exist with respect to the enactment timetable and final content of the Draft Provisions and the Draft Administration Measures. As the CSRC may formulate and publish guidelines for filings in the future, the Draft Administration Measures does not provide for detailed requirements of the substance and form of the filing documents. In a Q&A released on its official website, the respondent CSRC official indicated that the proposed new filing requirement will start with new companies and the existing companies seeking to carry out activities like follow-on financing. As for the filings for the existing companies, the regulator will grant adequate transition period and apply separate arrangements. The Q&A also addressed the contractual arrangements and pointed out that if relevant domestic laws and regulations have been observed, companies with compliant VIE structure may seek overseas listing after completion of the CSRC filings. Nevertheless, it does not specify what qualify as compliant VIE structures and what relevant domestic laws and regulations are required to be complied with. Given the substantial uncertainties surrounding the latest CSRC filing requirements at this stage, we cannot assure you that we will be able to complete the filings and fully comply with the relevant new rules on a timely basis, if at all, if we were to conduct any overseas offering.

Relatedly, on December 27, 2021, the NDRC and the MOFCOM, jointly issued the Negative List, effective from January 1, 2022. Pursuant to the Negative List, if a domestic company engaging in the prohibited business stipulated in the Negative List seeks an overseas offering and listing, it shall obtain the approval from the competent governmental authorities. Besides, the foreign investors of the company shall not be involved in the company's operation and management, and their shareholding percentage shall be subject, mutatis mutandis, to the relevant regulations on the domestic securities investments by foreign investors. According to the public responses of relevant officials from the NDRC and the MOFCOM to reporters' questions regarding the Negative List, no reduction in shareholding percentage of foreign investor is required with respect to enterprises that have been listed overseas, if the percentage of foreign shareholding of such enterprises had exceeded the stipulated threshold before the promulgation of the Negative List. As the Negative List is relatively new, there remain substantial uncertainties as to the interpretation and implementation of these new requirements, and it is unclear as to whether and to what extent listed companies like us will be subject to these new requirements. If we are required to comply with these requirements and fail to do so on a timely basis, if at all, our business operation, financial conditions and business prospect may be adversely and materially affected.

In addition, we cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements on us. If it is determined in the future that approval from and filing with the CSRC or other regulatory authorities or other procedures, including the cybersecurity review under the Cybersecurity Review Measures and the enacted version of the Draft Regulations on Network Data Security, are required if we were to conduct offshore offerings, it is uncertain whether we can or how long it will take us to obtain such approval or complete such filing procedures and any such approval or filing could be rescinded or rejected. If we were to conduct offshore offerings in the future and fail to obtain such approval or complete such filing procedures, or such approval or filing, if obtained by us, were to be rescinded, we would be subject to sanctions by the CSRC or other PRC regulatory authorities. These regulatory authorities may impose fines and penalties on our operations in China, limit our ability to pay dividends outside of China, limit our operating privileges in China, delay or restrict the repatriation of the proceeds from our offshore offerings into China or take other actions that could materially and adversely affect our business, financial condition, results of operations, and prospects, as well as the trading price of our listed securities. In addition, if the CSRC or other regulatory authorities later promulgate new rules or explanations requiring that we obtain their approvals or accomplish the required filing or other regulatory procedures for our prior offshore offerings, we may be unable to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Any uncertainties or negative publicity regarding such approval requirement could materially and adversely affect our business, prospects, financial condition, reputation, and the trading price of our listed securities.

***It may be difficult for overseas regulators to conduct investigations or collect evidence within China.***

Shareholder claims or regulatory investigations that are common in jurisdictions outside China are difficult to pursue as a matter of law or practicality in China. For example, in China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the United States or other jurisdictions may not be efficient in the absence of a mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, or Article 177, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC, without the consent by the Chinese securities regulatory authorities under the State Council and the State Council related competent agencies, no entity or individual may provide documents or materials related to securities business to any foreign party. While detailed interpretation of or implementation rules under Article 177 have yet to be promulgated, the inability of an overseas securities regulator to directly conduct investigation or evidence collection activities within China and the potential obstacles for information provision may further increase difficulties you face in protecting your interests. See also "—Risks Related to Our ADSs and Ordinary Shares—You may face difficulties in protecting your interests, and your ability to protect your rights through the U.S. federal courts or Hong Kong 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 and Hong Kong" for risks associated with investing in us as a Cayman Islands company.

***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. On November 30, 2015, the Executive Board of the International Monetary Fund (IMF) completed the regular five-year review of the basket of currencies that make up the Special Drawing Right, or the SDR, and decided that with effect from October 1, 2016, RMB is determined to be a freely usable currency and will be included in the SDR basket as a fifth currency, along with the U.S. dollar, the Euro, the Japanese yen and the British pound. In the fourth quarter of 2016, the RMB depreciated significantly in the backdrop of a surging U.S. dollar and persistent capital outflows of China. This depreciation halted in 2017, and the RMB appreciated approximately 7% against the U.S. dollar during this one-year period. Between February 2018 and December 31, 2018, the RMB depreciated significantly, over 8% against the U.S. dollar. During the period from August 2019 to December 2019, the RMB depreciated to over seven per U.S. dollar, the lowest rate in over a decade. Since 2020, the RMB has appreciated about 2.3% against the U.S. dollar. With the development of the foreign exchange market and progress towards interest rate liberalization and RMB internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the RMB will not appreciate or depreciate significantly in value against the U.S. dollar in the future. 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.

Significant revaluation of the RMB may have a material and adverse effect on your investment. 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, our PRC subsidiaries 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 and/or ordinary shares.

***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 MOFCOM 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 and amended on September 18, 2018, are triggered. According to the Implementing Rules Concerning Security Review on Mergers and Acquisitions by Foreign Investors of Domestic Enterprises issued by the MOFCOM in August 2011, mergers and acquisitions by foreign investors involved in an industry related to national security are subject to strict review by the MOFCOM. 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 MOFCOM or other government agencies may publish interpretations contrary to our understanding or broaden the scope of such security review in the future. We may elect to grow our business in the future in part by directly acquiring, or investing in, 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 MOFCOM, may delay or inhibit our ability to complete such transactions.

***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 which were further revised by SAFE in 2016, 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 and January 2008. 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 plan participants fail to comply with these regulations, we or our PRC plan participants 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.***

On February 3, 2015, the State Administration of Taxation, or the SAT, issued SAT Notice 7, which was amended in December 2017, to supersede the existing tax rules in relation to the indirect transfer of assets by non-PRC resident enterprises. SAT Notice 7 introduces a more sophisticated anti-avoidance guidance. SAT Notice 7 extends its tax jurisdiction to capture not only indirect transfer 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 interests in a foreign intermediate holding company" broadly. In addition, SAT Notice 7 provides clearer criteria 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.

Further, SAT Notice 7 adopts a voluntary reporting regime. 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.

On October 17, 2017, the SAT issued the Announcement of the State Administration of Taxation on Matters Concerning Withholding of Income Tax of Non-Resident Enterprises at Source, or SAT Circular 37, which became effective on December 1, 2017. The SAT Circular 37 applies the principle of withholding of income tax of non-resident enterprises at source. The SAT Circular 37 stipulates that the taxable income from equity transfers refers to the balance of deducting the net value of equity transferred from the total income from the applicable equity transfer. Pursuant to SAT Circular 37, the payer, namely the principal, the designator, or the warrantee or the guaranteed party, should assume the obligation of withholding income tax in the circumstances where the payer entrusts an agent or designates a third party to make payments on its behalf, or the payments should be made by a third-party warrantor or guarantor as provided in the applicable guarantee contracts or applicable laws.

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 37 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 37 and SAT Notice 7 and we may be required to expend valuable resources to comply with SAT Circular 37 and SAT Notice 7 or to establish that we should not be taxed under the general anti-avoidance rule of the amended 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.

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

The amended Enterprise Income Tax Law and its implementation rules permit certain "high and new technology enterprises strongly supported by the state", or HNTEs, which hold independent ownership of core intellectual property to enjoy a preferential enterprise income tax rate of 15% subject to certain qualification criteria. In addition, PRC laws permit reduction in income tax for "key software enterprises", or KSEs, or "software enterprises." All of these statuses are subject to review and renewal, with HNTEs to be renewed every three years and KSEs and software enterprises annually. Currently we have six subsidiaries eligible for preferential tax treatments, six of which are recognized as HNTE and are eligible for the preferential 15% enterprise income tax rate, three of which are recognized as software enterprises and are exempt from income tax for the tax years of 2019 and 2020, while only one of which is accredited as KSEs and enjoys a preferential enterprise income tax rate of 10%. However, if any of these subsidiaries fails to pass the review by, and filing with, the relevant tax authorities to be qualified as a HNTE, a KSE or a software enterprise, such company will no longer enjoy the corresponding preferential tax treatment described above.

***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, which became effective on January 1, 2008 and was most recently amended on December 29, 2018, and its implementation rules, which became effective on January 1, 2008 and was most recently amended on April 23, 2019, 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 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, which was amended in 2013 and 2017 respectively. 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. On August 3, 2011, the SAT issued the Administrative Measures of Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial), which became effective on September 1, 2011 and was most recently amended in 2018, to provide more guidance on the implementation of SAT Circular 82. 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 amended 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 our wholly-owned subsidiaries and VIEs in the PRC, of which Autohome WFOE and Chezhiying WFOE are the primary beneficiaries of the VIEs. 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, dividends that it receives from Autohome WFOE may be subject to withholding tax at a rate of 10%. As to our subsidiaries located in Hong Kong, such as Autohome Media Limited, the shareholder of our PRC subsidiaries currently engaging in advertising business, and Autohome Link Hong Kong Limited, the shareholder of Chezhiying WFOE, 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 each of our Hong Kong subsidiaries is considered a non-PRC resident enterprise and directly holds at least 25% of the equity interests of its respective 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 SAT promulgated the Administrative Measures for Non-Resident Taxpayers to Enjoy Treatments under Tax Treaties, or SAT Circular 60, which became effective on November 1, 2015. The SAT Circular 60 was replaced by the Administrative Measures for Non-Resident Taxpayers to Enjoy Treatments under Treaties, or SAT Circular 35, promulgated by the SAT on October 14, 2019 and became effective on January 1, 2020. Pursuant to the SAT Circular 35, non-resident enterprises are not required to obtain pre-approval from the relevant tax authority in order to enjoy the reduced withholding tax rate, and 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 when performing tax filings. Moreover, non-resident enterprises and their withholding agents shall keep the supporting documents for post-filing examinations by the relevant tax authorities.

As uncertainties remain regarding the interpretation and implementation of the amended 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 enterprise shareholders and ADS holders would not be subject to any PRC withholding tax at a rate of 10% and to non-PRC individual shareholders and ADS holders would not be subject to PRC individual income tax at a rate of 20%. 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 tax. If our dividends payable to our non-PRC enterprise shareholders, non-PRC individual shareholders and ADS holders, or on gains recognized by such non-PRC shareholders or ADS holders are required under the Enterprise Income Tax Law and the Individual Income Tax Law to be subject to PRC tax, such investors' investment in our ordinary shares or ADSs may be materially and adversely affected.

***Increases in labor costs and enforcement of stricter labor-related laws and regulations may adversely affect our business and our results of operations.***

China's overall economy and the average wage in China have increased in recent years and are expected to continue to grow. The average wage level for our employees has also increased in recent years. We expect that our labor costs, including wages and employee benefits, will continue to increase. Unless we are able to pass on these increased labor costs to our users and customers by increasing prices for our services, our profitability and results of operations may be materially and adversely affected.

In addition, we have been subject to stricter regulatory requirements in terms of entering labor contracts with our employees and paying various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance, unemployment insurance and childbearing insurance to designated government agencies for the benefit of our employees. Pursuant to the PRC Labor Contract Law, or the Labor Contract law, which became effective in January 2008, as amended in December 2012 and effective as of July 1, 2013, and its implementation rules that became effective in September 2008, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labor contracts. In the event that we decide to terminate some of our employment contracts or otherwise change our employment or labor practices, the Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost- effective manner, which could adversely affect our business and results of operations. In October 2010, the Standing Committee of the National People's Congress promulgated the PRC Social Insurance Law, or the Social Insurance Law, which became effective on July 1, 2011 and was amended on December 29, 2018. According to the Social Insurance Law, employees must participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance and maternity insurance and the employers must, together with their employees or separately, pay the social insurance premiums for such employees. On February 18, 2019, the Ministry of Human Resources and Social Security and eight other departments issued the Circular on Further Regulating Recruitment Activities to Promote Equal Employment for Women, or Circular on Promoting Equal Employment for Women, which came into force simultaneously. The Circular stipulates that if employers or human resources agencies are found to have posted hiring advertisements containing discriminatory content, they may be ordered to correct such discriminatory advertisements. Failure to correct the discriminatory advertisements as ordered will be punishable by a maximum fine of RMB50,000. Inquiring about a female applicant's marital and childbearing status, conducting pregnancy test in the entry medical examination and other behaviors involving gender discrimination are also prohibited by the Circular on Promoting Equal Employment for Women.

As the interpretation and implementation of labor-related laws and regulations are still evolving, we cannot assure you that our employment practice does not and will not violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. If we are deemed to have violated relevant labor-related laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations may be materially and adversely affected.

***Changes in international trade policies and rising political tensions, particularly between the U.S. and China, may adversely impact our business and operating results.***

There have been changes in international trade policies and rising political tensions, particularly between the U.S. and China, but also as a result of the conflict in Ukraine and sanctions on Russia. The U.S. government has made statements and taken certain actions that may lead to potential changes to U.S. and international trade policies towards China. For example, export controls, economic and trade sanctions have been threatened and/or imposed by the U.S. government on a number of Chinese technology companies. The United States has also threatened to impose further export controls, sanctions, trade embargoes, and other heightened regulatory requirements on China and Chinese companies for alleged activities both inside and outside of China. Against this backdrop, China has implemented, and may further implement, measures in response to the changing trade policies, treaties, tariffs and sanctions and restrictions against Chinese companies initiated by the U.S. government. For example, MOFCOM published Rules on Counteracting Unjustified Extra-Territorial Application of Foreign Legislation and Other Measures in January 2021 to counter restrictions imposed by foreign countries on Chinese citizens and companies. Rising trade and political tensions could reduce levels of trades, investments, technological exchanges and other economic activities between China and other countries, which would have an adverse effect on global economic conditions, the stability of global financial markets, and international trade policies.

While cross-border business currently may not be an area of our focus and we are scaling back our European business, any rising trade and political tensions or unfavorable government policies on international trade and Chinese companies could impact our competitive position or hinder our commercial activities in certain countries. In addition, our results of operations could be adversely affected if any such tensions or unfavorable government trade policies harm the Chinese economy or the global economy in general.

**Risks Related to Our ADSs and Ordinary Shares**

***The trading price of our ADSs and/or ordinary shares has been and is likely to continue to be, volatile, which could result in substantial losses to holders of our ADSs and/or ordinary shares.***

The trading price of our ADSs and/or ordinary shares has been and is likely to continue to be volatile and could fluctuate widely in response to a variety of factors, many of which are beyond our control. For example, the daily closing trading prices for our ADSs on the NYSE ranged from US$26.13 to US$137.92 in 2021. Likewise, the daily closing trading prices for our ordinary shares on the Hong Kong Stock Exchange ranged from HK$54.25 to HK$197.60 in 2021 since our listing on the Hong Kong Stock Exchange in March 2021. The trading price for our ADSs and/or ordinary shares may continue to fluctuate in response to factors including, without limitation, the following:

- regulatory developments in our target markets affecting us, our customers or our competitors;
- conditions in the entire automotive ecosystem;
- conditions in the online industry;
- 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;
- fluctuations of exchange rates among the RMB, the Hong Kong dollar and the U.S. dollar;
- 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 related services;
- 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;
- release or expiry of lock-up or other transfer restrictions on our outstanding ordinary shares or ADSs;
- sales or perceived potential sales of additional ordinary shares or ADSs;
- obtaining or revocation of any operating license or permit in relation to our business;
- pending or potential litigation or administrative investigation;
- publicity involving our business and the effectiveness of our sales and marketing activities; and
- alleged untrue statement of a material fact or alleged omission to state a material fact in our public announcements or press releases or misinterpretation thereto.

In addition, the stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies like us. For example, concerns over economic slowdown resulting from the COVID-19 pandemic have triggered a US key market-wide circuit breaker for several times since March 9, 2020, leading to a historic drop for the US capital market. No guarantee can be given on how the capital markets will react although actions have been taken worldwide to combat the spread of the coronavirus. These broad market and industry fluctuations may adversely affect the market price of our ADSs and/or ordinary shares. The market price of our ADSs and/or ordinary shares may also be adversely affected by any alleged untrue statement or alleged omission to state a material fact in our public announcements or press releases, which may even lead to securities class action suits against us. 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. Volatility or a lack of positive performance in our ADS and/or ordinary share price may also adversely affect our ability to retain key employees, most of whom have been granted options or other equity incentives.

***We adopt different practices as to certain matters as compared with many other companies listed on the Hong Kong Stock Exchange.***

We completed our public offering in Hong Kong in March 2021 and the trading of our ordinary shares on the Hong Kong Stock Exchange commenced on March 15, 2021 under the stock code "2518." As a company listed on the Hong Kong Stock Exchange pursuant to Chapter 19 of the Hong Kong Listing Rules, we are not subject to certain provisions of the Hong Kong Listing Rules pursuant to Rule 19C.11, including, among others, rules on notifiable transactions, connected transactions, share option schemes, content of financial statements as well as certain other continuing obligations. In addition, in connection with the listing of our ordinary shares on the Hong Kong Stock Exchange, we applied for a number of waivers and/or exemptions from strict compliance with the Hong Kong Listing Rules, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Takeovers Codes and the SFO. As a result, we adopt different practices as to those matters as compared with other companies listed on the Hong Kong Stock Exchange that do not enjoy those exemptions or waivers.

Furthermore, if 55% or more of the total worldwide trading volume, by dollar value, of our ordinary shares and ADSs over our most recent fiscal year takes place on the Hong Kong Stock Exchange, the Hong Kong Stock Exchange will regard us as having a dual primary listing in Hong Kong and we will no longer enjoy certain exemptions or waivers from strict compliance with the requirements under the Hong Kong Listing Rules, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Takeovers Codes and the SFO, which could result in us having to amend our corporate structure and memorandum and articles of association and our incurring of incremental compliance costs.

***We cannot guarantee that any share repurchase program will be fully consummated or that any share repurchase program will enhance long-term shareholder value, and share repurchases could increase the volatility of the price of our ADSs and/or ordinary shares and could diminish our cash reserves.***

On November 18, 2021, our board of directors authorized a share repurchase program, under which we may repurchase up to US$200 million of our ADSs over the next 12 months. The share repurchase program was publicly announced on the same day. Our share repurchase program could affect the price of our stock and increase volatility, diminish our cash reserve, and may be suspended or terminated at any time. We cannot guarantee that any share repurchase program we institute, including the program approved on November 18, 2021, will be fully consummated or that it will enhance long-term shareholder value. For details of the volume of ADSs repurchased pursuant to our repurchase program, please see "Item 16E—Purchases of Equity Securities by the Issuer and Affiliated Purchasers."

***If securities or industry analysts do not publish research or reports about our business, or publish inaccurate or unfavorable research or reports about our business or if they adversely change their recommendations regarding our ADSs and/or ordinary shares, the market price for our ADSs and/or ordinary shares and trading volume could decline.***

The trading market for our ADSs and/or ordinary shares 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 and/or ordinary shares or publishes inaccurate or unfavorable research about our business, the market price for our ADSs and/or ordinary shares 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 and/or ordinary shares to decline.

***Although we adopted regular dividend policy in 2019, we cannot assure you that our existing dividend policy will not change in the future or the amount of dividends that you may receive, neither can we guarantee that we will have sufficient profits, reserves set aside from profits or otherwise funds to justify and enable dividend declaration and payment in compliance with laws for any year and, therefore, you may need to rely on price appreciation of our ADSs and/or ordinary shares as the sole source for return on your investment.***

In November 2019, our board of directors resolved to adopt a regular dividend policy. Under this policy, we may issue recurring cash dividend every year from 2020 in an amount of approximately 20% of the net income generated in the previous fiscal year, with the exact amount to be determined by our directors based on our financial performance and cash position prior to the distribution.

Despite a regular dividend policy being in place, before any dividend is declared and paid for any given year, we need to have enough profits to justify such declaration and payment, or we need to have sufficient reserves set aside from profits previously generated that our board of directors determines are no longer needed. In addition, we must be able to pay our debts as they fall due in the ordinary course of business immediately following the dividend payment. We cannot assure you that we will be able to meet all of such conditions to enable dividend declaration and payment in compliance with laws. Even if our board of directors decides to declare and pay dividends, the timing and amount 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. Therefore, the amount of dividends that you may receive is uncertain and subject to change.

Furthermore, our regular dividend policy is subject to change at any time at the discretion of our board of directors, and there can be no assurance that we will not adjust or terminate our dividend policy in the future. Accordingly, you should not rely on your investment in our ADSs and/or ordinary shares as a source for any future dividend income and the future return on your investment in our ADSs and/or ordinary shares will likely depend entirely upon any future price appreciation of our ADSs and/or ordinary shares. There is no guarantee that our ADSs and/or ordinary shares will appreciate in value or even maintain the price at which you purchased the ADSs and/or ordinary shares. You may not realize a return on your investment in our ADSs and/or ordinary shares and you may even lose your entire investment in our ADSs and/or ordinary shares.

***Substantial future sales or perceived potential sales of our shares could cause the price of our ADSs and/or ordinary shares to decline.***

Sales of our ADSs and/or ordinary shares in the public market or through private transactions, or the perception that these sales could occur, could cause the market price of our ADSs and/or ordinary shares to decline. Yun Chen owned 44.8% of our total outstanding shares as of March 31, 2022. In addition to unregistered sale, it can also dispose of these shares through registered transaction as it has the right to cause us to register under the Securities Act the sale of its shares. Sales of these shares, or the perception that such sales could occur, could cause the price of our ADSs and/or ordinary shares 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. We cannot predict what effect, if any market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of our ADSs and/or ordinary shares.

In addition, if we issue additional ordinary shares, through private transactions or in the public markets in the United States, Hong Kong or another jurisdiction, 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 and/or ordinary shares.

***Holders of our ADSs may not have the same voting rights as the holders of our ordinary shares and may not receive voting materials in time to be able to exercise their 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 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 ordinary shares represented by the ADSs. Upon receipt of their voting instructions, the depositary will vote the underlying ordinary shares in accordance with these instructions.

Pursuant to our sixth amended and restated memorandum and articles of association, we may convene a shareholders' meeting upon 14 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 holders of our ADSs, of the upcoming general meeting and arrange to deliver our voting materials to them. We cannot guarantee that holders of our ADSs will receive the voting materials in time to instruct the depositary to vote the ordinary shares underlying their ADSs, and it is possible that they, 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 holders of our ADSs may not be able to exercise their right to vote and there may be nothing they can do if the ordinary shares underlying their ADSs are not voted as they requested. In addition, although holders of our ADSs may directly exercise their right to vote by withdrawing the ordinary shares underlying their ADSs and become a registered holder of such shares prior to the record date for the general meeting, they may not receive sufficient advance notice of an upcoming shareholders' meeting to withdraw the ordinary shares underlying their ADSs to allow them to vote with respect to any specific matter.

***The right of our ADS holders to participate in any future rights offerings may be limited, which may cause dilution to their holdings, and they may not receive cash dividends if it is illegal or impractical to make such dividends available to them.***

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to holders of our ADSs 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 holders of our ADSs 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, holders of our ADSs may be unable to participate in our rights offerings and may experience dilution in their holdings.

The depositary of our ADSs has agreed to pay to holders of our ADSs the cash dividends or other distributions it or the custodian receives on ordinary shares or other deposited securities after deducting its fees and expenses. Holders of our ADSs will receive these distributions in proportion to the number of ordinary shares their 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 holders of our ADSs may not receive the distribution we make on our ordinary shares or any value for them if it is illegal or impractical for us to make them available to holders of our ADSs. These restrictions may have a material adverse effect on the value of the ADSs held by them.

***Holders of our ADSs may be subject to limitations on the transfer of their ADSs.***

Our ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary 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 or Hong Kong 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 and Hong Kong.***

We are incorporated in the Cayman Islands and conduct most of our operations in China through our PRC subsidiaries and VIEs. Most of our directors and officers reside in China and a substantial portion of the assets of such directors and officers are located in China. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in United States or Hong Kong in the event that you believe that your rights have been infringed under the U.S. securities laws, Hong Kong laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and 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 or Hong Kong, 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 Cayman Companies Act, and common law of the Cayman Islands. The rights of shareholders to take legal action against us and our directors and officers, 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 or a court of Hong Kong.

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 shareholders of a corporation incorporated in a jurisdiction in the United States or Hong Kong.

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

Our sixth 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 and/or ordinary shares may fall and the voting and other rights of the holders of our ADSs and/or ordinary shares may be materially and 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.

***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.

***As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the New York Stock Exchange listing standards.***

As a Cayman Islands company listed on the New York Stock Exchange, we are subject to the New York Stock Exchange listing standards. However, New York Stock Exchange rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the New York Stock Exchange listing standards. Currently, we rely on home country practice in lieu of the New York Stock Exchange listing standard with respect to our corporate governance, including requirements that listed companies have, among other things, a majority of their board members to be independent and have a nominating and corporate governance committee and a compensation committee composed entirely of independent directors. Therefore, our shareholders may be afforded less protection than they would otherwise enjoy if we complied fully with the New York Stock Exchange listing standards.

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

Under United States federal income tax law, we will be classified as a passive foreign investment company, or 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 (generally 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 the 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 the VIEs for U.S. federal income tax purposes and based on our income and assets, including goodwill and unbooked intangibles, we do not believe that we were a PFIC for the taxable year ended December 31, 2021 and do not anticipate becoming a PFIC in the current taxable year or in future taxable years.

While we do not believe that we were a PFIC for the taxable year ended December 31, 2021 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 and/or ordinary shares 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 and/or ordinary shares from time to time (which may be volatile). In particular, recent declines in the market price of our ADSs increased our risk of becoming a PFIC. The market price of our ADSs may continue to fluctuate considerably and, consequently, we cannot assure you of our PFIC status for any taxable year. 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.

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 ordinary shares and on the receipt of distributions on the ADSs or 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 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 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 adviser concerning the United States federal income tax consequences of owning and disposing of ADSs or ordinary shares if we were to be 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.***

As a public company, we 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. We also incur additional costs as a result of the listing of our ordinary shares on the Hong Kong Stock Exchange. 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.

***The different characteristics of the capital markets in Hong Kong and the U.S. may negatively affect the trading prices of our ADSs and/or ordinary shares.***

We are subject to Hong Kong and NYSE listing and regulatory requirements concurrently. The Hong Kong Stock Exchange and NYSE have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading prices of our ordinary shares and our ADSs may not be the same, even allowing for currency differences. Fluctuations in the price of our ADSs due to circumstances peculiar to the U.S. capital markets could materially and adversely affect the price of our ordinary shares, or vice versa. Certain events having significant negative impact specifically on the U.S. capital markets may result in a decline in the trading price of our ordinary shares notwithstanding that such event may not impact the trading prices of securities listed in Hong Kong generally or to the same extent, or vice versa.

***Exchange between our ordinary shares and our ADSs may adversely affect the liquidity and/or trading price of each other.***

Subject to compliance with U.S. securities law and the terms of the deposit agreement, holders of our ordinary shares may deposit ordinary shares with the depositary in exchange for the issuance of our ADSs. Any holder of ADSs may also surrender ADSs and withdraw the underlying ordinary shares represented by the ADSs pursuant to the terms of the deposit agreement for trading on the Hong Kong Stock Exchange. In the event that a substantial number of ordinary shares are deposited with the depositary in exchange for ADSs or vice versa, the liquidity and trading price of our ordinary shares on the Hong Kong Stock Exchange and our ADSs on NYSE may be adversely affected.

***The time required for the exchange between ordinary shares and ADSs might be longer than expected and investors might not be able to settle or effect any sale of their securities during this period, and the exchange of ordinary shares into ADSs involves costs.***

There is no direct trading or settlement between NYSE and the Hong Kong Stock Exchange on which our ADSs and our ordinary shares are respectively traded. In addition, the time differences between Hong Kong and New York and unforeseen market circumstances or other factors may delay the deposit of ordinary shares in exchange of ADSs or the withdrawal of ordinary shares represented by the ADSs. Investors will be prevented from settling or effecting the sale of their securities during such periods of delay. In addition, there is no assurance that any exchange of ordinary shares into ADSs (and vice versa) will be completed in accordance with the timelines investors may anticipate.

Furthermore, the depositary for the ADSs is entitled to charge holders fees for various services including for the issuance of ADSs upon deposit of ordinary shares, cancelation of ADSs, distributions of cash dividends or other cash distributions, distributions of ADSs pursuant to share dividends or other free share distributions, distributions of securities other than ADSs and annual service fees. As a result, shareholders who exchange ordinary shares into ADSs, and vice versa, may not achieve the level of economic return the shareholders may anticipate.

***An active trading market for our ordinary shares on the Hong Kong Stock Exchange might not develop or be sustained and trading prices of our ordinary shares might fluctuate significantly.***

Since the listing of our ordinary shares on the Hong Kong Stock Exchange, we have consistently been an actively-traded company on the Hong Kong Stock Exchange. However, we cannot assure you that an active trading market for our ordinary shares on the Hong Kong Stock Exchange will be sustained. The trading price or liquidity for our ADSs on NYSE might not be indicative of those of our ordinary shares on the Hong Kong Stock Exchange. If an active trading market of our ordinary shares on the Hong Kong Stock Exchange is not sustained, the market price and liquidity of our ordinary shares could be materially and adversely affected.

In 2014, the Hong Kong, Shanghai and Shenzhen Stock Exchanges collaborated to create an inter-exchange trading mechanism called Stock Connect that allows international and mainland Chinese investors to trade eligible equity securities listed in each other's markets through the trading and clearing facilities of their home exchange. Stock Connect currently covers over 2,000 equity securities trading in the Hong Kong, Shanghai and Shenzhen markets. Stock Connect allows mainland Chinese investors to trade directly in eligible equity securities listed on the Hong Kong Stock Exchange, known as Southbound Trading; without Stock Connect, mainland Chinese investors would not otherwise have a direct and established means of engaging in Southbound Trading. However, it is unclear whether and when the ordinary shares of our company, with a secondary listing in Hong Kong, will be eligible to be traded through Stock Connect, if at all. The ineligibility or any delay of our ordinary shares for trading through Stock Connect will affect mainland Chinese investors' ability to trade our ordinary shares and therefore may limit the liquidity of the trading of our ordinary shares on the Hong Kong Stock Exchange.

***There is uncertainty as to whether Hong Kong stamp duty will apply to the trading or conversion of our ADSs.***

In connection with our initial public offering of ordinary shares in Hong Kong, or the Hong Kong IPO, we have established a branch register of members in Hong Kong, or the Hong Kong share register. Our ordinary shares that are traded on the Hong Kong Stock Exchange, including those issued in the Hong Kong IPO and those that may be converted from ADSs, are registered on the Hong Kong share register, and the trading of these ordinary shares on the Hong Kong Stock Exchange will be subject to the Hong Kong stamp duty. To facilitate ADS-ordinary share conversion and trading between NYSE and the Hong Kong Stock Exchange, we also moved a portion of our issued ordinary shares from our register of members maintained in the Cayman Islands to our Hong Kong share register.

Under the Hong Kong Stamp Duty Ordinance, any person who effects any sale or purchase of Hong Kong stock, defined as stock the transfer of which is required to be registered in Hong Kong, is required to pay Hong Kong stamp duty. The stamp duty is currently set at a total rate of 0.26% of the greater of the consideration for, or the value of, shares transferred, with 0.13% payable by each of the buyer and the seller.

To the best of our knowledge, Hong Kong stamp duty has not been levied in practice on the trading or conversion of ADSs of companies that are listed in both the United States and Hong Kong and that have maintained all or a portion of their ordinary shares, including ordinary shares underlying ADSs, in their Hong Kong share registers. However, it is unclear whether, as a matter of Hong Kong law, the trading or conversion of ADSs of these dual-listed companies constitutes a sale or purchase of the underlying Hong Kong-registered ordinary shares that is subject to Hong Kong stamp duty. We advise investors to consult their own tax advisors on this matter. If Hong Kong stamp duty is determined by the competent authority to apply to the trading or conversion of our ADSs, the trading price and the value of your investment in our ADSs and/or ordinary shares may be affected.

## ITEM 4 INFORMATION ON THE COMPANY

### A. History and Development of the Company

We incorporated Autohome Inc. 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 our inception, in June 2008, we acquired all of the equity interests of the following entities:

- 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.

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, after which we have been focusing on serving the automotive industry in China through our *autohome.com.cn* and *che168.com* websites.

In October 2013, we acquired Autohome Media Limited through one of our wholly-owned subsidiaries in Hong Kong. Autohome Media Limited had engaged in the advertising business outside the PRC for more than three years at the time. We completed the migration of our advertising business from our then VIEs to the subsidiaries of Autohome Media Limited in 2015.

In December 2013, we completed our initial public offering of and listed our ADSs on the New York Stock Exchange under the symbol “ATHM.”

On June 22, 2016, Telstra Holdings Pty Limited, or Telstra, our then largest shareholder, completed the sale of approximately 47.4% of our then total issued and outstanding shares to Yun Chen for a consideration of US$1.6 billion. On February 22, 2017, Yun Chen further acquired from Telstra the remaining 6.5% equity interests held by Telstra in us.

In September 2017, we acquired 100% equity interests of Shanghai Tianhe, a company licensed by the CBIRC to engage in insurance brokerage business in the PRC, through Autohome Information, with a total cash consideration of RMB21.1 million.

In June 2018, we invested in TTP, a company operating an online bidding platform for used automobiles, and we acquired control in TTP in December 2020.

On March 15, 2021, our ordinary shares commenced trading on the Main Board of the Hong Kong Stock Exchange under the stock code “2518.” We raised from our global offering in connection with the listing in Hong Kong approximately HK$4,294.9 million in net proceeds after deducting underwriting commissions, share issuance costs and the offering expenses.

Our principal executive offices are located at 18th 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 offices of Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

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

## B. Business Overview

### Overview

We are the leading online destination for automobile consumers in China, ranking first among automotive service platforms in terms of mobile daily active users as of December 31, 2021 according to *QuestMobile*. Through our three websites, *autohome.com.cn*, *che168.com* and *ttpai.cn*, accessible through PCs, mobile devices, our mobile applications and mini apps, we deliver comprehensive, independent and interactive content and tools to automobile consumers as well as a full suite of services to automakers and dealers across the auto value chain.

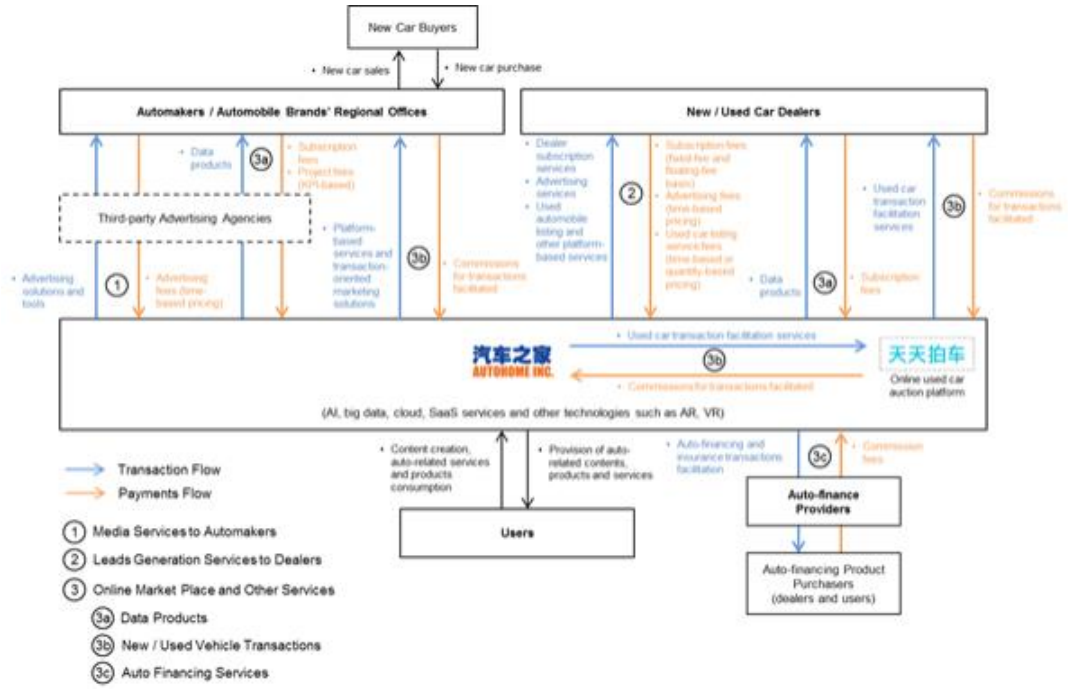
We began in 2008 as a content-led vertical media company focusing on media services ("1.0 Media"). In 2016, we launched our "4+1" strategic transformation initiative ("2.0 Platform"), building a platform that covers "auto contents," "auto transactions," "auto financing" and "auto lifestyle" to transform and upgrade from a content-led vertical company to a data and technology-driven automotive platform. Since 2018, we have focused on developing a full suite of intelligent products and solutions with artificial intelligence ("AI"), big data and cloud technologies (collectively, "ABC") to build an integrated ecosystem that connects all participants in the auto industry by providing end-to-end data-driven products and solutions across the value chain ("3.0 Intelligence"). We have been leveraging our "software as a service" ("SaaS") capabilities together with our core AI, big data, and cloud technologies ("4.0 ABC + SaaS") to both expand our product and service categories and refine our existing ones**,** and have upgraded our strategies to further develop the ecosystem around our offerings since 2021 to better serve stakeholders across the auto value chain, including consumers, automakers, dealers and other related eco-partners.

We generate revenues from media services, leads generation services and online marketplace and others.

- *Media services*: Through our media services, we provide automakers with targeted-marketing solutions in connection with brand promotion, new model release and sales promotion. Our large and engaged user base of automobile consumers provides a broad reach for automakers' marketing messages.
- *Leads generation services*: Our leads generation services enable our dealer subscribers to create their own online stores, list pricing and promotional information, provide dealer contact information, place advertisements and manage customer relationships to help them reach a broad set of potential customers and effectively market their automobiles to consumers online and ultimately generate sales leads. Our leads generation services also include used car listing services, which provide a user interface that allows potential used car buyers to identify suitable listings and contact the relevant sellers.
- *Online marketplace and others*: While we continue to strengthen our media and leads generation services, we are also further developing our online marketplace and other businesses. These businesses focus on providing facilitation services for new and used vehicles transactions and other platform-based services for new and used car buyers and sellers. Through our auto financing business, we provide services to our cooperative financial institutions that involve facilitating the sale of their loans and insurance products to consumers and used automobile sellers. Towards the end of 2017, we began offering data products, which leverage our intelligent big data analytics capabilities and massive pool of accumulated user data to provide end-to-end data- driven products and solutions for automakers and dealers across different stages of the value chain. We believe the breadth and depth of these products and solutions on our platform will allow us to build a robust and technology-driven automotive ecosystem that covers all aspects of the automobile ownership life cycle. We also provide comprehensive auto-related services to our users by integrating TTP's offline vehicle examination, ownership transfer services and other ancillary services with our online services.

The chart below illustrates our integrated ecosystem, including transaction flows and fund flows within each of our businesses[1]:

[1] As of December 31, 2021, the VIEs carried out primarily part of the leads generation services to dealers (used car listing services), part of used vehicles transaction services, and other comprehensive auto-related services.




**Delivery of Content**

We deliver our auto-related content to users mainly through our websites, mobile applications and mini apps, and our interactive online community, all of which are powered by our data and technology capability as well as the extensive accumulated user data. We have access to valuable data of users' needs, behaviors and patterns in their automotive ownership life cycles, which allows us to accurately and effectively customize content and commercial offerings. Our accurate and comprehensive user profiling enables us to continuously enhance user experience and improve our ability to attract and retain customers.

***Our Websites***

Our user-centric approach has successfully attracted a growing user base with a steady increase of daily active users to our websites. We believe we are well-positioned to capture the fast growth of the internet penetration in China. Our *autohome.com.cn* website targets a wide spectrum of automobile consumers with a focus on new automobiles and our *che168.com* and *ttpai.cn* websites focus on used automobiles.

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 preferences and prioritize the 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 customers.

To provide a superior experience to our users, we label sponsored content as advertisement to maintain objectivity.

***Our Mobile Websites and Applications***

For mobile users, our content can be accessed on our websites, on our mobile applications and on our mini apps. We have made significant efforts in recent years to optimize the mobile version of our websites to display our content and develop and enhance the functions of our mobile applications to capture a greater number of users that access our services through mobile devices. For example, according to *QuestMobile*, the combined number of average daily active users for our mobile websites, primary application and mini-apps amounted to 36.8 million, 42.1 million and 46.9 million in December 2019, December 2020 and December 2021, respectively. 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. Users can conveniently enjoy features available on our mobile websites and applications from their mobile devices, such as reading articles, checking vehicle prices and model parameters, viewing pictures, viewing dealer's information, visiting our Autohome Mall and participating in forum discussions. We also launched a lite version of the Autohome application to attract younger audiences.

**Our Content and Tools**

The foundation of our platform is a large amount of originally-generated content, professionally-generated content, user-generated content, as well as a comprehensive automobile library and extensive automobile listing and promotional information organized around our automotive information database. Leveraging our content and user data, as well as our technological capabilities, we also offer a series of intelligent tools on our platform to provide our users with a smooth and efficient purchase experience.

***Originally-generated Content***

Our originally-generated content is created by our dedicated editorial team and includes automobile-related articles and reviews, pricing trends in various local markets, photographs, video clips and live streaming. This content covers topics throughout the automobile ownership life cycle, from automobile research, selection and purchase to ownership and maintenance and to eventual replacement. In 2018, we launched a new channel focusing on new energy vehicles to accommodate the increasing interest and attention of our users on new energy vehicles. Our review writers obtain first-hand experiences by test-driving many newly released vehicle models provided by various automakers. We also have an AH-100 Vehicle Rating System which applies standard criteria to measure a comprehensive set of performance-based features of the vehicles on sale, such as safety, dynamics, fuel consumption, comfortableness and driving experience. Our AH-100 Vehicle Rating System helps automobile consumers make an easier choice when selecting vehicles to purchase. In 2021, we further launched our motorcycle model library and car-in-use model library to expand our content offerings and rolled out Modified Car channel to broaden our user reach. Our editorial team at our Beijing headquarters and sales offices located in 63 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 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.

***Professionally-generated Content***

In 2016, we launched an open content platform to invite the key opinion leaders and influential bloggers or writers in the automotive field to contribute their high-quality professional review, analysis and insights on automotive-related topics, including vehicle reviews, industry trends, auto photography, maintenance and others. Our diversified professionally-generated contents complement our automotive ecosystem strategy and bring our users enriched and customized content consisting of high-quality articles, photographs, video clips and live streaming. As of December 31, 2021, we had 26,950 professional content contributors on our platform, compared to over 24,900 contributors as of December 31, 2020. Since 2018, we have been expanding our collaboration with automakers, key opinion leaders, professional experts and social media to further upgrade our professionally-generated content ecosystem.

***User-generated Content and User Forum***

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 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, in addition to the lite version of the Autohome application launched to attract younger audiences, we also rolled out Micro-Post channel, which allows users to post photos and make brief comments on the channel.

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 Young Channel on our website is an interest-based social media platform promoting automobile knowledge and culture among young users.

As of December 31, 2019, 2020 and 2021, we had over 110 million, over 135.5 million and over 170.4 million registered users, respectively. 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.

We have taken a series of measures to ensure that there is no inappropriate, illegal or offensive advertising content published on our platform, particularly content contributed by users. We have dedicated advertising content reviewers who review the content posted on our platform and block illegal and inappropriate advertising content by using our sensitive words filter. We give a conspicuous reminder in our user agreement and the content uploading page that users should ensure that the content uploaded is legal and does not violate any third-party rights. Information published by automobile dealers on our platform is accompanied by a warning that the information comes from dealers and its truthfulness, accuracy and lawfulness are the responsibilities of the publishers, not the platform. In addition, we work with relevant government authorities in policing the content on our platform and remove illegal content and provide regular trainings on content monitoring to relevant employees.

As advised by our PRC legal counsel, if we fail to identify or monitor illegal or inappropriate content and limit or eliminate the dissemination or availability of such content on our platform, we may be subject to penalties imposed by the relevant regulatory authorities, including fines, confiscation of advertising income or, in circumstances involving more serious violations by us, the termination of our internet content licenses. In addition, we may be subject to claims by consumers asserting that the information on the websites and mobile applications operated by us is misleading. Please refer to “Item 3. Key Information—D. Risk Factors—We may be subject to liability for advertisements and other content placed on our websites and mobile applications”, “Item 4. Information on the Company—B. Business Overview—PRC Regulation—Regulations on Advertisements” and “Item 4. Information on the Company—B. Business Overview—PRC Regulation—Regulations on Internet Content Services” for details.

***Automobile Library and Listing***

We have one of the most comprehensive automobile libraries within our industry in China with approximately 59,700 vehicle model configurations as of December 31, 2021.

We believe our automobile library covers the substantial majority of 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. 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. In addition, our automotive library contains a significant amount of user-generated content originating from our user forums. Leveraging our innovative AR- and VR-related technologies, we utilize three-dimension technology to restore the actual appearances of vehicles and present stereoscopic 720-degree review of automobiles on our platform. Compared to the traditional two-dimensional picture-based display of automobile appearances, the AR- and VR-based vehicle review functionality on our platform enables users to have a real perception of the specific vehicles they are interested in buying and has greatly enhanced user experience. In 2021, we also launched our motorcycle model library and car-in-use model library to diversify our content offering.

***Our Interactive Tools***

Leveraging the rich content and user data on our platform and our advanced AI and data technologies, we have developed a portfolio of intelligent tools to facilitate our users' potential vehicle purchases. For example, AskBob is a smart assistant tool empowered and enhanced by our rich data and unique algorisms and can generate customized purchase reports for users on the basis of each user's browsing records and other data. Our car model comparison tool allows users to select a number of car models and compare them by a variety of metrics and other information, thus enabling the users to make an informed purchase decision based on extensive and immediately available comparative data. Our "7- step purchase tool" facilitates each step of a user's purchase process from developing a purchase intent, viewing and choosing cars to visiting a dealer store and picking up the purchased car. The Intelligent Car Finder, on the other hand, is an interactive AI-based tool trained by the rich data we have and can answer a variety of questions from potential purchasers and recommend suitable choices to the users.

**Our Services**

***Media Services to Automakers***

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 under media services are comprised primarily of automakers and automobile brands' regional offices. The majority of our online advertising service contracts involve multiple deliverables or performance obligations presented on PC and mobile platforms and in different formats, such as banner advertisements, links and logos, other media insertions and promotional activities that are delivered over different periods of time. As millions of consumers visit our platform for automotive information, we have become an increasingly important medium for automakers and automobile brands' regional offices to conduct their advertising and marketing 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 locations 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 behavioral and preference response. In addition, we organize various types of offline national or local events for our automaker customers through our online marketing campaigns and user forum activities to complement our advertising services. For example, we help automakers increase their brand awareness and execute sales promotions by organizing large-scale test driving activities and for specific vehicle models in multiple cities across China. Users can conveniently participate and interact with automaker representatives through our forums.

In each of 2019, 2020 and 2021, 92, 92 and 91 automakers operating in China, which include independent Chinese automakers, joint ventures between Chinese and international automakers and international automakers that sell their cars made outside of China, purchased media services from us, respectively. As is customary in China, we sell our advertising services and solutions primarily through third-party advertising agencies that represent the automakers and automobile brands' regional offices. We typically enter into individual advertising agreements with the third-party advertising agencies. Although we sell our advertising services and solutions to third-party advertising agencies, we consider the automakers and automobile brands' regional offices, who are the main decision makers as to whether to place advertisements on our websites and mobile applications, to be our end-customers.

As a result, our sales efforts focus primarily on automakers and automobile brands' regional offices. 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. The majority of the advertising content on our platform is provided by advertisers or created by advertising agencies or other third parties.

***Leads Generation Services to Dealers***

Our leads generation services enable our dealer subscribers to create their own online stores, list pricing and promotional information, provide dealer contact information, place advertisements and manage customer relationships to help them reach a broad set of potential customers and effectively market their automobiles to consumers online and ultimately generate sales leads. Our leads generation services also include used car listing services, which provide a user interface that allows potential used car buyers to identify suitable listings and contact the relevant sellers. We provided leads generation services to 27,100, 24,517 and 23,669 dealers in 2019, 2020 and 2021, respectively.

*Dealer Subscription Services*

We provide subscription services to dealers which allow them to market their inventory and services through our websites and mobile applications, 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 mainly 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 stores hosted on our websites and mobile applications and upload and manage their automobile inventories, pricing and promotional information. Potential automobile purchasers can interact with our dealer subscribers online or through phone numbers presented on the platform 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 and mobile applications, analyze the number of sales leads and assess the effectiveness of their marketing activities.

We continue to develop our dealer subscription services and have begun to implement additional enriched and upgraded services, which we believe will allow us to expand sales leads based on consumer behaviors and preferences and enhance leads conversion and personalized marketing, and further to offer upgraded subscription packages at different price levels.

*Advertising Services for Individual Dealers*

We also offer advertising services for individual dealers to complement our leads generation services. Our dealer customers utilize our advertising services and leverage our large user base to support their sales and marketing activities. In addition to larger brand promotion advertising campaigns organized by the automakers or the group dealers, individual dealers utilize our advertising services to further enhance their visibility in local community, address local market conditions and promote local events. We also facilitate the process and connect our users from online to offline to generate sales leads and transaction for our dealer customers.

*Used Automobile Listing and Other Platform-based Services*

Our used automobile listing services allow dealers and individuals to market their used automobiles for sale on our websites and mobile applications. Our used automobile listing database has been expanding rapidly.

The *che168.com* website is a platform primarily focusing on used automobile services and is dedicated to providing features consisting of content, listings and interactive functionality similar to our *autohome.com.cn* website. We have been continuously developing and enhancing the functions of the used automobile website and application and have begun to provide advertising services, dealer subscription services, generation of sales leads and other platform-based services in selected cities.

***Online Marketplace and Other Services***

Our online marketplace and other businesses include our data products, our new and used car transaction services and our auto financing business, among others. Our data products leverage our intelligent big data analytics capabilities and massive pool of accumulated user data to provide end-to-end data-driven products and solutions for automakers and dealers across different stages of the value chain. We facilitate new and used vehicles transactions and provide other platform-based services for new and used car buyers and sellers. We also provide an extensive suite of auto-related services to our users by integrating TTP's offline vehicle examination, ownership transfer services and other ancillary services with our online services. Through our auto financing business, we provide services to our cooperative financial institutions that involve facilitating the sale of their loans and insurance products to consumers and used automobile sellers.

*Data Products*

We have been leveraging our AI, big data, cloud capabilities and other technologies to continue developing and providing to automakers and dealers innovative data products towards the end of 2017 and have successfully advanced our data and intelligent recommendation and reinforced our entire ecosystem by providing highly differentiated value and data-driven end-to-end SaaS based solutions to our customers. The data products and solutions we offer to automakers and dealers on our platform primarily consist of (i) Intelligent R&D, Intelligent New Car Launch, Intelligent Conversion, Intelligent Activities, analytical tools and customized data reports prepared based on our big data and multi-dimensional analyzes on user reviews, purchasing interest and preferences, geographical competitive advantages of the relevant automakers and dealers and their geographical distribution strategies, and (ii) Intelligent Showroom, Smart DCC, Smart Sales, Smart Aftersales, Smart Call-Out and Smart Assistant. Our Intelligent New Car Launch product generates large user attention with comprehensive launch plans based on big data, informing automakers of when and where to launch new products, what groups of potential buyers to target, what competition and selling points strategies to adopt, and what creative content to use in the launch. Post-launch, automakers continue to benefit from our Intelligent Conversion and Intelligent Activities services in maintaining a high level of market enthusiasm in the newly launched products and other mature products. The Intelligent Showroom, which is an intelligent and scenario-based marketing platform, integrates the technologies of AR, VR, big data and voice recognition to achieve the functions of panoramic car shopping, smart push notifications and smart shopping guide. On this premise, we have further launched a series of additional digital technology products for automakers towards the end of 2021. Going forward, we will continue to enrich our data product portfolio to cover the data needs of the entire automobile ownership life cycle.

*Used Vehicles Transactions*

After the acquisition of TTP, we continuously enhance our strategic synergy and integration with TTP. Our transaction platform for used vehicles functions as a transaction system, which connects automobile buyers and used automobile sellers and facilitates their vehicle transactions on our platform through providing a wide range of auto related services, such as online bidding services, auto financing products and valuation tools. The used vehicle transaction platform has improved the under- served used automobile market and addressed problems such as lack of sourcing, traffic and consumer confidence, and has fostered business-to-consumer purchasing experiences for our consumers. We also provide comprehensive auto-related services to our users by integrating TTP's offline vehicle examination, ownership transfer services and other ancillary services with our online-based services.

*New Vehicles Transactions*

In 2014, we launched Autohome Mall, an online transaction platform. Autohome Mall is a broad online transaction platform for users to review automotive-related information, purchase coupons offered by automakers for discounts and make purchases to complete the transaction. We primarily generate revenues by providing platform-based services and transaction-oriented marketing solutions and collecting commissions for transactions facilitated by our platform, for new vehicle transactions.

*Auto Financing Services*

Since 2017, with the collaboration and integration of our business with Ping An Group, we have been developing our auto financing business to address the under-served auto financing market in China by providing comprehensive online-based financial services. We gradually shifted our focus from leads generation to transaction facilitation and promote successful transactions with targeted and diversified auto financial services. Based on users' preferences and our big data analysis, we recommend a broad range of loans and insurance products offered by our cooperative financial institutions to our users that have auto financing needs and match them to facilitate transactions as an insurance brokerage service provider with the relevant license from the CBIRC. We also introduced merchant loans offered by our cooperative financial institutions to automobile sellers. Through our platform, we plan to enable our users and automobile sellers who are in need of auto financing to easily access various high-quality loans and insurance products and allow our cooperative financial partners to effectively increase the volume of their financing transactions. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—If we are unable to effectively manage our auto finance business, we may not be able to achieve our expected business growth, our results of operations may be adversely affected and we may be subject to penalties as a result of noncompliance." We primarily generate revenues from collecting commissions for facilitating transactions of auto-financing and insurance products on our platform.

*Our Pricing Policies and Revenue Models*

For our media services to automakers, we primarily use a "cost per day" pricing model to price our online advertising services by charging advertisers on a daily basis for an advertisement placed in a given location on our websites and mobile applications. Although we have set up "cost per thousand impressions," "cost per click" and other performance-based pricing models, the amount generated on the basis of such models is relatively insignificant. For our leads generation services to dealers, we charge different subscription fees based on the version of subscription (standard, premium etc.), tier of city (first tier, second tier etc.) and length of subscription (semi-yearly, yearly, etc.) for dealer subscription services, and charge for the advertising services to individual dealer advertisers and used car listing services mostly on a "cost per time" basis. We price our data products based on the scope of services provided by each product. For our transactions and auto financing services, we charge commissions on a per sale or lead basis, taking into consideration industry standards and the value of our services. When pricing all our products and services, we consider the price of comparable products or services (if any) in the market as well as our products and services themselves.

**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 a robust and scalable technology platform driven by AI, big data and cloud technologies 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 are able to monitor and analyze user behaviors and preferences through their browsing record on our platforms. 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 throughout their automotive life cycles. We are also able to provide precision and targeted marketing services to our automakers, dealers and other automotive-related customers so that they can accurately deliver relevant advertisements to targeted users who are more receptive to such marketing information. Leveraging our user intelligence engine and AI, big data and cloud capabilities, we have been able to further enrich our content library with our AI-enabled content generation tool by generating customized content in a timely manner.

We provide automobile consumers trend analysis services for our automaker and dealer customers that help them analyze data in specific demographic markets such as consumer purchasing behavior characteristics and their brand strength in comparison to those 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 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 research and development personnel to focus exclusively on the development and enhancement 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 enhance the functions and user interfaces of our mobile applications for Apple iOS and Android platforms focusing on convenience, real-time interaction and location-based services.

Leveraging AR- and VR-related technologies, we realized significant technology upgrade in 2017 and launched AR automobile showroom and AR auto show during the year, all of which had enabled us to provide our users with an innovative and superior automobile review experience and thus enhanced our user loyalty. In addition, these technology improvements had strengthened our ability to obtain additional user traffic and expanded our user base. We have been continuing our efforts in expanding our VR product portfolio and utilizing AR- and VR-related technologies to improve the features of our services and commercialize innovative business initiatives. Since the second half of 2017, we have rolled out additional VR products including VR branding showrooms, intelligent automobile showrooms as well as direct visual access to automakers' factory design and manufacturing process, which improved our user experience by enabling our users to review and comprehend the entire automobile production process. In 2019, we employed our AR and VR technologies in constructing a 360-degree panoramic multi-dimensional online visual scene that creates an offline auto show atmosphere for our *818 Global Super Auto Show*, further carrying forward our pursuit of all round sensory user experience and aiding the creation of an innovative integration of auto show and the internet that helps automakers and dealers better engage with consumers. We plan to continue to make further upgrades and develop new technology to provide more diversified platforms for our users, and to expand the use of AR- and VR-related technologies throughout our ecosystem in order to offer automakers and dealers with more innovative and effective branding and marketing tools and greater exposure to highly targeted potential consumers throughout China. Also, we will continue to develop significant resources to expand the content breadth and depth offered on our platform in order to deliver the best user experience in the market.

We had an experienced product development team of 1,455 engineers as of December 31, 2021. 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 mobile applications and media-related technology and enhance our big data analytics capabilities and AR- and VR-related technologies.

**Sales and Marketing and User Acquisition**

Our nationwide in-house team of sales representatives sells our services to automakers and dealers. As of December 31, 2021, we had 1,427 sales and marketing representatives operating our physical sales office network spanning 63 cities across China and visiting customers in an additional 114 satellite 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 provides sales coverage to the cities in which we do not have physical sales offices. Our sales team also provides ongoing customer support to our customers. 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.

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 and other value- added services. Our sales team for transaction business is in charge of customer services and maintains our relationships with automakers, our dealership partners, 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. We also conduct online marketing events on Autohome Mall and other traditional and social media channels as well as offline promotional campaigns with our partners. For example, we conduct the annual "Singles' Day" campaign to generate quality sales leads and further facilitate the transactions. Since the fourth quarter of 2017, we have been paying for TV ads on different channels of the China Central Television, the predominant state television broadcaster in China, to reach more audience in the third- or lower-tier cities and towns in China and promote their recognition of our platform as a one-stop destination for selecting and purchasing automobiles and various types of auto-related services. We have also engaged celebrities, primarily athletes, as our brand spokespersons to further promote our brand and stimulate user interest in our platform.

**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 meaning "auto home" in English), "AUTOHOME®" and "天天拍车" trademarks in China through the VIEs, with each registered under different categories. In addition, as of December 31, 2021, we held 81 pending trademark applications and 501 registered trademarks. As at the same date, we had 94 registered domain names, including our main website domain names, *autohome.com.cn*, *che168.com and ttpai.cn*, 263 pending patent applications, and 243 registered patents. We had 684 computer software copyrights as of December 31, 2021.

**Competition**

With respect to our auto media business, we face competition from China's automotive vertical websites and mobile applications, such as *BitAuto*, *Dongchedi*, *Xcar* and *PCauto*, from the automotive channels of major internet portals, such as *Sina* and *Sohu*, and from companies engaged in mobile social media, news, video and live-streaming applications. We may also face competition from online automobile transaction platforms, such as *Uxin*, *Guazi* and *Renrenche*, as we develop our used car transaction business. Our auto finance business faces competition from other auto finance companies, such as *Yixin* and *Souche*. In addition, we also face competition from companies engaged in social media business, such as *ByteDance* and *Tencent*, and companies engaged in data product offering, such as *BitAuto*. We may also face competition from mobile applications of automakers as some automakers are exploring to connect with users directly. Competition will be centered on factors similar to those affecting our current media services and leads generation 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**

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. Our business experiences seasonal variations in association with the demand for automobiles in China. For example, the first quarter of each year generally contributes the lowest portion of our annual net revenues primarily due to a slowdown in business activities around and during the Chinese New Year holiday, which occurs during the period. Consequently, our results of operations may fluctuate from quarter to quarter. As each of our business lines may have different seasonality factors and the mix of our revenue sources may shift from year to year, our past performance may not be indicative of future trends. See also "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Our business is subject to fluctuations, including seasonality, which makes our results of operations difficult to predict and may cause our quarterly results of operations to fall short of expectations."

**Compliance and Legal Proceedings**

We may from time to time and in the future be subject to various claims and legal, regulatory and/or administrative proceedings 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.

**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 telecommunications services." The Telecommunications Regulations were subsequently revised on July 29, 2014 and on February 6, 2016. On December 28, 2015, the MIIT published the 2015 Catalog, which took effect on March 1, 2016 and was partially revised on June 6, 2019. Under the 2015 Catalog, "value-added telecommunication services" was further classified into two sub-categories and 10 items. Both internet content provision services, or ICP services, and online data processing and transaction processing services are 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 measures were subsequently revised on September 1, 2017. 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, Autohome Information, Shengtuo Hongyuan and Shanghai Jinwu, hold ICP licenses. Autohome Information also holds a value-added telecommunications license for conducting online data processing and transaction processing services (for e-commerce only).

**Restrictions on Foreign Ownership in Value-Added Telecommunications Services**

According to the FITE Provisions, promulgated by the State Council on December 11, 2001 and amended from time to time, with the latest amendment to be effective on May 1, 2022, the ultimate foreign equity ownership in a value-added telecommunications service provider must not exceed 50%, unless otherwise stipulated in relevant rules.

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 telecommunications 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 operators 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 telecommunications licenses.

To comply with these PRC regulations, we operate our websites through Autohome Information, Shengtuo Hongyuan and Shanghai Jinwu. Each of Autohome Information and Shengtuo Hongyuan is currently 50% owned by Quan Long and 50% owned by Haiyun Lei, both of whom are PRC citizens. Shanghai Jinwu is wholly owned by Weiwei Wang. Weiwei Wang is a PRC citizen. Each of Autohome Information, Shengtuo Hongyuan and Shanghai Jinwu holds an ICP license.

**Regulation on Foreign Investment**

On March 15, 2019, the Foreign Investment Law was enacted by the National People's Congress, which became effective on January 1, 2020 and replaced the trio of the 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 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.

Unlike its first draft which was published in 2015, the Foreign Investment Law does not specifically expand the definition of "foreign investment" to include entities established through a VIE structure but contains a catch-all provision under the definition of "foreign investment" which includes investments made by foreign investors through means stipulated in laws or administrative regulations or other methods prescribed by the State Council.

Moreover, the Foreign Investment Law establishes a foreign investment information reporting system. Foreign investors or foreign-funded enterprises shall submit the investment information to competent governmental departments for commerce through the enterprise registration system and the enterprise credit information publicity system. The contents and scope of foreign investment information to be reported shall be determined under the principle of necessity. Where foreign-investors or foreign-invested enterprises are found to be non-compliant with these information reporting obligations, competent department for commerce shall order corrections within a specified period; if such corrections are not made in time, a penalty of not less than RMB100,000 yet not more than RMB500,000 shall be imposed. Aside from the reporting system for foreign investment information, the Foreign Investment Law shall also establish a security examination mechanism for foreign investment and conducts security review of foreign investment that affects or may affect national security. The decision made upon the security examination in accordance with the law shall be final. We will be subject to the Foreign Investment Law if our contractual arrangements with the VIEs are defined or regarded as a form of foreign investment in the future.

On December 30, 2019, the MOFCOM and the SAMR jointly promulgated the Measures for Reporting of Information on Foreign Investment, which came into effect on January 1, 2020 and pursuant to which, foreign investors or foreign-invested enterprises shall report investment information when foreign investors carry out investment activities directly or indirectly within China, for example, the establishment of the foreign-invested enterprises, including establishment through purchasing the equities of a domestic enterprise or subscribing to the increased capital of a domestic enterprise, and its subsequent changes are required to submit an initial or change report through the Enterprise Registration System.

**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 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.

In accordance with the Internet Measures, 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 order ICP operators to suspend their operations, or revoke their ICP licenses if such ICP license holders violate any of the above-mentioned content restrictions.

On February 4, 2015, the CAC 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. 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 if the names of institutions or social celebrities are illegally used for or associated with registration of account names, 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.

On August 25, 2017, the CAC promulgated the Administrative Provisions on Internet Follow-up Comment Services and the Administrative Provisions on Internet Forum and Community Services, both of which became effective as of October 1, 2017. As stipulated in the Provisions, the internet follow-up comment service providers are imposed on strict primary obligations such as verifying the authenticity of registered users' identity information, protecting personal information of users and developing system to review follow-up comments on news information prior to the publication. Moreover, the internet forum and community services providers may establish the systems of information review, real-time public information check, emergency response, personal information protection and other information security administration systems. In addition, the service providers should not publish information in violation of laws, regulations and the relevant provisions of the state.

On September 7, 2017, the CAC promulgated the Provisions on the Administration of Information Services Provided through Chat Groups on the Internet, or the Chat Groups Provision, and the Administrative Provisions on the Information Services Provided through Public Official Accounts of Internet Users, or the Public Official Accounts Provision, both of which became effective as of October 8, 2017. The Public Official Accounts Provision was subsequently revised on January 22, 2021, and became effective on February 22, 2021. According to the Provisions, the internet service providers are required to verify the authenticity of identity information of their users. In addition, for any violation of laws and regulations by chat groups or public official accounts, service providers should take certain measures such as issuing a warning, suspending publication of the inappropriate information, and closing the chat groups or the public official accounts.

On December 15, 2019, the CAC promulgated the Provisions on Governance of Network Information Content Ecosystem, which became effective as of March 1, 2020. Under the Provisions on Governance of Network Information Content Ecosystem, the online information content service platform shall set up the mechanism of governance of network information content ecosystem, develop the detailed rules for governance of the network information content ecosystem on the platform, and improve the systems for user registration, account management, information publication and examination, posts and comments examination, management of the webpage and site layout system, real-time inspection, emergency disposal and cyber rumor and illegal industry chain information disposal. The online information content service platform shall institute an office in charge of the governance of online information content ecosystem, and appoint the professional personnel commensurate with the business scope and service scale, strengthen training and examination, and improve the performance quality of employees. In addition, the online information content platform shall strengthen the examination and inspection of the advertising space set on the platform and the advertising content displayed on the platform. Those who publish illegal advertisements shall be punished according to laws. Upon finding illegal information published by any content provider on the online information content platform, the platform shall, in accordance with laws and regulations, take measures such as warning for rectification, restricting functions available to such content provider, suspending updating, and closing accounts, among others, timely eliminate illegal information and contents, keep relevant records, and report to the relevant competent authorities. The online information content service platform will be punished for violating related laws and regulations. The related legal consequences include suspension of information updates, restrictions on engaging in online information services, restrictions on online behavior, and prohibition of industry access.

These laws and regulations apply to the Internet content services we provide through the VIEs and impose responsibilities on the VIEs for monitoring the websites, mobile applications and users, safeguarding the security of the internet as well as maintaining the internet content.

**Regulations on Internet Privacy and Data Security**

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.

In August 2015, the Standing Committee of the National People's Congress promulgated the Ninth Amendment to the Criminal Law, which became effective in November 2015 and amended the standards of crime of infringing citizens' personal information and reinforced the criminal culpability of unlawful collection, transaction, and provision of personal information. It further provides that any internet service provider that fails to fulfill the obligations related to internet information security administration as required by applicable laws and refuses to rectify upon orders will be subject to criminal penalty if such failure (i) causes dissemination of illegal information in large scale; (ii) causes user information leaks resulting in severe consequences; (iii) causes serious loss of evidence for criminal investigations; or (iv) implicates other severe circumstances.

On March 15, 2017, the National People's Congress of the PRC issued the General Rules of the Civil Law of the People's Republic of China, which came into effect on October 1, 2017. The General Rules have introduced personal information rights and data protection and provide that personal information of a natural person should be protected by the law. On May 28, 2020, the National People's Congress of the PRC approved the Civil Code of the PRC, or the Civil Code, which came into effect on January 1, 2021 and abolished the General Rules of the Civil Law of the People's Republic of China. Pursuant to the Civil Code, the collection, storage, use, process, transmission, provision and processing of personal information should follow the principles of legitimacy, properness and necessity.

The PRC Cyber Security Law, which was promulgated on November 7, 2016 by the Standing Committee of the National People's Congress and came into effect on June 1, 2017, provides that network operators shall meet their cyber security obligations and shall take technical measures and other necessary measures to protect the safety and stability of their networks. Under the PRC Cyber Security Law, network operators are subject to various security protection-related obligations, including: (i) network operators shall comply with certain obligations regarding maintenance of the security of internet systems; (ii) network operators shall verify users' identities before signing agreements or providing certain services such as information publishing or real-time communication services; (iii) when collecting or using personal information, network operators shall clearly indicate the purposes, methods and scope of the information collection, the use of information collection, and obtain the consent of those from whom the information is collected; (iv) network operators shall strictly preserve the privacy of user information they collect, and establish and maintain systems to protect user privacy; (v) network operators shall strengthen management of information published by users, and when they discover information prohibited by laws and regulations from publication or dissemination, they shall immediately stop dissemination of that information, including taking measures such as deleting the information, preventing the information from spreading, saving relevant records, and reporting to the relevant governmental agencies. In addition, the PRC Cyber Security Law requires that critical information infrastructures operators generally shall store, within the territory of the PRC, the personal information and important data collected and produced during their operations in the PRC and their purchase of network products and services that affect or may affect national securities shall be subject to national cybersecurity review.

On April 10, 2019, the Cyber Security and Protection Bureau of the Ministry of Public Security, the Beijing Internet Industry Association and the Third Research Institute of the Ministry of Public Security jointly issued Internet Personal Information Security Protection Guidance. The guidance applies to "personal information holders", which means enterprises that provide services through the internet and organizations or individuals who use a private or internet- disconnected space to control and process personal information. It indicates that in addition to traditional internet companies, companies or individuals in other fields are also subject to its governance for long as they are involved in the control and processing of personal information. The guidance heightened requirements on the collection of personal information by personal information holders. For example, the guidance provides that personal information that is not related to the services provided by personal information holders should not be collected, and service providers shall not force users to provide personal information by bundling products or various business functions of the service.

On November 28, 2019, the Secretary Bureau of the CAC, the General Office of the MIIT, the General Office of the Ministry of Public Security and the General Office of SAMR, issued the Notice on the Measures for the Determination of the Collection and Use of Personal Information by Apps in Violation of Laws and Regulations. The notice requires that there shall be a privacy policy in the app, and the privacy policy shall contain the rules for collecting and using personal information. The notice also requires that the app shall prompt their users to read the privacy policy through obvious methods such as pop-up windows when an app is put into operation for the first time. According to the notice, the type of personal information collected by the app should be limited to the extent necessary to meet the operation of the corresponding business function. If personal information collected through app for a new business function is beyond the scope of a user's previous consent, refusing to provide the original business function by the app upon the user's disagreement with the new scope of personal information collection shall be considered as in violation of the necessity principle, except in the case where the new business function replaces the previous business function.

On June 10, 2021, the Standing Committee of the National People's Congress promulgated the PRC Data Security Law, which became effective in September 2021. The PRC Data Security Law provides for data security and privacy obligations on entities and individuals carrying out data activities and introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken for each respective category of data. For example, a processor of important data shall designate the personnel and the management body responsible for data security, carry out risk assessments for its data processing activities and file the risk assessment reports with the competent authorities. In addition, the PRC Data Security Law provides a national security review procedure for those data activities which affect or may affect national security and imposes export restrictions on certain data and information.

On July 30, 2021, the State Council promulgated the Regulations on Protection of Critical Information Infrastructure, which became effective on September 1, 2021. Pursuant to the Regulations on Protection of Critical Information Infrastructure, critical information infrastructure shall mean any important network facilities or information systems of the important industry or field such as public communication and information service, energy, transportation, water conservation, finance, public services, e-government affairs and national defense science, which may endanger national security, people's livelihood and public interest in case of damage, function loss or data leakage. In addition, relevant administration departments of each critical industry and sector, or Protection Departments, shall be responsible to formulate eligibility criteria and determine the critical information infrastructure operator in the respective industry or sector. The operators shall be informed about the final determination as to whether they are categorized as critical information infrastructure operators.

On August 20, 2021, the Standing Committee of the National People's Congress promulgated the Personal Information Protection Law, which came into effect on November 1, 2021. The Personal Information Protection Law integrates the scattered rules with respect to personal information rights and privacy protection. Pursuant to the Personal Information Protection Law, personal information refers to information related to identified or identifiable natural persons which is recorded by electronic or other means (excluding the anonymized information). The Personal Information Protection Law provides the circumstances under which a personal information processor could process personal information, including but not limited to, where the consent of the individual concerned is obtained and where it is necessary for the conclusion or performance of a contract to which the individual is a contractual party. It also stipulates certain specific rules with respect to the obligations of a personal information processor, such as to inform the purpose and method of processing to the individuals, and the obligation of the third party who has access to the personal information by way of co-processing or delegation etc. Processors processing personal information exceeding the threshold to be set by the relevant authorities and critical information infrastructure operators are required to store, within the territory of the PRC, the personal information collected and produced within the PRC. Specifically, personal information processors using personal information for automated decision-making shall ensure the transparency of decision-making and the fairness and impartiality of the results, and shall not impose unreasonable differential treatment on individuals in terms of pricing and other transaction conditions. The relevant governmental authorities shall organize assessment on mobile apps' personal information protection and publicize the outcome. The mobile apps that are identified as not in compliance with personal information protection requirements under such law may be required to suspend or terminate the services and the operators may also be subject to penalties including confiscation of illegal revenues and fines. Furthermore, the Personal Information Protection Law also provides for the rights of natural persons whose personal information is processed, and heightens the protection of the personal information of minors under 14 and sensitive personal information.

On November 14, 2021, the CAC issued the Draft Regulations on Network Data Security, which provide that data processors conducting the following activities shall apply for cybersecurity review: (i) merger, reorganization or separation of Internet platform operators that have acquired a large number of data resources related to national security, economic development or public interests affects or may affect national security; (ii) listing abroad of data processors processing over one million users' personal information; (iii) listing in Hong Kong which affects or may affect national security; or (iv) other data processing activities that affect or may affect national security.

On December 28, 2021, the CAC, the NDRC, the MIIT, the Ministry of Public Security, the Ministry of National Security, the MOF, the MOFCOM, the People's Bank of China, the SAMR, the National Radio and Television Administration, the CSRC, the National Administration of State Secrets Protection and the State Cryptography Administration jointly released the Cybersecurity Review Measures, which took effect on February 15, 2022. Pursuant to the Cybersecurity Review Measures, network platform operators with personal information of over one million users shall apply with the Cybersecurity Review Office for a cybersecurity review before going to list abroad.

On December 31, 2021, the CAC, the MIIT, the Ministry of Public Security, and the SAMR jointly promulgated the Administrative Provisions on Algorithm Recommendation in Internet Information Services, which came into effect on March 1, 2022. The Administrative Provisions on Algorithm Recommendation in Internet Information Services implements classification and hierarchical management for algorithm recommendation service providers based on various criteria, stipulates that algorithm recommendation service providers shall inform users of their provision of algorithm recommendation services in a conspicuous manner, and publicize the basic principles, purpose intentions, and main operating mechanisms of algorithm recommendation services in an appropriate manner, and that algorithm recommendation service providers selling goods or providing services to consumers shall protect consumers' rights of fair trade, and are prohibited from carrying out illegal conducts such as unreasonable differential treatment on transaction conditions based on consumers' preferences, purchasing habits, and such other characteristics.

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. To enhance data security, we have closely evaluated the effectiveness of our data security systems, and our core system has obtained a MLPS Level III certification. We have also built technology systems to protect us from security breach along the cycle of data usage, including data access control, data storage security, data audit and emergency response, among other. In addition, we have established a supervision committee on information security and adopted a complete information security management system in accordance with the requirements of ISO 27001 to enhance holistic management of our data practice.

**Regulations on Anti-Monopoly**

The Anti-Monopoly Law promulgated by the Standing Committee of the National People's Congress on August 30, 2007, which became effective on August 1, 2008, and the Interim Provisions on the Review of Concentrations of Undertakings promulgated by the SAMR on October 23, 2020, which became effective on December 1, 2020, require that transactions which are deemed concentrations and involve parties with specified turnover thresholds must be cleared by the SAMR before they can be completed. Where the participation in concentration of undertakings by way of foreign-funded merger and acquisition of domestic enterprises or any other method which involves national security, the examination of concentration of undertakings shall be carried out pursuant to the provisions of the Anti-Monopoly Law, and examination of national security shall be carried out pursuant to the relevant provisions of the State. On October 23, 2021, the Standing Committee of the National People's Congress published the Draft Revised Anti-monopoly Law, which provides, among others, that the market regulation department of the State Council shall be responsible for anti-monopoly law enforcement, and that business operators shall not abuse data, algorithms, technology, capital advantages and platform rules to exclude or limit competition. The Draft Revised Anti-monopoly Law also requires relevant government authorities strengthen the examination of concentration of undertakings in areas such as finance, media, science and technology, and enhances penalties for violation of the regulations regarding concentration of undertakings. As of the date of this annual report, the Draft Revised Anti-monopoly Law has not been formally adopted.

On February 7, 2021, the Anti-monopoly Committee of the State Council published the Guideline on Anti-monopoly of Platform Economy Sector, or the Guideline, which became effective on the same day. As a compliance guidance under the existing PRC anti-monopoly laws and regulations for platform economy operators, the Guideline intends to regulate abuse of a dominant position and other anti-competitive practices. Pursuant to the Guideline, representative examples of abuse of dominance include unfairly locking in exclusive agreements with operators on the platform and targeting specific customers with unreasonable big-data driven tailored pricing through their online behavior to eliminate or limit market competition.

**Regulations on Advertisements**

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 SAMR 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 29, 2021, the Standing Committee of the National People's Congress revised the PRC Advertising Law or the Advertising Law, which came into effect on the same date. 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.

On July 4, 2016, the then State Administration for Industry and Commerce, or SAIC (the predecessor of the SAMR), issued the Interim Measures for the Administration of Internet Advertising or the Internet Advertising Measures, which came into effect as of September 1, 2016. All advertising activities by means of the internet are governed by the Advertising Law and the Internet Advertising Measures. Pursuant to the Internet Advertising Measures, the term "Internet Advertisement" shall mean commercial advertisement that promotes commodities or services, directly or indirectly, via Internet media such as websites, webpages and internet application programs in the form of texts, pictures, audios, videos or other forms, including the advertisement containing a web link or links, e-mail advertisement, paid search advertisement, and advertisement contained in commercial presentations that promote commodities or services, etc. The Internet Advertising Measures require that an internet advertisement shall be identifiable and clearly identified as an "advertisement" so that users will tell it is an advertisement, and the following activities shall be prohibited: (i) providing or using any application programs or hardware to intercept, filter, cover, fast forward or otherwise restrict any authorized advertisement of other persons; (ii) using network pathways, network equipment or applications to disrupt the normal data transmission of advertisements, alter or block authorized advertisements of other persons or load advertisements without authorization; or (iii) using false statistical data, transmission effect or internet medium value to induce incorrect quotations, seek undue interests or damage the interests of other persons.

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 posting on websites and mobile applications, 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 State Administration of Radio, Film, and Television, or 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, which were replaced by Provisions on the Administration of Private Network and Targeted Communication Audio-visual Program Services which took effect on June 1, 2016 and was amended on March 23, 2021. For an entity that engages in content delivery, integrated broadcast control, transmission distribution and other private network and targeted communication to send audio-visual program service, an "Internet Audio/Video Program Transmission License" is required.

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 Tourism and the National Press and Publication Administration to adopt detailed implementation rules according to these decisions.

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 and was amended in August 2015. Circular 56 reiterates the requirement that online audio/video service providers must obtain an "Internet Audio/video Program Transmission License". 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 Internet 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.

On March 17, 2010, the SARFT issued the Internet Audio/Video Program Services Categories (Provisional), or the Provisional Categories, which were amended on March 10, 2017. The amended Provisional Categories classified Internet audio/video programs into four categories, which are further divided into seventeen sub-categories.

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

**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. On August 28, 2015, State General Administration of Press, Publication, Radio, Film and Television Decree No. 3 was issued to amend some provisions of the aforesaid Measures, which was further revised on by the National Radio and Television Administration on October 29, 2020. 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.

Both 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 Administrative Rules on Surveying Qualification, as most recently amended by the Ministry of Natural Resources on June 7, 2021, which became effective on July 1, 2021, an entity providing internet mapping services should apply for the Surveying and Mapping Qualification Certificate for Surveying and Mapping, and perform within the scope of the 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 entity 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 and mobile applications for the convenience of our users to locate certain service providers. Both Autohome Information and Shengtuo Hongyuan hold the Surveying and Mapping Qualification Certificates for internet mapping. As of the date of this annual report, the Surveying and Mapping Qualification Certificate for internet mapping held by Autohome Information is in the process of the renewal.

**Regulations on Online Cultural Services**

On February 17, 2011, the Ministry of Culture, the predecessor of the Ministry of Culture and Tourism, promulgated the Interim Administrative Provisions on Internet Culture, which became effective on April 1, 2011 and was most recently amended in December 2017. The Interim Administrative Provisions on Internet Culture require ICP operators engaged in "internet culture activities" to obtain an Internet Culture Business Permit 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.

On August 12, 2013, the Ministry of Culture promulgated the Notice on Implementing the Administrative Measures for the Content Self-examination of Internet Culture Business Entities. According to this notice, any cultural product or service shall be reviewed by the provider before being released to the public and the review process shall be done by persons who have obtained the relevant content review certificate.

Autohome Information has obtained an Internet Culture Business Permit in January 2013, and we have renewed our permit to include "internet music entertainments, internet games, internet dramas (programs) and internet performances." As of the date of this annual report, the Internet Culture Business Permit held by the Autohome Information is in the process of the renewal.

**Regulations on Online Performances and Online Live-streaming Services**

On December 2, 2016, the Ministry of Culture issued the Administrative Measures for Business Activities of Online Performances, which took effect on January 1, 2017. Under these measures, an operator of online performances conducting the business activities of online performances shall apply for an Internet Culture Business Permit with the competent provincial administrative cultural department, and the business scope indicated on the permit shall clearly include reference to online performances. An operator of online performances undertakes the primary responsibility for the business activities of online performances operated by it, and shall establish a content review and management system, arrange staff with corresponding qualifications to undertake the work of reviewing the performance content, and establish technical supervision measures adaptable to content management in accordance with relevant laws and regulations.

The Provisions on the Administration of Online Live Streaming Services was issued by the CAC on November 4, 2016 and was effective on December 1, 2016. Under the provisions, those who provide online live-streaming services through online performances, internet video and audio programs, and so forth, shall obtain relevant qualifications as required by laws and regulations. Online live streaming service providers shall carry out entity responsibilities, equip professionals comparable to the service scale, and improve systems for information review, information security management, duty patrols, emergency response, and technical guarantee. Online live streaming service providers shall establish platforms for reviewing live streaming content. Online live streaming service providers and online live streaming publishers that provide internet news information services without licenses, or exceeding the scope of their licenses, are subject to punishment. Other violations of these provisions are subject to penalties from the national or local Internet information offices, or even criminal liabilities. Violations of the relevant laws and provisions in providing online live streaming services through Internet performances, online audio and visual programs and so forth are subject to punishment by the relevant departments in accordance with law.

The Notice of Launch of Record Filing for Internet Live-Streaming Service Enterprises was issued by the CAC on July 12, 2017. Under the notice, CAC requires the companies that provide internet live-streaming service to register with the local internet information office, commencing on July 15, 2017. Internet live-streaming service companies (including commercial news mobile applications that provide live-streaming sections/channels) which engage in internet news information republishing services or provide dissemination platform services, and other types of internet live-streaming service companies are subject to such notice and the requirements thereunder.

The Notice on Tightening the Administration of Online Live-streaming Services, or the Online Live-streaming Services Notice, was jointly issued by the CAC and five other PRC governmental authorities. Under the Online Live-streaming Services Notice, the online live-streaming service provider involved in the business of telecommunications and internet news information, online shows, live-streaming of online audiovisual programs and other services shall apply to the relevant departments for licenses on operations of telecommunications business, internet news information services, internet culture business, and internet audio/video program transmission, respectively. In addition, live streaming services providers are required to file with the local public security authority within 30 days after it commences the service online.

Currently we are providing online live-streaming services through our websites and mobile applications. Autohome Information has obtained an internet audio/video program transmission license on February 9, 2010. In addition, in January 2013, Autohome Information obtained an Internet Culture Business Permit, which includes "internet music entertainments, internet games, internet dramas (programs) and internet performances." As of the date of this annual report, the Internet Culture Business Permit held by the Autohome Information is in the process of the renewal.

**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 (the predecessor of the National Radio and Television Administration), or the SAPPRFT, 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 refer 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 online publishing services.

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**

On May 2, 2017, the CAC issued the Provisions for the Administration of Internet News Information Services, or Internet News Provision, which became effective on June 1, 2017 and replaced the original provisions promulgated in 2005.

Internet news information services shall include service of collecting, editing and publishing internet news information, service of reposting and service of providing dissemination platform. 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 CAC shall be in charge of the supervision and administration of the internet news information services throughout China.

If any of the internet news posted on our websites and mobile applications 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 the related internet service and impose a fine exceeding RMB10,000 but not more than RMB30,000.

**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. Pursuant to the Measures for the Supervision and Administration of Online Trading (which became effective on May 1, 2021 and apply to business activities involving the sale of commodities or provision of services through the Internet and other information networks as well as the supervision and administration thereof by market regulatory departments), online transaction operators shall go through the market entity registration in accordance with the law, except for the circumstances under which registration is not required as specified in Article 10 of the E-Commerce Law. In addition, online transaction operators shall disclose commodity or service information in a comprehensive, truthful, accurate and timely manner, and protect consumers' right to know and right to choose. Our platform business is subject to these aforementioned measures.

In August 2018, the Standing Committee of the National People's Congress issued the E-commerce Law of the People's Republic of China, or the E-commerce Law, which took effect on January 1, 2019. The E-commerce Law strengthens the regulation on e-commerce operators relating to consumer protection, personal data protection and intellectual property rights protection. If the goods or services may affect consumers' life and health, and a platform operator fails to examine the qualifications of the operators on the platform or fails to fulfill the responsibilities of protecting consumers' safety, it shall take corresponding liabilities and may be subject to warnings and fines up to RMB2,000,000. In accordance with the E-commerce Law, e-commerce operators include (i) platform operators; (ii) operators on platforms; and (iii) other e-commerce operators that sell goods or provide services through self-established websites or channels other than the platforms. A platform operator shall require operators who apply to sell commodities or provide services on its platform to submit truthful information, verify and register such information, establish registration archives, and regularly verify and update the information. Besides, an e-commerce platform operator shall (i) submit the identification information of the operators on its platform to the competent market regulation authorities and remind the operators to complete the registration with such authorities; (ii) submit identification information and tax-related information to tax authorities and remind the operators to complete the tax registration; (iii) record and retain the information of the products and information on its platform and the sales information; (iv) display the platform service agreement and the transaction rules or links to such information on the homepage of the platform; (v) display information to let users know in the case of any products or services that are provided by the platform operator itself, and take responsibility for such products and services; (vi) establish a credit evaluation system, display the credit evaluation rules, provide consumers with accesses to make comments on the products and services provided on its platform, and refrain from deleting such comments; and (vii) establish intellectual property protection rules, and take necessary measures when any intellectual property holder notifies the platform operator that his intellectual property rights have been infringed.

An e-commerce platform operator shall take joint liabilities with the relevant operators on its platform and may be subject to warnings and fines up to RMB2,000,000 where (i) it fails to take necessary measures when it knows or should have known that the products or services provided by an operator on its platform does not comply with the personal or property safety requirements or such operator's other acts may infringe on the lawful rights and interests of the consumers; or (ii) it fails to take necessary measures, such as deleting and blocking information, disconnecting, terminating transactions and services, when it knows or should have known that an operator on its platform infringes any intellectual property rights of any other third party. An E-commerce platform operator shall not take advantage of the service agreement, transaction rules or other means to impose unreasonable restrictions or transaction conditions on the transactions of operators on its platform or the price of such transactions, or collect unreasonable fees against operators on its platform.

On February 7, 2021, the Anti-monopoly Committee of the State Council published the Guideline on Anti-monopoly of Platform Economy Sector, or the Guideline, which became effective on the same day. As a compliance guidance under the existing PRC anti-monopoly laws and regulations for platform economy operators, the Guideline intends to regulate abuse of a dominant position and other anti-competitive practices. Pursuant to the Guideline, representative examples of abuse of dominance include unfairly locking in exclusive agreements with operators and targeting specific customers with unreasonable big-data driven tailored pricing through their online behavior to eliminate or limit market competition.

**Regulations on Mobile Internet Applications**

On June 28, 2016, the CAC promulgated the Administrative Provisions on Mobile Internet Applications Information Services, or the Mobile Application Administrative Provisions, which took effect on August 1, 2016. According to the Mobile Application Administrative Provisions, "mobile internet applications" refers to application software that run on mobile smart devices providing information services after being pre-installed, downloaded or embedded through other means. "Mobile internet application providers" refer to the owners or operators of mobile internet applications. Internet application stores refer to platforms which provide services related to online browsing, searching and downloading of application software and releasing of development tools and products through the internet. On December 16, 2016, the MIIT promulgated the Interim Administrative Provisions on the Pre-installation and Distribution of the Mobile Smart Terminal Application Software, which took effect on July 1, 2017 and requires, among others, that internet information service providers must ensure that a mobile application, as well as its ancillary resource files, configuration files and user data can be uninstalled by a user easily, unless the mobile application is a basic function software, which refers to a software that supports the normal functioning of the hardware and operating system of a mobile smart device. In addition, mobile smart terminal application software involving charges should strictly comply with the relevant regulations such as sale at an expressly marked price, and express the charge standard and method. The content expressed should be true, accurate, eye-catching and normative, and users should be charged only after their confirmation.

Pursuant to the Mobile Application Administrative Provisions, an internet application program provider must verify a user's mobile phone number and other identity information under the principle of mandatory real name registration at the back-office end and voluntary real name display at the front-office end. An internet application provider must not enable functions that can collect a user's geographical location information, access user's contact list, activate the camera or recorder of the user's mobile smart device or other functions irrelevant to its services, nor is it allowed to conduct bundle installations of irrelevant application programs, unless it has clearly indicated to the user and obtained the user's consent on such functions and application programs. In respect of internet application store service providers, the Mobile Application Administrative Provisions requires that, among others, it must file a record with the provincial authority within 30 days after it rolls out the internet application service online. It must also examine the authenticity, security and legality of mobile internet application providers on its platform, establish a system to monitor application providers' credit and file a record of such information with relevant governmental authorities. If an application provider violates the regulations, the internet application store service provider must take measures to stop the violations, including warning, suspension of release, withdrawal of the application from the platform, keeping a record and reporting the incident to the relevant governmental authorities.

On 5 January 2022, the CAC issued a revised version of the Administrative Provisions on Mobile Internet Application Information Services (Draft for Comments), or the revised version of APP Provisions, which further emphasizes that mobile internet application providers shall comply with relevant provisions on the scope of necessary personal information when engaging in personal information processing activities. According to the revised version of APP Provisions, mobile internet application providers shall not compel users to agree to unnecessary personal information collection out of any reason, and shall not refuse users to use the apps' basic functions in the event that such users do not consent to the collection of their personal information beyond necessity. As of the date of this annual report, the revised version of APP Provisions has not been formally adopted.

**Regulations on Used Automobiles Brokerage Business**

On August 29, 2005, the MOFCOM, the Ministry of Public Security, the SAIC, and SAT together promulgated the Measures for the Administration of the Circulation of Used Automobiles, which was amended on 14 September 2017. On November 22, 2005, the MOFCOM further promulgated the Notice on Issues Concerning the Implementation of the Measures for the Administration of the Circulation of Used Automobiles. According to aforesaid regulations, the entity which engages brokerage of used automobiles shall be an enterprise with legal personality and shall go through the registration with the administrative department of industry and commerce. After obtaining the business license from the local branch of SAIC, the used automobile market operators and used automobile brokerage entities shall also file for record with the provincial level branch of the SAIC within two months. "Brokerage of used automobiles" refers to the business activities whereby a brokerage entity of used automobiles, for the purpose of collecting commissions, engages in such business activities as an intermediary, an agent, or a broker to promote other persons' transaction of used automobiles.

In December 2020, we acquired Shanghai Jinwu, which has been filed as an entity conducting used automobiles business in the MOFCOM's national car circulation information management and application service systems.

**Regulations on Insurance Brokerage Business**

In April 2015, the Standing Committee of the National People's Congress promulgated the Insurance Law of PRC. In October 2015, the CIRC promulgated the Provisions on the Supervision and Administration of Insurance Brokers, which was replaced by the Provisions on the Regulation of Insurance Brokers, or the Insurance Brokers Provisions, on May 1, 2018. The Insurance Brokers Provisions define insurance brokers as institutions which provide intermediary services, in favor of the insured, in the course of concluding insurance contracts between the insured and the insurance companies and charge certain commission as agreed. Pursuant to the Insurance Law and Insurance Brokers Provisions, a license for engaging in insurance brokerage businesses is required in the course of setting up an insurance brokerage company. The companies which intend to provide insurance brokerage service should meet certain requirements set up by the CIRC and should not conduct insurance brokerage business unless the aforesaid license is received.

On December 7, 2020, the CBIRC published the Regulatory Measures for Internet Insurance Business, which became effective on February 1, 2021. The Regulatory Measures for Internet Insurance Business stipulates that only insurance companies and professional insurance intermediaries established upon approval by insurance regulatory authorities and registered could provide internet insurance services, such as providing insurance products consultation services, assisting policyholders with selecting insurance products, calculating insurance premiums, drafting insurance plans for policyholders and processing insurance application formalities. It also provides that insurance intermediaries are required to manage their marketing activities and retain records of online insurance transactions. In addition, it requires insurance intermediaries that conduct online insurance business to improve IT infrastructure and cybersecurity protection.

In September 2017, we acquired Shanghai Tianhe, a company holding the license for engaging in insurance brokerage businesses. In October 2018, Shanghai Tianhe completed the registration process required for engaging in online insurance business.

**Regulations on Auction**

Pursuant to the Auction Law of the People's Republic of China (2015 Amendment), which was promulgated by the Standing Committee of the National People's Congress on July 5, 1996 and last amended on April 24, 2015, and Measures for the Administration of Auctions (2019 Amendment), which was promulgated by the MOFCOM on October 28, 2015 and last amended on November 30, 2019, an enterprise engaging in the bidding and auction of various products as permitted by auction-related laws of the PRC other than cultural relics shall satisfy various criteria, such as having registered capital of at least RMB1 million and at least one qualified auctioneer. To engage in the bidding and auction business, domestic entities shall first be verified and authorized by the municipal counterparts of MOFCOM at the locality, and then obtain auction business permit from the competent provincial counterparts of MOFCOM before launching their auction business. The enterprise engaging in auction business without approval and registration shall be banned by the administrative department for industry and commerce, the illegal gains shall be confiscated and he may also be subject to fines.

Currently, Shanghai Jinwu holds an auction business approval certificate issued by the Shanghai Municipal Commission of Commerce of the PRC.

**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 Standing Committee of the National People's Congress adopted the Patent Law in 1984, and amended it in 1992, 2000, 2008 and 2020 (the current effective revision became effective on June 1, 2021). 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 China National Intellectual Property Administration 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, a term of ten years in the case of utility models and a term of fifteen years in the case of 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.

***Copyright.*** The Standing Committee of the National People's Congress adopted the Copyright Law in 1990 and amended it in 2001, 2010 and 2020 (the current effective revision became effective on June 1, 2021), respectively. The Copyright Law, and its related implementation regulations that were promulgated in 2002 and amended in 2013, are the principal laws and regulations governing the copyright related matters.

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.

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.

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 and was abolished by the Civil Code which became effective on January 1, 2021. Pursuant to the Civil Code, 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.

***Trademark.*** The PRC Trademark Law, adopted in 1982 and amended in 1993, 2001, 2013 and 2019, protects registered trademarks. The Trademark Office under the China National Intellectual Property Administration 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" (both meaning "auto home" in English), "AUTOHOME®" and "天天拍车" trademarks in China through the VIEs, with each registered under different categories.

***Domain Names.*** On August 24, 2017, the MIIT promulgated the Administrative Measures for Internet Domain Names, which came into effect on November 1, 2017 and replaced the original measures promulgated in 2004. The measures regulate the registration of domain names, such as the first tier domain name ".cn." Pursuant to the Implementing Rules on Registration of National Top-level Domain Names promulgated by the China Internet Network Information Center and took into effect on June 18, 2019, the domain name services follow a "first come, first file" principle. Applicants for registration of domain names shall provide their true, accurate and complete information of such domain names to and enter into registration agreements with domain name registration service institutions. The applicants will become the holders of such domain names upon the completion of the registration procedure. We have registered a number of domain names through the VIEs, including *autohome.com.cn*, *autohome.com*, *che168.com* and *ttpai.cn*.

**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 MOFCOM and the NDRC, 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.

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, such use of proceeds is subject to PRC regulations.

On March 30, 2015, SAFE issued the Circular on the Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or SAFE Circular 19, which became effective on June 1, 2015. On June 9, 2016, SAFE issued the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts, or SAFE Circular 16, which revised some provisions of SAFE Circular 19. According to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from registered capital denominated in foreign currency of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than the foreign- invested company's affiliates unless otherwise permitted under its business scope. Violations of SAFE Circular 19 or SAFE Circular 16 could result in administrative penalties. Pursuant to both of SAFE Circular 19 and SAFE Circular 16, 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, special account for foreign debt or special account for overseas listing 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 and SAFE Circular 16, therefore, have substantially lifted the restrictions on the usage by a foreign-invested enterprise of its Renminbi registered capital, foreign debt and repatriated funds raised through overseas listing converted from foreign currencies. According to SAFE Circular 19 and SAFE Circular 16, such Renminbi capital, foreign debt and repatriated funds raised through overseas listing 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, it is still not clear whether foreign-invested enterprises like our PRC subsidiaries are allowed to extend intercompany loans to the VIEs. See "Item 3. Key Information—D. Risk Factor—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."

Moreover, on January 26, 2017, SAFE promulgated Circular on Further Advancing the Reform of Foreign Exchange Administration and Improving Examination of Authenticity and Compliance, or the Circular 3. The Circular 3 stipulates several control measures with respect to the outbound remittance of any profit from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks should review board resolutions, the original version of tax filing records and audited financial statements before wiring the foreign exchange profit distribution of a foreign-invested enterprise exceeding US$50,000; and (ii) domestic entities should hold income to make up previous years' losses before remitting the profits to offshore entities. Moreover, pursuant to Circular 3, verification on the genuineness and compliance of foreign direct investments in domestic entities has also been tightened.

On October 23, 2019, SAFE issued the Circular Regarding Further Promotion of the Facilitation of Cross-Border Trade and Investment, or the Circular 28, which expressly allows all foreign-invested enterprises to make equity investments in the PRC with their capital funds in accordance with the law. In addition, Circular 28 stipulates that qualified enterprises in certain pilot areas may use their capital income from registered capital, foreign debt and overseas listing, for the purpose of domestic payments without providing authenticity certifications to the relevant banks in advance for those domestic payments.

**Regulations on Dividend Distribution**

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

- the Companies Law (2005, as amended in 2013 and 2018);
- the Foreign Investment Law (2019);
- the Implementation Regulation of the Foreign investment Law (2019).

Under these regulations, foreign investors may freely remit into or out of PRC, in Renminbi or any other foreign currency, their capital contributions, profits, capital gains, income from asset disposal, intellectual property royalties, lawfully acquired compensation, indemnity or liquidation income and so on generated within the territory of PRC.

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, according to PRC Company Law, 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 statutory 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, 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.

Pursuant to the Circular on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies, or SAFE Circular No. 13, which was promulgated by SAFE on February 13, 2015 and came into effect on June 1, 2015, the administrative approvals of foreign exchange registration for direct domestic investment and direct overseas investment were canceled. In addition, SAFE Circular No. 13 simplified the procedures of registration of foreign exchange by allowing investors to register with local banks with respect to the registration of foreign exchange for direct domestic investment and direct overseas investment.

Should there be any PRC residents proposed to become our shareholders in the future, they shall register with the competent local branch of SAFE or relevant banks with respect to their investments in our company as required by SAFE Circular No. 37 or SAFE Circular No. 13 and shall update their registration filings with SAFE or relevant banks when there are any changes that should be registered under SAFE Circular No. 37 or SAFE Circular No. 13.

**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. The relevant implementing rules which were issued in January 2007 and further revised in May 2016 by SAFE 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.

In addition, the MOF and 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.

According to the Social Security Law of the PRC, which was promulgated by the Standing Committee of the National People's Congress on October 28, 2010 and came into effect on July 1, 2011, and was amended on December 29, 2018, and other relevant PRC laws and regulations such as the Interim Regulations on the Collection and Payment of Social Insurance Premiums effective on January 22, 1999 and amended on March 24, 2019, Regulations on Work Injury Insurance implemented on January 1, 2004 and amended on December 20, 2010, Regulations on Unemployment Insurance promulgated on January 22, 1999 and Trial Measures on Employee Maternity Insurance of Enterprises implemented on January 1, 1995, the employer shall contribute to social insurance plans covering basic pensions insurance, basic medical insurance, maternity insurance, employment injury insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees, while employment injury insurance and maternity insurance contributions shall be paid only by employers, and employers who failed to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; and where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

According to the Regulations on the Administration of Housing Fund, which was promulgated by the State Council and became effective on April 3, 1999, and was amended on March 23, 2002 and March 23, 2019, enterprises in the PRC must register with the competent managing center for housing provident funds and upon the examination by such center, these enterprises shall complete procedures for opening an account at the relevant bank for the deposit of employees' housing provident funds. Enterprises are also required to pay and deposit housing provident funds on behalf of their employees in full and in a timely manner. Employers that violate these regulations and fail to process housing provident fund payments or deposit registrations with the housing provident fund administration center within a designated period are subject to a fine ranging from RMB10,000 to RMB50,000.

Pursuant to the Reform Plan of the State Tax and Local Tax Collection Administration System, which was promulgated by the General Office of the Communist Party of China and the General Office of the State Council of the PRC on July 20, 2018, from January 1, 2019, all the social insurance premiums including the premiums of the basic pension insurance, unemployment insurance, maternity insurance, employment injury insurance and basic medical insurance will be collected by the tax authorities. According to the Notice by the General Office of the State Administration of Taxation on Conducting the Relevant Work Concerning the Collection Administration of Social Insurance Premiums in a Steady, Orderly and Effective Manner promulgated on September 13, 2018 and the Urgent Notice of the General Office of the Ministry of Human Resources and Social Security on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Security Contributions promulgated on September 21, 2018, all the local authorities responsible for the collection of social insurance are strictly forbidden to conduct self-collection of historical unpaid social insurance contributions from enterprises. Notice of the State Administration of Taxation on Implementing Measures on Further Support and Serve the Development of Private Economy promulgated on November 16, 2018 reiterates that tax authorities at all levels may not organize self-collection of arrears of taxpayers including private enterprises in the previous years.

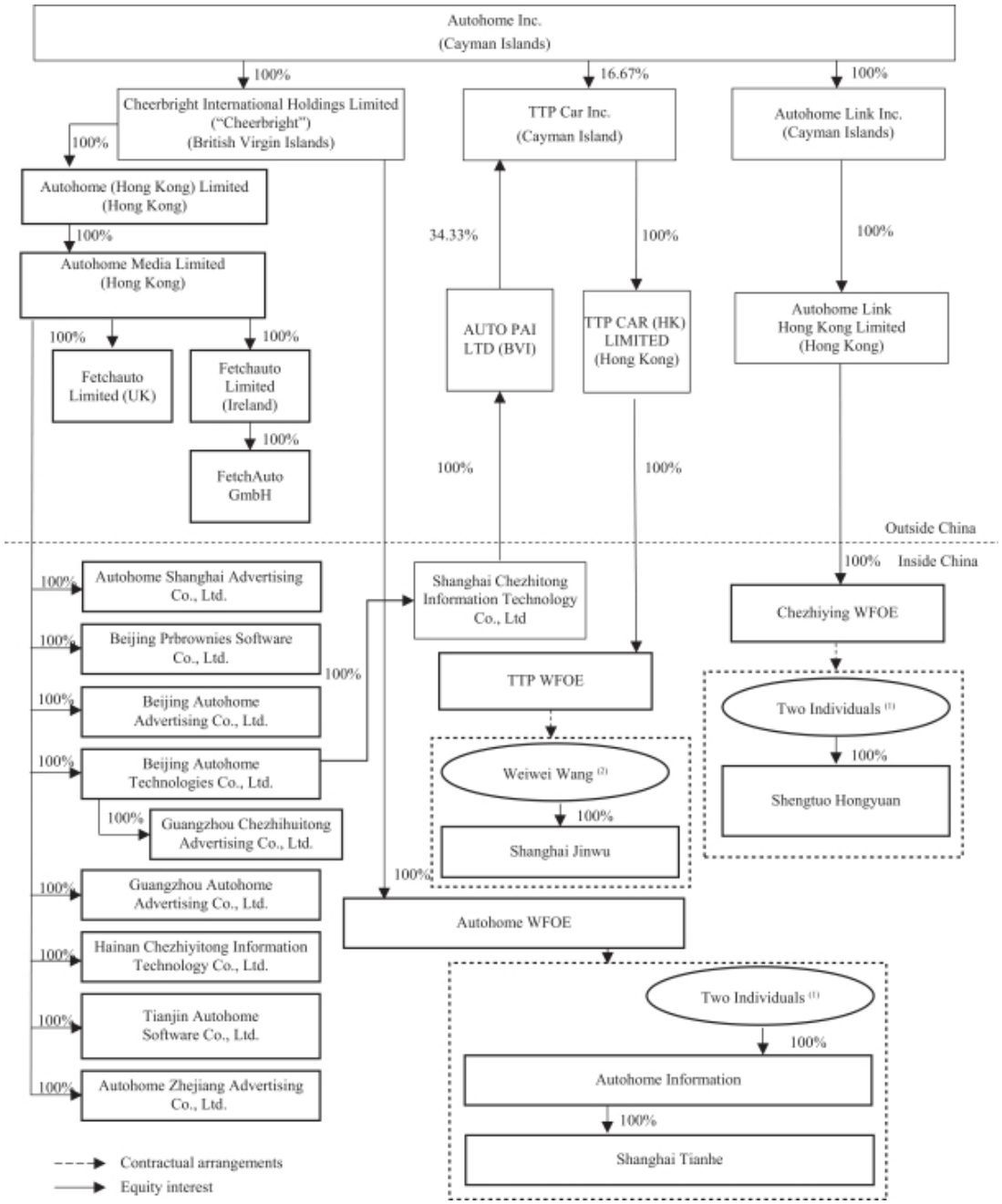
**Regulations on Concentration in Merger and Acquisition Transactions**

In August 2006, six PRC regulatory agencies, including the CSRC, jointly adopted the Provisions Regarding Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rule, which became effective in September 2006 and was further amended in June 2009. The M&A Rules established 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 MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor will take control of a PRC domestic enterprise or a foreign company with substantial PRC operations, if certain thresholds under the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings issued by the State Council on August 3, 2008 and amended on September 18, 2018 are triggered. This M&A Rule also purports to require, among other things, offshore special purpose vehicles, formed for listing purposes through acquisition of PRC domestic companies and controlled by PRC companies or individuals, to obtain the approval from the CSRC prior to publicly listing their securities on an overseas stock exchange.

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:


Autohome Inc.
(Cayman Islands)
100%
16.67%
100%
Cheerbright International Holdings Limited
("Cheerbright")
(British Virgin Islands)
TTP Car Inc.
(Cayman Island)
Autohome Link Inc.
(Cayman Islands)
100%
Autohome (Hong Kong) Limited
(Hong Kong)
34.33%
100%
100%
100%
Autohome Media Limited
(Hong Kong)
AUTO PAI
LTD (BVI)
TTP CAR (HK)
LIMITED
(Hong Kong)
Autohome Link
Hong Kong Limited
(Hong Kong)
100%
100%
Fetchauto
Limited (UK)
Fetchauto
Limited
(Ireland)
100%
100%
100%
FetchAuto
GmbH
Outside China
100%
Inside China
100%
Autohome Shanghai Advertising
Co., Ltd.
Shanghai Chezhitong
Information Technology
Co., Ltd
Chezhiying WFOE
100%
Beijing Prbrownies Software
Co., Ltd.
100%
TTP WFOE
100%
Beijing Autohome
Advertising Co., Ltd.
Two Individuals (1)
100%
Beijing Autohome
Technologies Co., Ltd.
Weiwei Wang (2)
Shengtuo Hongyuan
100%
100%
Guangzhou Chezhihuitong
Advertising Co., Ltd.
Shanghai Jinwu
100%
Guangzhou Autohome
Advertising Co., Ltd.
Autohome WFOE
100%
Hainan Chezhiyitong Information
Technology Co., Ltd.
Two Individuals (1)
100%
Tianjin Autohome
Software Co., Ltd.
Autohome Information
100%
Autohome Zhejiang Advertising
Co., Ltd.
Shanghai Tianhe
Contractual arrangements
Equity interest

Notes:

(1) The two individuals are Quan Long and Haiyun Lei, each a PRC citizen. Each of Quan Long and Haiyun Lei holds 50% of the equity interests in each of Autohome Information and Shengtuo Hongyuan. Quan Long is our director, chairman of the board of directors and chief executive officer. Haiyun Lei is an employee of Ping An Group.

(2) Weiwei Wang, a PRC citizen, holds 100% of the equity interests in Shanghai Jinwu Auto Technology Consultant Co., Ltd.. Weiwei Wang is the founder of TTP Car Inc.

As of March 31, 2022, Yun Chen owned 44.8% of our total issued and outstanding ordinary shares. Yun Chen is a subsidiary of Ping An Group, which beneficially owned 44.8% of the total voting rights in our company.

Autohome WFOE has entered into a series of contractual agreements with Autohome Information and each of its individual nominee shareholders. The currently effective contractual agreements were entered into in February 2021 by and between Autohome WFOE, Autohome Information, Mr. Quan Long, our chairman of the board of directors and chief executive officer, and Ms Haiyun Lei. Autohome WFOE has also entered into a series of contractual agreements with Autohome Information and two of its subsidiaries, respectively, namely Autohome Advertising and Chengshi Advertising. Such contractual arrangements allow Autohome WFOE to (i) exercise effective control over Autohome Information and its subsidiaries, (ii) receive substantially all of the economic benefits of Autohome Information and its subsidiaries, and (iii) have an exclusive option to purchase all or part of the equity interests in Autohome Information and its subsidiaries when and to the extent permitted by the PRC laws.

In addition, Chezhiying WFOE has entered into a series of contractual agreements with Shengtuo Hongyuan and each of its individual nominee shareholders. The currently effective contractual agreements were entered into in February 2021 by and between Chezhiying WFOE, Shengtuo Hongyuan, Mr. Quan Long, our chairman of the board of directors and chief executive officer, and Ms. Haiyun Lei. Chezhiying WFOE has also entered into a series of contractual agreements with Shengtuo Hongyuan and its subsidiary, namely Autohome Used Car Appraisal. Such contractual arrangements allow Chezhiying WFOE to (i) exercise effective control over Shengtuo Hongyuan and its subsidiary, (ii) receive substantially all of the economic benefits of Shengtuo Hongyuan and its subsidiary, and (iii) have an exclusive option to purchase all or part of the equity interests in Shengtuo Hongyuan and its subsidiary when and to the extent permitted by the PRC laws.

In December 2020, we acquired TTP which operates an online bidding platform for used automobiles in China primarily through Shanghai Jinwu, which holds an auction business approval certificate and a value-added telecommunications license for engaging in internet information services. In August 2015, TTP WFOE also entered into a series of contractual agreements with Shanghai Jinwu and Weiwei Wang, being the individual nominee shareholder of Shanghai Jinwu. The contractual arrangements of TTP WFOE with Shanghai Jinwu and its shareholders allow TTP to (i) exercise effective control over Shanghai Jinwu , (ii) receive substantially all of the economic benefits of Shanghai Jinwu, and (iii) have an exclusive option to purchase all or part of the equity interests in Shanghai Jinwu when and to the extent permitted by the PRC laws.

For the information regarding our contractual arrangements, please refer to “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Contractual Arrangements with the Variable Interest Entities.”

### D. Property, Plants and Equipment

Our corporate headquarters is located in Beijing, China, where we lease office space with an area of approximately 27,504 square meters. We generally make rental payments on a monthly or quarterly basis. In addition, as of December 31, 2021, we also leased office space in 63 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. 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, ranking first among automotive service platforms in terms of mobile daily active users as of December 31, 2021, according to *QuestMobile*. Through our three websites, *autohome.com.cn*, *che168.com and ttpai.cn*, accessible through PCs, mobile devices, our mobile applications and mini apps, we deliver comprehensive, independent and interactive content and tools to automobile consumers as well as a full suite of services to automakers and dealers across the auto value chain.

We generate revenues from media services, leads generation services and online marketplace and others.

- *Media services*: Through our media services, we provide automakers with targeted-marketing solutions in connection with brand promotion, new model release and sales promotion. Our large and engaged user base of automobile consumers provides a broad reach for automakers' marketing messages.
- *Leads generation services*: Our leads generation services enable our dealer subscribers to create their own online stores, list pricing and promotional information, provide dealer contact information, place advertisements and manage customer relationships to help them reach a broad set of potential customers and effectively market their automobiles to consumers online and ultimately generate sales leads. Our leads generation services also include used car listing services, which provide a user interface that allows potential used car buyers to identify suitable listings and contact the relevant sellers.
- *Online marketplace and others*: While we continue to strengthen our media and leads generation services, we are also further developing our online marketplace and other businesses. These businesses focus on providing facilitation services for new and used vehicles transactions and other platform-based services for new and used car buyers and sellers. Through our auto financing business, we provide services to our cooperative financial institutions that involve facilitating the sale of their loans and insurance products to consumers and used automobile sellers. Towards the end of 2017, we began offering data products, which leverage our intelligent big data analytics capabilities and massive pool of accumulated user data to provide end-to-end data- driven products and solutions for automakers and dealers across different stages of the value chain. We believe the breadth and depth of these products and solutions on our platform will allow us to build a robust and technology-driven automotive ecosystem that covers all aspects of the automobile ownership life cycle. We also provide comprehensive auto-related services to our users by integrating TTP's offline vehicle examination, ownership transfer services and other ancillary services with our online services.

Our net revenues increased by 2.8% from RMB8,420.8 million in 2019 to RMB8,658.6 million in 2020, while decreasing by 16.4% from RMB8,658.6 million in 2020 to RMB7,237.0 million (US$1,135.6 million) in 2021. Our net income attributable to Autohome Inc. increased by 6.4% from RMB3,200.0 million in 2019 to RMB3,405.2 million in 2020, while decreasing by 34.0% from RMB3,405.2 million in 2020 to RMB2,248.8 million (US$352.9 million) in 2021. The decline in net revenue and net income attributable to Autohome Inc. in 2021 was mainly due to the decrease of advertising budgets from automaker advertiser resulting from the ongoing global chip shortage and the elevated price of raw materials.

**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 automobile sales in China and the sales and marketing budgets of automakers and dealers. Economic growth in China has contributed to an increase in household disposable income and improved the availability of financing for automobile purchases. New automobile sales in China experienced rapid growth for a sustained period of time until the first decline in annual sales starting in 2018, which trend continued through 2019 and 2020. New automobile sales achieved growth in the first quarter of 2021 primarily due to a low base effect of the first quarter of 2020 during which the COVID-19 pandemic negatively impacted the auto sales, while the decline trend remained throughout the rest of the year of 2021 due to shortage in auto chip supply. In addition, our business is subject to the overall advertising expenditures by automakers and automobile dealers, the development of online advertising industry in China and the market acceptance of online advertising and promotion. Our results of operations can also be significantly impacted by our ability to minimize costs and maximize efficiency in our operations.

In addition, our business and results of operations may be affected by our user reach, the level of user experience and engagement. Automakers and dealers, which contribute a substantial portion of our revenues, choose to advertise on our websites and mobile applications in significant part because of our leading market position in the online automotive advertising industry and the rich, diverse and customized content on our websites and mobile applications. Also, effective marketing and promotion activities we conduct are critical for us to maintain and enhance our brand recognition and attract more traffic to our platform. We anticipate that our ability to maintain a large user base while delivering superior user engagement and experience will affect our ability to attract new advertisers and dealer subscribers, which will ultimately impact our ability to generate leads and transactions. 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.

**Impact of COVID-19 on Our Operations**

Our results of operations and financial condition since 2020 were affected by the spread of COVID-19. Going forward, the extent to which COVID-19 impacts our results of operations will depend on the future developments of the outbreak, which are highly uncertain and unpredictable.

Especially during the early stage of the COVID-19 outbreak, the automotive industry in China was negatively impacted, as automobile production and the number of purchasers declined due to precautionary government-imposed closures of certain travel and business, the government's order to delay resumption of service and mass production and the related quarantine measures. The containment efforts led by the government also caused delay in the near-term marketing demand of our automaker and dealer customers. Despite the impact of the COVID-19 outbreak, our net revenues increased by 2.8% from RMB8,420.8 million in 2019 to RMB8,658.6 million in 2020.

The spread of COVID-19 had been substantially controlled in China in late 2020. However, since 2021, there has been a resurgence of COVID-19 cases caused by new variants such as Delta and Omicron in multiple cities in China, as well as across the world. Restrictions have been re-imposed in certain cities to combat such outbreaks and emerging variants of the virus. The long-term trajectory of COVID-19, both in terms of scope and intensity of the pandemic, in China as well as globally, together with its impact on the industry and the broader economy remain difficult to assess or predict and face significant uncertainties that will be difficult to quantify. The extent to which the COVID-19 pandemic impacts us and the Chinese economy as a whole in 2022 and beyond depends on its future developments, which are highly uncertain and unpredictable. If there is not a material recovery in the COVID-19 situation, or it further deteriorates in China or globally, our business, results of operations and financial condition could be materially and adversely affected.

As of December 31, 2021, we had cash and cash equivalents and short-term investments of RMB20,732.8 million (US$3,253.4 million). We believe our liquidity is sufficient for us to successfully navigate an extended period of uncertainty.

**Key Income Statement Line Items and Specific Factors Affecting Our Results of Operations**

While our business and results of operations are generally affected by the factors detailed above, our results of operations are more directly affected by specific financial factors such as the ones described below.

**Net Revenues**

We currently generate our net revenues from media services, leads generation services, online marketplace and others.

Media services mainly include automaker advertising services and regional marketing campaigns conducted by certain automobile brands' regional offices. We sell our advertising services primarily to automakers and dealers through third-party advertising agencies, with automakers contributing a substantial majority of our advertising services revenues. We offer rebates to advertising agencies who represent automakers and automobile dealers that place advertisements on our platform. Our net revenues are presented net of rebates to advertising agencies.

We generate revenues from leads generation services through dealer subscription services, advertising services sold to individual dealer advertisers and used car listing services. We sell our dealer subscription services to automobile dealers mainly on a fixed-fee subscription basis, with fee rates that depend on the length and version of the subscription, and the cities where the automobile dealers are located.

We also generate revenues from online marketplace and others, which consist of data products, new and used vehicle transactions, auto financing and others. For data products, we provide end-to-end data-driven products and solutions for automakers and dealers. For new and used vehicle transactions and auto financing business, we provide services such as transaction facilitation, transaction-oriented marketing solutions, sales leads, loan facilitation and insurance brokerage services. The service fees are recognized when the services are provided, sales leads are delivered or upon the completion of transaction facilitation, or upon the delivery of data reports and over the service period of data-driven products and solutions by automakers and dealers.

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, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2019 | | 2020 | | 2021 | | |
| | RMB | % | RMB | % | RMB | US$ | % |
| | (in thousands, except percentages) | | | | | | |
| **Net revenues:** | | | | | | | |
| Media services | 3,653,767 | 43.4 | 3,455,056 | 39.9 | 2,011,446 | 315,640 | 27.8 |
| Leads generation services | 3,275,544 | 38.9 | 3,198,832 | 36.9 | 2,988,075 | 468,894 | 41.3 |
| Online marketplace and others | 1,491,440 | 17.7 | 2,004,671 | 23.2 | 2,237,483 | 351,110 | 30.9 |
| **Total net revenues** | **8,420,751** | **100.0** | **8,658,559** | **100.0** | **7,237,004** | **1,135,644** | **100.0** |

***Media Services Revenues***

We generate media services revenues primarily from automaker advertising services and regional marketing campaigns conducted by certain automobile brands' regional offices. In 2019, 2020 and 2021, 92, 92 and 91 automakers operating in China, respectively, purchased media services from us directly or through third-party advertising agencies. We primarily use a "cost per day" pricing model to price our online advertising services by charging advertisers on a daily basis for an advertisement placed in a given location on our websites and mobile applications. As we continue to grow our user base and enhance user engagement, we have set up "cost per thousand impressions," "cost per click" and other performance-based pricing models. These initiatives have already begun to generate revenues, but the amount was relatively insignificant compared to the revenues generated from the "cost per day" pricing model.

We will continue to leverage a combination of the following to attract spending by automakers on our websites and mobile applications: (i) our ability to increase advertising volume, either due to (a) 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, or (b) the increased volume contribution from our mobile websites and applications; (ii) our ability to increase our pricing, as measured by price per location per day, as our user reach continues to expand, and we continue to enhance the effectiveness of the services we offer and build automakers' increasing awareness of our platform; and (iii) our ability to constantly provide more diversified and optimized portfolio of product offerings.

***Leads Generation Services Revenues***

We generate leads generation services revenues through (i) dealer subscription services, (ii) advertising services sold to individual dealer advertisers, and (iii) used car listing services. Our dealer subscribers are dealers that have purchased subscription packages which are delivered through our dealership information system. 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 used car listing services primarily consist of listing and display of used vehicles and generation of sales leads to dealers through our platform. We provided leads generation services to 27,100, 24,517 and 23,669 dealers in 2019, 2020 and 2021, respectively. The decrease in 2020 and 2021 was primarily due to the overall decline in China's automobile market. Our leads generation services revenues accounted for 38.9%, 36.9% and 41.3% of our net revenues in 2019, 2020 and 2021, respectively. We will continue to enhance our ability to (i) increase the penetration rate of high-end subscription packages; (ii) provide more diversified and upgraded value-added services to our dealer customers, leveraging our capabilities of connecting dealers with our large user base; and (iii) ultimately increase the average revenue contribution per dealer.

***Online Marketplace and Others Revenues***

We generate revenues from online marketplace and others through our data products, new and used vehicle transaction platform, auto financing services and others. Our data products leverage our intelligent big data analytics capabilities and massive pool of accumulated user data to provide end-to-end data-driven products and solutions for automakers and dealers across different stages of the value chain. For new vehicles, our transaction business currently focuses on platform-based services including facilitating transactions on the Autohome Mall and providing transaction-oriented marketing solutions and other platform-based services. For used vehicles, our transaction platform functions as a transaction system, which connects automobile buyers and used automobile sellers and facilitates their vehicle transactions on our platform through providing a wide range of auto related services, such as online bidding services, auto financing products and valuation tools. For our auto financing business, based on users' preferences and our big data analysis, we recommend a broad range of loans and insurance products offered by our cooperative financial institutions to our users who have auto financing needs and we match them with these financial institutions to facilitate transactions. We have also introduced merchant loans offered by our cooperative financial institutions to automobile sellers. As a result of our acquisition of Shanghai Tianhe in 2017, we currently facilitate the transactions of insurance products between consumers and our cooperative insurance business partner as an insurance brokerage service provider. We also provide comprehensive auto-related services to our users by integrating TTP's offline vehicle examination, ownership transfer services and other ancillary services with our online services. Our revenues from online marketplace and others accounted for 17.7%, 23.2% and 30.9% of our net revenues in 2019, 2020 and 2021, respectively. Going forward, we will explore diversified business models and opportunities to build a robust and comprehensive e-commerce platform and continue to develop our transaction system and data products businesses.

**Cost of Revenues**

Cost of revenues refers primarily to (i) content-related costs, (ii) depreciation and amortization expenses, (iii) bandwidth and internet data center ("IDC") costs and (iv) tax 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/periods indicated:

| | For the Year Ended December 31, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2019 | | 2020 | | 2021 | | |
| | RMB | % | RMB | % | RMB | US$ | % |
| | (in thousands, except percentages) | | | | | | |
| **Cost of revenues:** | | | | | | | |
| Content-related costs[(1)] | 451,212 | 5.2 | 571,516 | 6.6 | 513,735 | 80,616 | 7.1 |
| Depreciation and amortization expenses | 31,169 | 0.4 | 29,889 | 0.4 | 23,406 | 3,673 | 0.3 |
| Bandwidth and IDC costs | 106,146 | 1.3 | 113,858 | 1.3 | 105,343 | 16,531 | 1.5 |
| Tax surcharges | 189,935 | 2.3 | 96,958 | 1.1 | 39,240 | 6,158 | 0.5 |
| Others | 181,830 | 2.2 | 148,949 | 1.7 | 366,168 | 57,459 | 5.1 |
| **Total cost of revenues** | **960,292** | **11.4** | **961,170** | **11.1** | **1,047,892** | **164,437** | **14.5** |

Note:

(1) Including share-based compensation expenses of RMB15.5 million for 2019, RMB21.4 million for 2020 and RMB23.1 million (US$3.6 million) for 2021.

***Content-related Costs***

Content-related costs are costs directly related to creating and editing the originally-generated content, organizing and maintaining user-generated content on our websites and mobile applications, and maintaining our professionally-generated content. Content-related costs mainly include salaries and benefits of related employees, share-based compensation expenses and professionally- generated content displayed on our websites and mobile applications.

***Depreciation and Amortization Expenses***

Depreciation expenses are related to servers and other equipment that are directly related to our revenue-generating business activities and leasehold improvements. A substantial majority of our amortization expenses relate to the amortization of intangibles including trademarks that we acquired in connection with the acquisitions of Cheerbright, China Topside and Norstar in June 2008, shortly after the inception of our company, the insurance brokerage license obtained through our acquisition of Shanghai Tianhe.

***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.

***Tax Surcharges***

Our tax surcharges primarily consist of cultural development fees charged for our advertising services, construction and maintenance tax and education surcharges. Our overall tax surcharges as a percentage of our total net revenues was 2.3% in 2019, 1.1% in 2020 and 0.5% in 2021. The decrease of tax surcharges in 2019 was due to the halved fee rate of cultural development fees charged for our advertising services starting July 2019, which will last till 2024, and the decrease in 2020 and 2021 was due to the exemption from cultural development fees in 2020 and 2021.

***Others***

Others mainly include telecommunication charges, travel and office expenses of our editorial and operation personnel, expenses we incur in the execution of the offline portion of our advertisers' online promotions, and operational cost of TTP.

**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 | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2019 | | 2020 | | 2021 | | |
| | RMB | % | RMB | % | RMB | US$ | % |
| | (in thousands, except percentages) | | | | | | |
| **Operating expenses** | | | | | | | |
| Sales and marketing expenses(1) | 3,093,345 | 36.7 | 3,246,507 | 37.5 | 2,759,905 | 433,089 | 38.1 |
| General and administrative expenses(2) | 317,967 | 3.8 | 381,843 | 4.4 | 543,799 | 85,334 | 7.5 |
| Product development expenses(3) | 1,291,054 | 15.3 | 1,364,227 | 15.8 | 1,398,037 | 219,383 | 19.3 |
| **Total operating expenses** | **4,702,366** | **55.8** | **4,992,577** | **57.7** | **4,701,741** | **737,806** | **64.9** |

Notes:

(1) Including share-based compensation expenses of RMB46.1 million for 2019, RMB40.1 million for 2020 and RMB46.8 million (US$7.3 million) for 2021.

(2) Including share-based compensation expenses of RMB62.9 million for 2019, RMB55.9 million for 2020 and RMB48.8 million (US$7.7 million) for 2021.

(3) Including share-based compensation expenses of RMB79.5 million for 2019, RMB93.9 million for 2020 and RMB87.3 million (US$13.7 million) for 2021.

***Sales and Marketing Expenses***

Our sales and marketing expenses primarily consist of the branding and marketing expenses incurred in connection with promoting our brands and platform through search engines, mobile platforms, navigation sites and traditional media channels, sales promotion activities and salaries and benefits and sales commissions for our sales and marketing personnel. Our sales and marketing expenses also include offline execution and business development expenses associated with the implementation of our business and office- and travel-related expenses associated with our sales and marketing activities.

***General and Administrative Expenses***

Our general and administrative expenses primarily consist of bad debt expenses, personnel-related expenses for management and administrative personnel and professional service fees.

***Product Development Expenses***

Our product development expenses primarily consist of personnel-related expenses associated with the development of new technologies and products, investment in underlying big data, AR and VR related technologies, and enhancement of our websites and mobile applications. We recognize these costs as expenses when incurred, unless they qualify for capitalization as software development costs.

**Other Operating Income, net**

Our other operating income, net primarily consists of VAT refunds, government grants and others. The government grants primarily represent subsidies and tax refunds for operating a business in certain jurisdictions and fulfillment of specified tax payment obligations. These grants are not subject to any specific requirements and are recorded when received. Depending on the local government policies, some of the grants are not recurring in nature. The following table sets forth our other operating income, net in absolute amounts and as percentages of our total net revenues for the years indicated:

| | For the Year Ended December 31 | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2019 | | 2020 | | 2021 | | |
| | RMB | % | RMB | % | RMB | US$ | % |
| | (in thousands, except percentages) | | | | | | |
| VAT refunds | 293,008 | 3.5 | 218,412 | 2.5 | 231,452 | 36,320 | 3.2 |
| Government grants | 147,694 | 1.8 | 210,022 | 2.4 | 51,685 | 8,111 | 0.7 |
| Others | 36,997 | 0.4 | 14,781 | 0.2 | 11,104 | 1,742 | 0.2 |
| **Other Operating Income, net** | **477,699** | **5.7** | **443,215** | **5.1** | **294,241** | **46,173** | **4.1** |

**Taxation**

***Cayman Islands***

Autohome Inc., Autohome Link Inc. and TTP Car Inc. were incorporated in the Cayman Islands. Autohome Inc. conducts substantially all of its business through its PRC subsidiaries and VIEs. Under the current laws of the Cayman Islands, companies incorporated in the Cayman Islands 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 and Auto Pai Ltd. were incorporated in the British Virgin Islands. Under the current laws of the British Virgin Islands, they are 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 (Hong Kong) Limited, Autohome Media Limited, Autohome Link Hong Kong Limited and TTP Car (HK) Limited, were incorporated in Hong Kong. Subsidiaries in Hong Kong are subject to 16.5% income tax on their taxable income generated from operations in Hong Kong. On April 1, 2018, a two-tiered profits tax regime was introduced. The profits tax rate for the first HK$2 million of profits of corporations is lowered to 8.25%, while profits above that amount continue to be subject to the tax rate of 16.5%. For 2019, 2020 and 2021, save for the tax payment made by Autohome Financing Hong Kong Limited in relation to our disposal of the Financing JV as its 25% shareholder, we did not make any other provisions for Hong Kong profit tax as there were no assessable profits derived from or earned in Hong Kong during these periods except for the above-mentioned investment disposal gain. Under the Hong Kong tax law, our subsidiaries in Hong Kong are exempted from income tax on their foreign-derived income and there are no withholding taxes in Hong Kong on remittance of dividends.

***PRC***

On December 29, 2018, the Standing Committee of the National People's Congress amended the PRC Enterprise Income Tax Law, which was issued on March 16, 2007. The Implementing Regulations of the Law of the PRC on Enterprise Income Tax was issued on December 6, 2007 and became effective on January 1, 2008 and was revised on April 23, 2019. Under the PRC Enterprise Income Tax Law and its implementation rules, a standard 25% enterprise income tax rate is generally applicable to both foreign-invested enterprises and domestic enterprises, unless they qualify for certain exceptions.

Autohome WFOE, Chezhiying WFOE, Beijing Autohome Technologies Co., Ltd., or Beijing Autohome Technologies, Beijing Prbrownies, Hainan Chezhiyitong Information Technology Co., Ltd., or Hainan Chezhiyitong, and Tianjin Autohome Software Co., Ltd. (formerly known as Tianjin Autohome Data Information Technology Co., Ltd.), or Tianjin Autohome, are recognized as HNTEs and are eligible for a 15% preferential tax rate effective until 2021, 2023, 2023, 2023, 2022 and 2022, respectively, upon the completion of their filings with the relevant tax authorities. The qualification as an HNTE is subject to annual evaluation and a three-year review by the relevant authorities in China.

Chezhiying WFOE, Hainan Chezhiyitong and Tianjin Autohome are recognized as software enterprise and could be exempt from income tax for the tax year of 2019 and 2020, followed by a 50% reduction in the statutory income tax rate of 25% for the years of 2021, 2022 and 2023 provided that it maintains its status as a software enterprise during each relevant tax year.

Pursuant to the Circular on Income Tax Policies for Further Encouraging the Development of Software Industry and Integrated Circuit Industry jointly issued by the SAT and the MOF, on April 20, 2012, and the Circular on Issues concerning Preferential Enterprise Income Tax Policies for Software and Integrated Circuit Industries jointly issued by the MOF, the SAT, the NDRC and the MIIT on May 4, 2016, eligible software enterprises which pass annual review and filing with the relevant tax authorities can enjoy exemption of enterprise income tax for the first and second year as calculated from the profit making year or no later than December 31, 2017 if no profit is made prior to that date, and thereafter enjoy half of the statutory rate of 25% for the third through fifth year thereafter until the expiration of the preferential period. Beijing Prbrownies started to make profit since 2015, and it passed the review and filing as an eligible software enterprise by the relevant tax authorities in 2016 and 2017, which qualified it for the exemption of enterprise income tax for the tax years of 2015 and 2016. As each of Beijing Prbrownies, Autohome WFOE and Beijing Autohome Technologies, has further registered as a KSE in 2017, 2018 and 2019, it enjoyed a reduced enterprise income tax of 10% for tax year of 2017, 2018 and 2019. In addition, Beijing Prbrownies was also eligible to register as a KSE in 2020, and it continued to enjoy a more preferential enterprise tax rate of 10% for the tax year of 2020. Going forward, if Beijing Prbrownies fails to complete the filing and registration with the relevant tax authorities, it will no longer enjoy the preferential tax rate, and the applicable enterprise income tax rate may increase to up to 15% as an HNTE if it still maintains the HNTE qualification, or up to 25% if it loses the HNTE qualification.

If either of Chezhiying WFOE, Hainan Chezhiyitong or Tianjin Autohome fails to maintain its software enterprise qualification, it will automatically forfeit the respective preferential tax treatment described above.

Except for the above-mentioned entities, our remaining PRC subsidiaries and all the VIEs were subject to enterprise income tax at a rate of 25% for 2019, 2020 and 2021.

If our holding company in the Cayman Islands, Autohome Inc., were deemed to be a "PRC resident enterprise" under the Enterprise Income Tax Law, it would be subject to enterprise income tax on its global income at a rate of 25%. If a subsidiary of us established in Hong Kong were deemed to be a "PRC resident enterprise" and Autohome Inc. were not deemed to be a "PRC resident enterprise" under the Enterprise Income Tax Law, then dividends payable by such subsidiary to Autohome Inc. may become subject to 10% PRC dividend withholding tax. Under such circumstances, it is not clear whether dividends payable by our PRC subsidiaries to their respective shareholders in Hong Kong would still be subject to PRC dividend withholding tax at a rate of 5%. If such subsidiary in Hong Kong were deemed to be a "PRC resident enterprise" under the Enterprise Income Tax Law, it would be subject to enterprise income tax at a rate of 25%. 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."

**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, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2019 | | 2020 | | 2021 | | |
| | RMB | % | RMB | % | RMB | US$ | % |
| | (in thousands, except percentages) | | | | | | |
| **Net revenues** | | | | | | | |
| Media services | 3,653,767 | 43.4 | 3,455,056 | 39.9 | 2,011,446 | 315,640 | 27.8 |
| Leads generation services | 3,275,544 | 38.9 | 3,198,832 | 36.9 | 2,988,075 | 468,894 | 41.3 |
| Online marketplace and others | 1,491,440 | 17.7 | 2,004,671 | 23.2 | 2,237,483 | 351,110 | 30.9 |
| **Total net revenues** | **8,420,751** | **100.0** | **8,658,559** | **100.0** | **7,237,004** | **1,135,644** | **100.0** |
| Cost of revenues(1) | (960,292) | (11.4) | (961,170) | (11.1) | (1,047,892) | (164,437) | (14.5) |
| **Gross Profit** | **7,460,459** | **88.6** | **7,697,389** | **88.9** | **6,189,112** | **971,207** | **85.5** |
| **Operating expenses** | | | | | | | |
| Sales and marketing expenses(1) | (3,093,345) | (36.7) | (3,246,507) | (37.5) | (2,759,905) | (433,089) | (38.1) |
| General and administrative expenses(1) | (317,967) | (3.8) | (381,843) | (4.4) | (543,799) | (85,334) | (7.5) |
| Product development expenses(1) | (1,291,054) | (15.3) | (1,364,227) | (15.8) | (1,398,037) | (219,383) | (19.3) |
| **Total operating expenses** | **(4,702,366)** | **(55.8)** | **(4,992,577)** | **(57.7)** | **(4,701,741)** | **(737,806)** | **(65.0)** |
| Other operating income, net | 477,699 | 5.7 | 443,215 | 5.1 | 294,241 | 46,173 | 4.1 |
| **Operating profit** | **3,235,792** | **38.5** | **3,148,027** | **36.4** | **1,781,612** | **279,574** | **24.6** |
| Interest and investment income, net | 469,529 | 5.5 | 521,731 | 6.0 | 395,245 | 62,022 | 5.5 |
| Earnings/(loss) from equity method investments | 685 | 0.0 | (1,246) | 0.0 | 301 | 47 | 0.0 |
| **Income before income taxes** | **3,701,006** | **44.0** | **3,668,512** | **42.4** | **2,177,158** | **341,643** | **30.1** |
| Income tax expense | (500,361) | (5.9) | (260,945) | (3.0) | (34,006) | (5,336) | (0.5) |
| **Net income** | **3,200,645** | **38.1** | **3,407,567** | **39.4** | **2,143,152** | **336,307** | **29.6** |
| Net loss/(income) attributable to noncontrolling interests | (679) | 0.0 | (2,338) | 0.0 | 105,633 | 16,576 | (1.5) |
| **Net income attributable to Autohome Inc.** | **3,199,966** | **38.1** | **3,405,229** | **39.3** | **2,248,785** | **352,883** | **31.1** |
| Accretion of mezzanine equity. | — | 0.0 | — | 0.0 | (411,792) | (64,619) | (5.7) |
| Accretion attributable to noncontrolling interests. | — | 0.0 | — | 0.0 | 311,573 | 48,893 | 4.3 |
| **Net income attributable to ordinary shareholders.** | **3,199,966** | **38.1** | **3,405,229** | **39.3** | **2,148,566** | **337,157** | **29.7** |

Note:

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

| | For the Year Ended December 31 | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2019 | | 2020 | | 2021 | | |
| | RMB | % | RMB | % | RMB | US$ | % |
| | (in thousands, except percentages) | | | | | | |
| **Allocation of Share-Based Compensation Expenses** | | | | | | | |
| Cost of revenues | 15,508 | 0.2 | 21,372 | 0.2 | 23,142 | 3,631 | 0.3 |
| Sales and marketing expenses | 46,081 | 0.5 | 40,103 | 0.5 | 46,823 | 7,348 | 0.6 |
| General and administrative expenses | 62,884 | 0.7 | 55,868 | 0.6 | 48,803 | 7,658 | 0.7 |
| Product development expenses | 79,535 | 0.9 | 93,863 | 1.1 | 87,292 | 13,698 | 1.2 |
| **Total share-based compensation expenses** | **204,008** | **2.4** | **211,206** | **2.4** | **206,060** | **32,335** | **2.8** |

***Year Ended December 31, 2021 Compared to Year Ended December 31, 2020***

***Net Revenues***

Our net revenues decreased by 16.4% from RMB8,658.6 million in 2020 to RMB7,237.0 million (US$1,135.6 million) in 2021.

*Media services*. Our media services revenues decreased by 41.8% from RMB3,455.1 million in 2020 to RMB2,011.4 million (US$315.6 million) in 2021. The decline was primarily due to the decrease in average revenue per automaker advertiser, who adjusted their advertising budgets due to the ongoing global chip shortage and the elevated pricing of raw materials. The decrease in revenues from our media services was primarily attributable to a 41.1% decrease in average revenue per automaker advertiser from RMB37.6 million in 2020 to RMB22.1 million (US$3.5 million) in 2021.

*Leads generation services*. Leads generation services revenues decreased by 6.6% from RMB3,198.8 million in 2020 to RMB2,988.1 million (US$468.9 million) in 2021. The decline in leads generation services revenues was mainly driven by decreases in dealers' marketing spending.

*Online marketplace and others*. Revenues from online marketplace and others increased by 11.6% from RMB2,004.7 million in 2020 to RMB2,237.5 million (US$351.1 million) in 2021. This increase was primarily attributable to the increased contribution from data products and the consolidation of TTP.

***Cost of Revenues***

Our cost of revenues increased by 9.0% from RMB961.2 million in 2020 to RMB1,047.9 million (US$164.4 million) in 2021. In addition, our cost of revenues included share-based compensation expenses, which were RMB23.1 million (US$3.6 million) in 2021, compared to RMB21.4 million in 2020.

*Content-related Costs*. Our content-related costs decreased by 10.2% from RMB571.5 million in 2020 to RMB513.7 million (US$80.8 million) in 2021, primarily due to a decreased expenditure related to content generation, acquisition and execution and expenses directly related to the execution of service contracts.

*Depreciation and Amortization Expenses.* Our depreciation and amortization expenses decreased by 21.7% from RMB29.9 million in 2020 to RMB23.4 million (US$3.7 million) in 2021.

*Bandwidth and IDC Costs*. Our bandwidth and IDC costs decreased by 7.5% from RMB113.9 million in 2020 to RMB105.3 million (US$16.5 million) in 2021.

*Tax Surcharges*. Tax surcharges decreased by 59.5% from RMB97.0 million in 2020 to RMB39.2 million (US$6.2 million) in 2021, as a result of the revenue decline.

*Others.* Other costs increased by 145.8% from RMB148.9 million in 2020 to RMB366.2 million (US$57.5 million) in 2021, primarily due to the consolidation of TTP.

***Operating Expenses***

Our operating expenses decreased by 5.8% from RMB4,992.6 million in 2020 to RMB4,701.7 million (US$737.8 million) in 2021.

*Sales and Marketing Expenses*. Our sales and marketing expenses decreased by 15.0% from RMB3,246.5 million in 2020 to RMB2,759.9 million (US$433.1 million) in 2021 primarily due to the decrease in promotional spending and continual budget control. As a percentage of net revenues, sales and marketing expenses were 38.1% in 2021, compared to 37.5% in 2020. Our sales and marketing expenses included share-based compensation expenses of RMB46.8 million (US$7.3 million) in 2021, compared to RMB40.1 million in 2020.

*General and Administrative Expenses.* Our general and administrative expenses increased by 42.4% from RMB381.8 million in 2020 to RMB543.8 million (US$85.3 million) in 2021. This increase was primarily due to the consolidation of TTP. As a percentage of net revenues, general and administrative expenses increased from 4.4% in 2020 to 7.5% in 2021. Our general and administrative expenses included share-based compensation expenses of RMB48.8 million (US$7.7 million) in 2021, compared to RMB55.9 million in 2020.

*Product Development Expenses*. Our product development expenses increased by 2.5% from RMB1,364.2 million in 2020 to RMB1,398.0 million (US$219.4 million) in 2021 primarily due to the consolidation of TTP. As a percentage of net revenues, product development expenses were 19.3% in 2021, compared to 15.8% in 2020. Our product development expenses included share-based compensation expenses of RMB87.3 million (US$13.7 million) in 2021, compared to RMB93.9 million in 2020.

***Other operating income, net***

Our other operating income, net, primarily consists of VAT refund, government grants and others. Other operating income, net, was RMB294.2 million (US$46.2 million) in 2021, compared to RMB443.2 million in 2020. The decrease in other net operating income was primary due to the reduction of certain government subsidies.

***Income before Income Taxes***

Our income before income taxes was RMB2,177.2 million (US$341.6 million) in 2021, compared to RMB3,668.5 million in 2020.

***Income Tax Expense***

We incurred income tax expense of RMB34.0 million (US$5.3 million) in 2021, representing a 87.0% decrease compared to RMB260.9 million in 2020, primarily due to the lower taxable income in 2021.

***Net Income Attributable to Autohome Inc.***

As a result of the foregoing, we had net income attributable to Autohome Inc. of RMB2,248.8 million (US$ 352.9 million) in 2021, decreasing by 34.0% compared to net income attributable to Autohome Inc. of RMB3,405.2 million in 2020.

***Net Income attributable to Ordinary Shareholders***

The net income attributable to ordinary shareholders was RMB2,148.6 million ($337.2 million) in 2021, decreasing by 36.9% compared to net income attributable to ordinary shareholders of RMB3,405.2 million in 2020.

***Year Ended December 31, 2020 Compared to Year Ended December 31, 2019***

***Net Revenues***

Our net revenues increased by 2.8% from RMB8,420.8 million in 2019 to RMB8,658.6 million in 2020. This increase was primarily due to a 34.4% increase in revenues from online marketplace and others. The COVID-19 outbreak and the government-imposed restrictions in response to it (mainly during the first quarter of 2020) had a negative impact on the growth rate of our net revenues in 2020.

Media services. Our media services revenues decreased by 5.4% from RMB3,653.8 million in 2019 to RMB3,455.1 million in 2020. This decrease was due to decreased revenue from automaker advertising services and regional marketing campaigns conducted by certain automobile brands' regional offices.

The decrease in revenues from our media services was primarily attributable to 5.4% decrease in average revenue per automaker advertiser from RMB39.7 million in 2019 to RMB37.6 million in 2020 as many automakers experienced disruption in operation and downward adjustment of advertising budgets as a result of the COVID-19 outbreak.

Leads generation services. Leads generation services revenues decreased by 2.3% from RMB3,275.5 million in 2019 to RMB3,198.8 million in 2020. The decrease in leads generation services revenues was mainly driven by a decrease in the number of dealer customers from 27,100 in 2019 to 24,517 in 2020, which was primarily a result of the overall decline in China's automobile sales market.

Online marketplace and others. Revenues from online marketplace and others increased by 34.4% from RMB1,491.4 million in 2019 to RMB2,004.7 million in 2020. This increase was primarily attributable to the increased contribution from data products. Revenues from online marketplace and others in 2020 consisted of revenues related to data products, new and used vehicle transaction business, auto financing business, and others.

***Cost of Revenues***

Our cost of revenues increased by 0.1% from RMB960.3 million in 2019 to RMB961.2 million in 2020. In addition, our cost of revenues included share-based compensation expenses, which were RMB21.4 million in 2020, compared to RMB15.5 million in 2019.

*Content-related Costs*. Our content-related costs increased by 26.7% from RMB451.2 million in 2019 to RMB571.5 million in 2020, primarily due to an increased expenditure related to content generation, acquisition and execution and expenses directly related to the execution of service contracts.

*Depreciation and Amortization Expenses.* Our depreciation and amortization expenses decreased slightly by 4.1% from RMB31.2 million in 2019 to RMB29.9 million in 2020.

*Bandwidth and IDC Costs*. Our bandwidth and IDC costs increased by 7.3% from RMB106.1 million in 2019 to RMB113.9 million in 2020, which was due to increased bandwidth and IDC necessary to respond to the growth of our user traffic, improve user experience and enhance our big data analytical capabilities.

*Tax Surcharges*. Tax surcharges decreased by 49.0% from RMB189.9 million in 2019 to RMB97.0 million in 2020, as a result of the favorable tax policies implemented by the government in response to the COVID-19 outbreak.

*Others.* Other costs decreased by 18.1% from RMB181.8 million in 2019 to RMB148.9 million in 2020, which was primarily due to the reduced office expenses of our editorial and operation personnel, and less expenses incurred in the execution of the offline portion of our advertisers' online promotions.

***Operating Expenses***

Our operating expenses increased by 6.2% from RMB4,702.4 million in 2019 to RMB4,992.6 million in 2020.

*Sales and Marketing Expenses*. Our sales and marketing expenses increased by 5.0% from RMB3,093.3 million in 2019 to RMB3,246.5 million in 2020. As a percentage of net revenues, sales and marketing expenses were 37.5% in 2020, compared to 36.7% in 2019. Our sales and marketing expenses included share-based compensation expenses of RMB40.1 million in 2020, compared to RMB46.1 million in 2019.

*General and Administrative Expenses.* Our general and administrative expenses increased by 20.1% from RMB318.0 million in 2019 to RMB381.8 million in 2020. This increase was primarily due to the increase in professional service fees and bad debt provisions. As a percentage of net revenues, general and administrative expenses increased from 3.8% in 2019 to 4.4% in 2020. Our general and administrative expenses included share-based compensation expenses of RMB55.9 million in 2020, compared to RMB62.9 million in 2019.

*Product Development Expenses*. Our product development expenses increased by 5.7% from RMB1,291.1 million in 2019 to RMB1,364.2 million in 2020. As a percentage of net revenues, product development expenses were 15.8% in 2020, compared to 15.3% in 2019. Our product development expenses included share-based compensation expenses of RMB93.9 million in 2020, compared to RMB79.5 million in 2019.

***Other operating income, net***

Our other operating income, net, primarily consists of VAT refund, government grants and others. Other operating income, net, was RMB443.2 million in 2020, compared to RMB477.7 million in 2019.

***Income before Income Taxes***

Our income before income taxes was RMB3,668.5 million in 2020, compared to RMB3,701.0 million in 2019.

***Income Tax Expense***

We incurred income tax expense of RMB260.9 million in 2020, representing a 47.8% decrease compared to RMB500.4 million in 2019, primarily due to the realization of previously uncertain preferential tax rates for certain subsidiaries that were determined to be eligible for preferential tax rate in 2020.

***Net Income Attributable to Autohome Inc./Net Income attributable to Ordinary Shareholders***

As a result of the foregoing, we had net income attributable to Autohome Inc./net income attributable to ordinary shareholders of RMB3,405.2 million in 2020, increased by 6.4% compared to net income attributable to Autohome Inc./net income attributable to ordinary shareholders of RMB3,200.0 million in 2019.

**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 2.9%, 2.5% and 0.9% in 2019, 2020 and 2021, and the year-over-year percent changes in the consumer price index for December 2019, 2020 and 2021 were increases of 4.5%, 0.2% and 1.5%, 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**

See Item 17 of Part III, “Financial Statements—Note 2—Summary of significant accounting policies—Recent accounting pronouncements.”

## B. Liquidity and Capital Resources

### Cash Flows and Working Capital

As of December 31, 2021, we had cash and cash equivalents, restricted cash and short-term investments altogether amounting to RMB20.8 billion (US$3,268.3 million).

We believe that our current cash and anticipated cash flow from operations 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. We may also need additional cash resources if we find and wish to pursue opportunities for investments, acquisitions, strategic cooperation or other similar actions. 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.

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

| | For the Year Ended December 31, | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | US$ |
| | (in thousands) | | | |
| Net cash generated from operating activities | 2,889,369 | 3,325,631 | 3,523,934 | 552,981 |
| Net cash used in investing activities | (1,168,267) | (2,985,458) | (3,813,013) | (598,345) |
| Net cash (used in)/generated from financing activities | 68,676 | (546,967) | 2,898,296 | 454,806 |
| Effect of exchange rate changes on cash and cash equivalents and restricted cash | (13,250) | (17,556) | (46,809) | (7,345) |
| Net (decrease)/increase in cash and cash equivalents and restricted cash | 1,776,528 | (224,350) | 2,562,408 | 402,097 |
| Cash and cash equivalents and restricted cash at beginning of year | 216,970 | 1,993,498 | 1,769,148 | 277,618 |
| Cash and cash equivalents and restricted cash at end of year | 1,993,498 | 1,769,148 | 4,331,556 | 679,715 |

### Operating Activities

Net cash generated from operating activities was RMB3,523.9 million (US$553.0 million) for 2021. The difference between the net income of RMB2,143.2 million (US$336.3 million) and the net cash generated from the operating activities of RMB3,523.9 million (US$553.0 million) was primarily due to additional cash of RMB735.4 million (US$115.4 million) generated from working capital, and adding back certain non-cash expense items including share-based compensation of RMB206.1 million (US$32.3 million), and depreciation of RMB225.3 million (US$35.4 million). The change in working capital was in turn the result of (i) a RMB931.4 million (US$146.2 million) decrease in accounts receivable; (ii) a RMB432.2 million (US$67.8 million) decrease in accrued expenses and other payables; (iii) a RMB237.3 million (US$37.2 million) increase in deferred revenue; and (iv) a RMB148.2 million (US$23.3 million) increase in income tax payable.

The decrease in accounts receivable was in line with the decrease in revenue. The decrease in accrued expenses and other payables was primarily attributable to the decreased promotion expenses. The increase in deferred revenue was primarily attributable to the increased advanced payment related to dealer subscription services as of December 31, 2021. The increase in income tax payable was primarily attributable to the withholding tax.

Net cash generated from operating activities was RMB3,325.6 million for 2020. The difference between the net income of RMB3,407.6 million and the net cash generated from the operating activities of RMB3,325.6 million was primarily due to additional cash of RMB593.6 million used for working capital, partially offset by adding back certain non-cash expense items including share-based compensation of RMB211.2 million and depreciation of RMB158.2 million. The change in working capital was in turn the result of (i) a RMB217.7 million increase in prepaid expenses and other current assets; (ii) a RMB252.9 million increase in other non-current assets, and (iii) a RMB158.3 million decrease in accrued expenses and other payables.

The increase in prepaid expenses and other current assets was primarily attributable to the increased prepaid technical service expenses and receivables from third-party payment platform. The increase in other non-current assets was primarily due to the recognition of operating lease right-of-use assets. The decrease in accrued expenses and other payables was primarily attributable to the decreased promotion expenses.

Net cash generated from operating activities was RMB2,889.4 million for 2019. The difference between the net income of RMB3,200.6 million and the net cash generated from the operating activities of RMB2,889.4 million was primarily due to additional cash of RMB892.6 million used for working capital, partially offset by adding back certain non-cash expense items including share-based compensation of RMB204.0 million, deferred income taxes of RMB145.0 million, non-cash lease expense of RMB122.4 million and depreciation of RMB106.9 million. The change in working capital was in turn the result of (i) a RMB479.5 million increase in accounts receivable, (ii) a RMB186.6 million increase in other non-current assets, and (iii) a RMB139.8 million decrease in deferred revenue.

The increase in accounts receivable was primarily due to the increase of our media services and online marketplace and others services. The increase in other non-current assets was primarily due to the recognition of operating lease right-of-use assets. Dealers in general prepay for our subscription services for the next year before the end of each year. We therefore normally record a large amount of deferred revenue as of December 31 and such deferred revenue will decrease and be recognized as our revenue as the subscription period passes. The decrease in deferred revenue was mainly attributable to the late start of dealer subscription renewal process for the year of 2020 caused by a delay in our internal process of adopting our 2020 pricing policy. Despite the delay, the majority of our dealer customers eventually renewed their subscription for the year of 2020.

As of December 31, 2021, 94.3% (or RMB3,077.8 million) of our total accounts receivable at the end of 2019 and 92.0% (or RMB2,991.7 million) of our total accounts receivable at the end of 2020 were subsequently settled. Our accounts receivable turnover days, which are the average accounts receivable balances as of the beginning and the end of the period divided by total net revenues during the period and multiplied by the number of days during the period, were 130.6 days in 2019, 134.0 days in 2020 and 132.7 days in 2021.

**Investing Activities**

Net cash used in investing activities was RMB3,813.0 million (US$598.3 million) in 2021, which was primarily attributable to purchase of term deposits and adjustable-rate financial products, increased capital expenditures primarily related to the purchase of servers and software, and payment related to the acquisition of TTP.

Net cash used in investing activities was RMB2,985.5 million in 2020, which was primarily attributable to acquisition of TTP Car Inc., purchase of term deposits and adjustable-rate financial products and increased capital expenditures primarily related to the purchase of servers and software.

Net cash used in investing activities was RMB1,168.3 million in 2019, which was primarily attributable to purchase of term deposits and adjustable-rate financial products and increased capital expenditures primarily related to the purchase of servers and software.

**Financing Activities**

Net cash generated from financing activities in 2021 was RMB2,898.3 million (US$454.8 million), which was primarily attributable to the net proceeds from issuance of our ordinary shares in connection with the listing on the Hong Kong Stock Exchange in March 2021, partially offset by payment of dividends, and payment for repurchase of ordinary shares.

Net cash used in financing activities in 2020 was RMB547.0 million, which was attributable to payment of dividends, partially offset by proceeds from exercise of share-based awards.

Net cash generated from financing activities in 2019 was RMB68.7 million, which was attributable to proceeds from exercise of share-based awards.

**Material Cash Requirement**

Our material cash requirement as of December 31, 2021 and any subsequent interim period include our capital expenditures and operating lease obligations.

Our capital expenditures were primarily used for the purchase of servers and software for our business. Cash outflow in connection with capital expenditures amounted to RMB204.1 million, RMB263.9 million and RMB218.8 million (US$34.3 million) in 2019, 2020 and 2021, respectively.

Our operating lease obligations mainly relate to the lease of office space and internet data centers. Lease cost for the years ended December 31, 2019, 2020 and 2021 were RMB192.6 million, RMB213.5 million and RMB231.5 million (US$36.3 million), respectively, with the figures in 2019, 2020 and 2021 including those related to lease of data centers.

The following summarizes our contractual obligations as of December 31, 2021:

| | Payments Due by Period | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1 to 3 Years | 3 to 5 Years | More than 5 Years | Total |
| | (in thousands of RMB) | | | | |
| Operating lease obligations (1) | 97,954 | 32,763 | 491 | — | 131,208 |

Note:
(1) Operating lease obligations related to the lease of office space and internet data centers.

We intend to fund our existing and future material cash requirements with our existing cash balance. We will continue to make cash commitments, including capital expenditures, to support the growth of our business.

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. 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.

Other than as discussed above, we did not have any significant capital and other commitments, long-term obligations or guarantees as of December 31, 2021.

**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. The VIEs in China 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, 2019, 2020 and 2021, our PRC subsidiaries and the VIEs had appropriated RMB84.5 million, RMB87.8 million and RMB91.3 million (US$14.3 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, 2019, 2020 and 2021, the amounts of the net restricted assets of our PRC subsidiaries and the VIEs were RMB3,090.6 million, RMB4,582.9 million, and RMB4,925.0 million (US$772.8 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 a robust and scalable technology platform driven by AI, big data and cloud technologies with sufficient flexibility to support our rapid growth.

We had an experienced product development team of 1,536 engineers as of December 31, 2021. 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 mobile applications and media-related technology and enhance our big data analytics capabilities and AR- and VR-related technologies. See “Item 4. Information on the Company—B. Business Overview—Technology and Product Development” for more details.

### Intellectual Property

See “Item 4. Information on the Company—B. Business Overview—Intellectual Property.”

## 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 2021 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.

## E. Critical Accounting Estimates

### Critical Accounting Estimates

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.

We consider an accounting estimate to be critical if: (i) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (ii) changes in the estimate that are reasonably likely to occur from period to period or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations. Such critical estimates are discussed below. For further information on our other significant accounting estimates, see Note 2 to our consolidated financial statements included elsewhere in this annual report.

***Allowance for Credit Losses***

The allowance for credit losses represents our management's estimate of the expected lifetime credit losses inherent in accounts receivables as of December 31, 2021. The adequacy of allowance for credit losses is assessed quarterly, and the assumptions and models used in establishing the allowance are evaluated regularly.

We estimated the allowance by segmenting accounts receivable into groups based on certain credit risk characteristics. We determined an expected loss rate for each group based on historical loss experience, lifetime for debt recovery, and current and future economic conditions.

We also provide specific provisions for allowance when facts and circumstances indicate that the receivable is unlikely to be collected. Expected credit losses are recorded as general and administrative expenses on the consolidated statements of comprehensive income. Changes in these estimates and assumptions could materially affect the credit losses.

***Mezzanine Equity***

The mezzanine equity represents the convertible redeemable noncontrolling interests in TTP as of December 31, 2021. According to different share purchase agreements between TTP and its preferred shareholders, the accounting measurement of TTP's different rounds of preferred share issuance varies. Depending on the accounting measurement adopted, the value of mezzanine equity we recorded can be determined as (i) a percentage of the issue price, (ii) the fair value of the underlying convertible redeemable noncontrolling interests or a percentage of the issue price, whichever is higher, and (iii) the fair value of the underlying convertible redeemable noncontrolling interests or the compound annual interests accrued on such convertible redeemable noncontrolling interests, whichever is higher . See Note 20 to our consolidated financial statements for information regarding mezzanine equity.

The valuation of the fair value of these convertible redeemable noncontrolling interests is based on valuation techniques under the income approach. Major assumptions used in determining the fair value of these convertible redeemable noncontrolling interests include revenue growth rate and discount rate. The projection of revenue growth rate is consistent with our management's current assumptions about our business outlook in a short term and our management's best estimates of our long-term growth and the return on equity in a longer term.

In addition, we used the option pricing model in determining the fair value. The major unobservable input used in the option pricing model included the equity value of underlying business, which was determined by our management using valuation techniques under the income approach and the market approach. The significant assumptions used in income approach included revenue growth rate and discount rate, and those used in market approach included revenue growth rate and the selection of earnings multiples.

**Critical Accounting Policies**

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 2019, 2020 and 2021. 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. They should be read in conjunction with our consolidated financial statements, the risks and uncertainties as described under "Item 3. Key Information—D. Risk Factors" and other disclosures included in this annual report.

***Revenue Recognition and Accounts Receivable***

The Group accounts for revenue in accordance with the ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASC 606"). ASC 606 permits entities to apply one of two methods: retrospective or modified retrospective, since first adoption on January 1, 2018. ASC 606 was adopted on January 1, 2018 using the modified retrospective method. Results for the three years ended December 31, 2019, 2020 and 2021 are presented under ASC 606. The adoption changed the presentation of value-added-tax on gross basis to net basis and there was no adjustment to the beginning retained earnings on January 1, 2018. Our revenues are derived from media services, leads generation services and online marketplace and others. Under ASC 606, revenues are recognized when control of the promised goods or services is transferred to the customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. The recognition of revenue involves certain management judgments including identification of performance obligations, stand-alone selling price for each performance obligation and estimation of variable consideration represented by sales rebates. We provide rebates to agency companies based on their cumulative annual advertising and service volume, and the timeliness of their payments, which are accounted for as variable consideration. We estimate our obligations under such agreements by applying the most likely amount method, based on an evaluation of the likelihood of the agency companies' achievement of the advertising and service volume targets and the timeliness of their payments, after taking into account the agency companies' purchase trends and history. A refund liability, included in accrued expenses and other payables, is recognized for expected sales rebates payable to agency companies in relation to advertising services provided. We recognize revenue for the amount of fees we receive from the customers, after deducting these sales rebates, and net of VAT collected from customers. We believe that there will not be significant changes to our estimates of variable consideration and update the estimate at each reporting period as actual utilization becomes available.

We determine revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

*Media services*

Media services revenues mainly include revenues from automaker advertising services and regional marketing campaigns conducted by certain automobile brands' regional offices. The majority of our online advertising service contracts involve multiple deliverables or performance obligations presented on PC and mobile platforms and in different formats, such as banner advertisements, links and logos, other media insertions and promotional activities that are delivered over different periods of time.

Revenue is allocated among these different deliverables based on their relative stand-alone selling prices. We generally determine the stand-alone selling price as the observable price of a product or service charged to customers when sold on a stand-alone basis. Advertising services are primarily delivered based on cost per day ("CPD") pricing model. For CPD advertising arrangements, revenue is recognized when the corresponding advertisements are published over the stated display period. For cost per thousand impressions ("CPM") model, revenue is recognized when the advertisements are displayed and based on the number of times that the advertisement has been displayed. For cost-per-click ("CPC") model, revenue is recognized when the user clicks on the customer-sponsored links and based on the number of clicks. For certain marketing campaigns and promotional activities services, revenue is recognized when the corresponding services have been rendered.

*Leads generation services*

Leads generation services primarily include revenues from (i) dealer subscription services, (ii) advertising services sold to individual dealer advertisers, and (iii) used car listing services. Under the dealer subscription services, 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. Usually, advanced payment is normally made for the dealer subscription services and revenue is recognized over time on a straight line basis as services are constantly provided over the subscription period. For the advertising services sold to individual dealers, revenue is recognized when the advertising is published over the stated display period. The used car listing services primarily include listing and display of used vehicles, generation of sales leads, etc. through our platform. Our used car platform acts as a user interface that allows potential used car buyers to identify listings that meet their specific requirements and contact the sellers. Our service fee is charged based on the number of displayed days, or quantity of sales leads delivered. Revenue is recognized respectively at a point in time upon the display of vehicles or the delivery of sales leads.

*Online marketplace and others*

Online marketplace and others revenues primarily consist of revenues related to (i) data products, (ii) new and used vehicle transaction platform, and (iii) auto financing business, and others. For the data products, we provide data-driven products and solutions for automakers and dealers and data analysis reports and recognize revenue over the service period of data-driven products and solutions by the automakers and dealers or at a point in time upon the delivery of reports. For the new and used vehicle transaction business, and auto-financing business, we provide platform-based services including facilitation of transactions, transaction-oriented marketing solutions, generation of sales leads and facilitation of transactions as an insurance brokerage service provider. For the new car vehicle transaction, we act as the platform for users to review automotive-related information, purchase coupons offered by automakers for discounts and make purchases to complete the transaction. For the used vehicle transaction, we act as a used car consumer-to-business-to-consumer, or C2B2C, transaction system that facilitates the used car transaction between the sellers and buyers and charge the service fee per each sale. For the auto-financing business, we provide a platform which serves as a bridge to match users and automobile sellers that have auto financing needs with our cooperative financial institutions that offer a variety of products covering merchant loans, consumer loans, leases and insurance services. The auto-financing service fee is charged on a per sale or lead basis. The service fee is recognized at a point in time when the relevant information is displayed, marketing solution package is delivered, when the sales leads are delivered or upon the successful facilitation of transaction.

*Contract Balances and Accounts Receivable*

Deferred revenue is primarily related to the advanced payment related to dealer subscription services and used car listings under leads generation services. As of December 31, 2019, 2020 and 2021, there was deferred revenue of RMB1,371.0 million, RMB1,315.7million and RMB1,553.0 million (US$243.7 million), respectively.

The beginning balance of deferred revenue of RMB1,315.7 million (US$206.5 million) was fully recognized as revenue for the year ended December 31, 2021.

Accounts receivable are carried at net realizable value. Prior to the adoption of ASC 326, 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. On January 1, 2020, we adopted Accounting Standards Update No. 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (“ASC 326”) using the modified retrospective transition method. ASC 326 replaces the existing incurred loss impairment model with a forward-looking current expected credit loss (“CECL”) methodology. We estimated the allowance by segmenting accounts receivable into groups based on certain credit risk characteristics. We determined an expected loss rate for each group based on historical loss experience, lifetime for debt recovery, and current and future economic conditions. The cumulative effect from the adoption as of January 1, 2020 was immaterial to the consolidated financial statements. An accounts receivable balance is written off after all collection effort has ceased.

*Practical Expedients and Exemptions*

We have elected to use the practical expedient to not disclose the remaining performance obligations for contracts that have durations of one year or less. We do not have significant remaining performance obligations in excess of one year. For the remaining performance obligations as of December 31, 2021, most of them are to be recognized within a year.

The revenue standard requires us to recognize an asset for the incremental costs of obtaining a contract with a customer if the benefit of those costs is expected to be longer than one year. We have determined that sales commission for sales personnel meet the requirements of capitalization. However, we apply a practical expedient to expense these costs as incurred for costs to obtain a contract with a customer when the amortization period would have been one year or less.

***Leases***

*Adoption of the New Lease Accounting Standard*

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2016-02, Leases. Further, as a clarification of the new guidance, the FASB issued several amendments and updates. We adopted the new lease guidance beginning January 1, 2019 by applying the modified retrospective method to those contracts that are not completed as of January 1, 2019, with the comparative information not being adjusted and continues to be reported under historic accounting standards. There is no impact to retained earnings at adoption.

We have elected to utilize the package of practical expedients at the time of adoption, which allows us to (1) not reassess whether any expired or existing contracts are or contain leases, (2) not reassess the lease classification of any expired or existing leases, and (3) not reassess initial direct costs for any existing leases. We also have elected to utilize the short-term lease recognition exemption and, for those leases that qualified, we did not recognize operating lease right-of-use ("ROU") assets or operating lease liabilities. Upon the adoption of the new guidance on January 1, 2019, we recognized operating lease ROU assets of RMB184.8 million and operating lease liabilities of RMB176.4 million (including current portion of RMB121.8 million and non-current portion of RMB54.6 million). The amount of the operating lease right-of-use assets of RMB184.8 million over the operating lease liabilities of RMB176.4 million recognized on January 1, 2019 was credited to prepaid expenses and other current assets on the consolidated balance sheet as of January 1, 2019.

*New Lease Accounting Policies*

We determine if an arrangement is a lease and determine the classification of the lease, as either operating or finance, at commencement. We have operating leases for office buildings and data centers and has no finance leases as of December 31, 2021. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the lease payments over the lease term at commencement date.

As our leases do not provide an implicit rate, an incremental borrowing rate is used based on the information available at commencement date, to determine the present value of lease payments. The incremental borrowing rates approximate the rate we would pay to borrow in the currency of the lease payments for the weighted-average life of the lease.

The operating lease ROU assets also include any lease payments made prior to lease commencement and excludes lease incentives and initial direct costs incurred if any. Lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Our lease agreements contain both lease and non-lease components, which are accounted for separately based on their relative standalone price.

As of December 31, 2021, we recognized the following items related to operating lease in its consolidated balance sheet.

| | As of December 31, 2021 | |
|---|---|---|
| | RMB | US$ |
| | (in thousands) | |
| Operating lease ROU assets | 133,383 | 20,931 |
| Operating lease liabilities, current portion | 96,160 | 15,090 |
| Operating lease liabilities, non-current portion | 28,619 | 4,492 |

Lease cost recognized in our consolidated statements of comprehensive income is summarized as follows:

| | For the Year Ended December 31, 2021 | |
|---|---|---|
| | RMB | US$ |
| | (in thousands) | |
| Operating lease cost | 131,529 | 20,640 |
| Cost of other leases with terms less than one year | 99,923 | 15,680 |

***Income taxes***

We account for income taxes using the asset and 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 on deferred taxes of a change in tax rates 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.

***Fair Value Measurements of Financial Instruments***

Our financial instruments primarily comprise of cash and cash equivalents, restricted cash, short-term investments, accounts receivable, amounts due from related parties, prepaid expenses and other current assets excluding prepayments and staff advances, other non-current assets excluding operating lease right-of-use assets and prepayments, accrued expenses and other payables, and amounts due to related parties. The carrying values of these financial instruments excluding other non-current assets approximated their fair values due to the short-term maturity of these instruments.

ASC topic 820 (“ASC 820”), Fair Value Measurements and Disclosures, establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets

Level 2—Include other inputs that are directly or indirectly observable in the marketplace

Level 3—Unobservable inputs which are supported by little or no market activity

ASC 820 describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

***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 acquired in asset acquisitions are measured based on the cost to the acquiring entity, which generally includes transaction costs. 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.

***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. Our goodwill at December 31, 2019 was related to our acquisition of Cheerbright, China Topside and Norstar. Our goodwill at December 31, 2020 and 2021 was also related to our acquisition of TTP. 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 us) 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 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.

Our management has determined that we represent the lowest level within the entity at which goodwill is monitored for internal management purposes. Our management evaluated the recoverability of goodwill by performing a qualitative assessment at the reporting unit level. Based on an assessment of the qualitative factors, our management determined that it is more-likely-than-not that the fair value of the reporting unit is in excess of its carrying amount. As of December 31, 2019, 2020 and 2021, goodwill was RMB1.5 billion, RMB4.1 billion and RMB4.1 billion (US$638.9 million), respectively. 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 its reporting units, goodwill is reassigned based on the relative fair value of each of the affected reporting units.

***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. 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. For awards with performance condition and multiple service dates, if the performance conditions are all set at inception and independent for each year, each tranche should be accounted for as a separate award with its own requisite service period. Compensation cost should be recognized over the respective requisite service period separately for each separately-vesting tranche as though each tranche of the award is, in substance, a separate award.

Under ASC 718, an entity can make an accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures when they occur. We have elected to estimate the forfeiture rate at the time of grant and revise, if necessary, in subsequent periods if actual forfeitures differ from initial estimates. We recognize compensation cost for awards with performance conditions if and when we conclude that it is probable that the performance condition will be achieved. We reassess the probability of vesting at each reporting period for awards with performance conditions and adjust compensation cost based on its probability assessment.

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 the IPO, fair value of the ordinary shares is the price of our publicly traded shares.

We account for a change in any of the terms or conditions of share-based awards as a modification in accordance with ASC subtopic 718-20, Compensation-Stock Compensation: Awards Classified as Equity, whereby the incremental fair value, if any, of a modified award, is recorded as compensation cost on the date of modification for vested awards or over the remaining vesting period for unvested awards. The incremental compensation cost is the excess of the fair value of the modified award on the date of modification over the fair value of the original award immediately before the modification.

## 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 |
|---|---|---|
| Quan Long | 51 | Director, Chairman of the Board and Chief Executive Officer |
| Jun Lu | 48 | Director |
| Jing Xiao | 49 | Director |
| Zheng Liu | 53 | Director |
| Junling Liu | 57 | Independent Director |
| Tianruo Pu | 53 | Independent Director |
| Dazong Wang | 67 | Independent Director |
| Haifeng Shao | 50 | Co-president |
| Bibo Xiang | 44 | Chief Technology Officer |

*Mr. Quan Long* has served as our director, chairman of the board and chief executive officer since January 2021. Before joining Autohome, Mr. Long had held a series of leadership roles within Ping An Group since he first joined as a salesman in 1998, including as the assistant general manager, vice general manager and general manager of several provincial-level branches of Ping An Property & Casualty Insurance Company of China, Ltd. He has served as vice general manager of Ping An Property & Casualty Insurance Company of China, Ltd. since December 2018. In addition, Mr. Long has extensive experience in business management at leading Internet companies, such as serving as the assistant general manager of Lufax Holding Ltd (NYSE: LU) in charge of insurance business between October 2015 and January 2017, as the senior director of Ant Group's insurance business since February 2017, and as the director, general manager and chief executive officer of Cathay Insurance Company Limited between June 2017 and September 2018. Mr. Long received his bachelor's degree in engineering and master's degree in engineering in June 1992 and April 2001, respectively, both from Wuhan University of Technology.

*Mr. Jun Lu (Jeff)* has served as our director since October 2021. Mr. Lu has served as the general manager of the Investment Management Center of Ping An Group and the chairman of the board of Xinfangzheng Holding Development Co., Ltd. since May 2021, where he managed an investment portfolio of strategically important investments involving a value of over RMB500 billion of Ping An Group. Before joining Ping An Group, Mr. Lu has 26 years of experience spanning the areas of corporate management, corporate transactions and portfolio management. He served as a co-president of Jinsheng Group from May 2020 to May 2021 and the president of Yoozoo Holding Group and chief financial officer of YOOZOO Games Co., Ltd. (SHE: 002174) from July 2017 to April 2020. Prior to that, he worked at PwC Shanghai from January 2002 to June 2017, having served in a number of senior management positions including as senior global partner and a lead partner and co-founder of PwC China's Corporate Finance and M&A department. Mr. Lu received his bachelor's degree in electronic engineering and management from Fudan University in July 1995 and obtained an executive master of business administration degree from China Europe International Business School in March 2005. Mr. Lu is a senior member of the China Appraisal Society.

*Dr. Jing Xiao* has served as our director since June 2020. Dr. Xiao is the Group Chief Scientist of Ping An Group, leading its research and development work in AI-related technologies and their applications in the areas of finance, healthcare, and smart-city. Before joining Ping An Group, Dr. Xiao worked as Principal Applied Scientist Lead in Microsoft Corp. (Nasdaq: MSFT) and Manager of Algorithm Group in Epson Research and Development, Inc.. He has a long career in research and development in artificial intelligence and related fields, which began in 1995, covering a broad range of application areas such as healthcare, autonomous driving, three-dimensional (3D) printing and display, biometrics, web search, and finance. Dr. Xiao received his PhD degree in May 2005 from the School of Computer Science, Carnegie Mellon University in the U.S., and has published over 120 academic papers and owns over 100 U.S. patents.

*Mr. Zheng Liu* has served as our director since December 2017. Mr. Liu currently serves as the deputy general manager of Ping An Property Insurance Company of China and Mr. Liu has over 25 years of experience in business management and the industry of insurance, in particular property insurance. He joined Ping An Group in 1993 and served consecutively as the deputy general manager and the general manager of Ping An Property Insurance Company of China's Beijing Branch. In 2011, Mr. Liu was relocated to Ping An Property Insurance Company of China's headquarters, and has since then served consecutively as its assistant general manager and general director of western China business unit, and deputy general manager. Mr. Liu received a Bachelor of Laws degree in July 1991 from Sun Yat-sen University in China.

*Mr. Junling Liu* has served as our independent director since January 2015. Mr. Liu is the co-founder, chairman and chief executive officer of 111, Inc. (NYSE: YI), an online healthcare cloud service provider. He co-founded and served as chief executive officer of YHD.com from 2008 to 2015. Prior to founding YHD.com, Mr. Liu served as the global vice president and president for mainland China and Hong Kong at Dell Inc. from 2006 to 2007. He also held various executive positions at internationally renowned technology companies such as Avaya (China) Communication Co., Ltd, Mr. Liu serves as an independent director of Hua Medicine (HKEX: 02552). Mr. Liu received his bachelor's degree in education from Flinders University in Australia and master's degree in international business administration from Flinders University.

*Mr. Tianruo Pu* has served as our independent director since December 2016. Mr. Pu currently serves as an independent director and chairman of the audit committee of OneConnect Financial Technology Co., Ltd. (NYSE: OCFT), a financial technology company and as an independent director and chairman of the audit committee of 3SBio Inc. (HKEX: 1530), a bio-pharmaceutical company. Mr. Pu has more than twenty years of work experience in finance and accounting in both the United States and China. Previously, Mr. Pu served as the chief financial officer of several companies including Zhaopin Limited (formerly NYSE: ZPIN), UTStarcom (Nasdaq: UTSI) and Nuokang Bio-Pharmaceutical (formerly Nasdaq: NKBP). Mr. Pu received an MBA degree in June 2000 from Northwestern University's Kellogg School of Management in the U.S. and a Master of Science degree in accounting in May 1996 from the University of Illinois in the U.S.

*Dr. Dazong Wang* has served as our independent director since December 2016. Dr. Wang has been the founder and the chairman of Ophoenix Capital Management since 2011. From 2008 to 2011, Dr. Wang was the president and chief executive officer of Beijing Automotive Industry Corporation. From 2006 to 2008, Dr. Wang served as the vice president of Shanghai Automotive Industry Corporation, where he was responsible for engineering and key component operations. Dr. Wang received a Ph.D. degree from Cornell University in 1985 and a Master of Science degree from Huazhong University of Science and Technology in China in 1982.

*Mr. Haifeng Shao* joined our Group as president in February 2018 and has served as our co-president since November 2019. Mr. Shao worked for Ping An Group for over 22 years, including 15 years as a senior manager in the financial services division, and seven years in its internet finance division. He joined Ping An Group in 1996 where he served successively as the General Assistant Manager of Ping An Life Insurance, Shanghai Branch; the Deputy General Manager of Ping An Life Insurance, Yunnan Branch; and the Deputy General Manager of Ping An Annuity Insurance Company of China, Ltd.. Starting 2012, Mr. Shao served as the General Manager of Ping An E-wallet. In 2016, Mr. Shao served as the General Manager of OneConnect Financial Technology Co., Ltd. (NYSE: OCFT). Mr. Shao received a Bachelor of Arts in Literature from Nanjing Normal University in China.

*Mr. Bibo Xiang* has extensive experience in the fields of search engine, commercial advertising, recommendation system, natural language processing and data mining. Prior to joining Autohome, Mr. Xiang served as senior vice president of VIPKID, and Chief Technology Officer of Koolearn Technology Holding Limited (HKEX: 1797), in charge of digital transformation of education and training business. Prior to that, Mr. Xiang worked at Yahoo Search, Taobao Advertising, Shanda Online, 360 Search and 360 Commercial Products, where he was responsible for technology management of search, recommendation and advertising businesses. Mr. Xiang received his bachelor's degree in Computer Science and Technology from Southwest Jiaotong University in 1999, and his master's degree in Information Security from Beijing University of Posts and Telecommunications in 2006.

## B. Compensation of Directors and Executive Officers

For the fiscal year of 2021, we paid an aggregate compensation expense of approximately RMB8.5 million (US$1.3 million) for our executive officers and directors (not including share-based compensation expenses). Our PRC subsidiaries and VIEs are required by laws 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 laws, 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. 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 determined based on the term of office of the involved executive officer. 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 or her 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**

Unless otherwise specified, numbers of shares disclosed in this section have taken into account the effect of the share re-designation and share subdivision effective in February 2021.

***2013 Share Incentive Plan***

We adopted the 2013 Share Incentive Plan in November 2013. The maximum aggregate number of ordinary shares which may be issued pursuant to all awards under the 2013 Share Incentive Plan is 13,400,000. As of December 31, 2021, 1,691,632 restricted shares under the 2013 Share Incentive plan were outstanding. The following table summarizes the outstanding awards we had granted under the 2013 Share Incentive Plan as of December 31, 2021:

| Name | Restricted Shares | Date of Grant | Vesting Schedule |
|---|---|---|---|
| Individuals other than directors and officers as a group | * | Between September 16, 2021 and December 1, 2021 | Approximately four years from each date of grant |

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.

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

*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.

*Term of the Options*. The term of each option grant shall normally be no more than ten years from the date of the grant. If the grantee is an employee of ours who owns shares representing more than ten percent of the voting power of all classes of our shares immediately prior to the time the option is granted, then the term of the grant shall be no more than five years from the date of the grant.

*Vesting Schedule and Condition.* In general, the plan administrator determines the vesting schedule and vesting condition, 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 in 2023 and may be terminated earlier with the approval of our board.

***Amended and Restated 2016 Share Incentive Plan***

Our board of directors adopted and amended the 2016 Share Incentive Plan, or the Amended and Restated 2016 Plan, in March 2017 and April 2017, respectively. The Amended and Restated 2016 Plan was approved by our then parent company Ping An Group at its general meeting on June 16, 2017 and was subsequently approved, confirmed and ratified by our shareholders at our extraordinary general meeting of shareholders on June 27, 2017. The maximum aggregate number of ordinary shares which may be issued pursuant to all awards under the Amended and Restated 2016 Plan is 19,560,000. As of December 31, 2021, options to purchase 2,171,312 ordinary shares under the Amended and Restated 2016 Plan at exercise prices ranging from US$5.55 to US$24.61 were outstanding. The following table summarizes, as of December 31, 2021, the outstanding options we had granted to our directors and officers and to other individuals as a group under the Amended and Restated 2016 Plan:

| Name | Options | Exercise Price (US$/ Share) | Date of Grant | Date of Expiration | Vesting Schedule |
|---|---|---|---|---|---|
| Quan Long | * | 9.73 | November 1, 2021 | Ten years after grant date | Approximately four years from grant date |
| Haifeng Shao | * | 17.48 | March 22, 2018 | Ten years after grant date | Approximately four years from grant date |
| Haifeng Shao | * | 19.46 | August 29, 2018 | Ten years after grant date | Approximately four years from grant date |
| Bibo Xiang | * | 9.73 | November 1, 2021 | Ten years after grant date | Approximately four years from grant date |
| Other individuals as a group | * | 5.55-24.61 | Between August 2, 2016 and December 1, 2021 | Ten years after grant date | Approximately four years from grant date |

Note:
* Less than 1% of our total outstanding share capital.

The following paragraphs describe the principal terms of the Amended and Restated 2016 Plan:

*Types of Awards*. The Amended and Restated 2016 Plan permits the awards of options, restricted shares, restricted share units and share appreciation rights. The following briefly describe the principal features of the various awards that may be granted under the Amended and Restated 2016 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 total number of ordinary shares issued and to be issued upon the exercise of the options granted and to be granted to any participant in any 12-month period up to and including the date of grant shall not exceed 1% of the issued and outstanding shares of the Company as at the date of grant. 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. For so long as we remain a subsidiary of a company which is listed on the Hong Kong Stock Exchange, or the Hong Kong Parent, the administration of the Amended and Restated 2016 Plan shall comply with Hong Kong Listing Rules, in respect of options.

The options shall lapse (to the extent not already exercised) automatically on the earliest of: (i) expiry of the term of any option, (ii) the date of termination of employment for certain causes, (iii) expiry of the 60-day period from the date of voluntary resignation of the participant, (iv) the date of termination of such other contract or agreement constituting a participant for his breach of the terms thereof or in accordance with the termination provisions of such contract or agreement by any contracting party, (v) expiry of the three-month period following the occurrence of an event which causes the participant to cease to be an eligible person, including ill-health, injury, disability, death or retirement, (vi) the date on which the resolution to voluntarily wind up the Company is passed and the date of the commencement of winding up of the Company.

- *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.
- *Share Appreciation Rights*. Share appreciation rights may be granted under our Amended and Restated 2016 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 Amended and Restated 2016 Plan must at least be equal to the fair market value of our ordinary shares on the grant date. The plan 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.

*Plan Administration*. Our board or a committee of one or more members of our board duly authorized for the purpose of the Amended and Restated 2016 Plan can act as the plan administrator. Such committee may from time to time in its absolute discretion waive or amend the rules of the Amended and Restated 2016 Plan as it deems desirable, provided that, except with the prior approval of the shareholders of our Company and the shareholders of our Hong Kong Parent (for so long as we remain a subsidiary of the Hong Kong Parent) in general meetings: (i) no alterations to any of the matters set out in Rule 17.03 of the Hong Kong Listing Rules shall be made to the advantage of participants; and (ii) no alterations to the terms and conditions of the Amended and Restated 2016 Plan which are of a material nature or any change to the terms of the options granted may be made, except where the alterations take effect automatically under the existing terms of the Amended and Restated 2016 Plan, provided that as we remain a subsidiary of the Hong Kong Parent, the amended terms must still comply with the relevant requirements of Chapter 17 of the Hong Kong Listing Rules.

*Award Agreement*. Options, restricted shares or restricted share units granted under the Amended and Restated 2016 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 directors, employees or consultants.

*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. For so long as we remain a subsidiary of the Hong Kong Parent, the determination of the exercise price shall comply with the Hong Kong Listing Rules.

*Term of the Options*. The term of each option grant shall normally be no more than ten years from the date of the grant. If the grantee is an employee of ours who owns shares representing more than ten percent of the voting power of all classes of our shares immediately prior to the time the option is granted, then the term of the grant shall be no more than five years from the date of the grant.

*Vesting Schedule and Condition.* In general, the plan administrator determines the vesting schedule and condition, 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 options) can be transferred to certain persons or entities related to the plan participants.

*Termination.* The Amended and Restated 2016 Plan will expire in 2027 and may be terminated earlier with the approval of our board.

***Amended 2016 Share Incentive Plan II***

We adopted the 2016 Share Incentive Plan II (as amended by Amendment No. 1 to the 2016 Share Incentive Plan II), or the Amended 2016 Share Incentive Plan II, at the annual general meeting of shareholders in December 2016. The maximum aggregate number of ordinary shares which may be issued pursuant to all awards under the Amended 2016 Share Incentive Plan II is 12,000,000. As of December 31, 2021, 3,469,004 restricted shares under the Amended 2016 Share Incentive Plan II were outstanding.

The following table summarizes the outstanding restricted shares that we had granted to our directors and officers and to other individuals as a group under our Amended 2016 Share Incentive Plan II as of December 31, 2021.

| Name | Restricted Shares | Date of Grant | Vesting Schedule |
|---|---|---|---|
| Quan Long | * | November 1, 2021 | Approximately four years from each date of grant |
| Haifeng Shao | * | March 22, 2018 | Approximately four years from each date of grant |
| Bibo Xiang | * | November 1, 2021 | Approximately four years from each date of grant |
| Directors and officers as a group | * | March 1, 2021 | Approximately four years from each date of grant |
| Other individuals as a group | * | Between November 30, 2017 and November 1, 2021 | Approximately four years from each date of grant |

Note:
* Less than 1% of our total outstanding share capital.

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

*Types of Awards*. The Amended 2016 Share Incentive Plan II permits the awards of 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.

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

*Award Agreement*. Restricted shares granted under the Amended 2016 Share Incentive Plan II are evidenced by an award agreement that sets forth the terms, conditions and limitations for each grant.

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

*Vesting Schedule and Condition.* In general, the plan administrator determines the vesting schedule and condition, 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, or to certain persons or entities related to the plan participants.

*Termination.* The Amended 2016 Share Incentive Plan II will expire in 2026 and may be terminated earlier with the approval of our board of directors.

## C. Board Practices

### Board of Directors

Our board of directors consists of seven 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 that (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 independent directors has a service contract with us that provides for benefits upon termination of service.

### Board committees

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. The committee charters are available on our website. Each committee's members and functions are described below.

*Audit Committee*. Our audit committee consists of Mr. Tianruo Pu, Dr. Dazong Wang and Mr. Junling Liu. Mr. Tianruo Pu is the chairman of our audit committee. All of the members of our audit committee satisfy the "independence" requirements of Section 303A of the New York Stock Exchange Listed Company Manual and Rule 10A-3 under the Exchange Act. In addition, our board of directors has determined that Mr. Tianruo Pu qualifies as an audit committee financial expert as defined in Item 16A of Form 20-F.

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 non-auditing 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.

*Compensation Committee*. Our compensation committee consists of Mr. Quan Long, Mr. Zheng Liu and Dr. Dazong Wang. Mr. Quan Long is the chairman of our compensation committee. Dr. Dazong Wang satisfies the "independence" requirements of Section 303A of the New York Stock Exchange 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 Mr. Quan Long, Dr. Jing Xiao and Mr. Tianruo Pu. Mr. Quan Long is the chairman of our nominating and corporate governance committee. Mr. Tianruo Pu satisfies the "independence" requirements of Section 303A of New York Stock Exchange 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 laws, our directors have a duty 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 needs 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 directors are elected by an ordinary resolution or by a resolution of the directors. A director may be removed by way of a special resolution of the shareholders at any time before the expiration of his period of office for reasonable cause, including but not limited to fraud, criminal conviction or failure by such director to fulfill the duties of a director. A vacancy on the board created by the removal of a director may be filled by the appointment by ordinary resolution at the meeting at which such director is removed or by the affirmative vote of a simple majority of the remaining directors present and voting at a board meeting. In addition, a director will cease to be a director if he (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found to be or becomes of unsound mind; (iii) resigns his office by notice in writing; (iv) without special leave of absence from our board, is absent from meetings of our board for six consecutive months and the board resolves that his office be vacated; (v) is prohibited by law from being a director; or (vi) ceases to be a director by virtue of the Companies Act or is removed from office pursuant to our memorandum and articles of association. Our officers are elected by and serve at the discretion of the board of directors.

## D. Employees

We had 4,198, 3,905 and 5,793 employees as of December 31, 2019, 2020 and 2021, respectively. The following table sets forth the number of our employees by function as of December 31, 2021:

| Functional Area | Number of Employees |
|---|---|
| Sales and marketing | 2,290 |
| Product development | 1,536 |
| Content and editorial | 1,552 |
| Management and administrative | 415 |
| Total | 5,793 |

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

### Ordinary Shares

As of March 31, 2022, we had 502,180,456 ordinary shares outstanding (excluding 7,207,144 treasury shares and ordinary shares that are reserved for future issuance under our share incentive plans). In addition, as of March 31, 2022, we had granted, and had outstanding, options to purchase a total of 2,010,192 ordinary shares and 4,222,448 restricted shares to our employees and directors. For information regarding the share incentive plans, see “Item 6. Directors, Senior Management and Employees—B. Compensation of Directors and Executive Officers.”

### 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 March 31, 2022:

- 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 March 31, 2022 | |
|---|---|---|
| | Number | %(1) |
| **Directors and Executive Officers:**** | | |
| Quan Long(2) | * | * |
| Jun Lu | — | — |
| Jing Xiao | — | — |
| Zheng Liu | — | — |
| Junling Liu(3) | * | * |
| Tianruo Pu(4) | * | * |
| Dazong Wang(5) | * | * |
| Haifeng Shao(6) | * | * |
| Bibo Xiang | — | — |
| All Directors and Executive Officers as a Group | * | * |
| **Principal Shareholders:** | | |
| Yun Chen(7) | 224,800,512 | 44.8% |
| Entities Affiliated with Kayne Anderson(8) | 44,590,040 | 8.9% |

Notes:

* Less than 1% of our total outstanding share capital.

** Except as indicated otherwise below, the business address of our directors and executive officers is 18th Floor Tower B, CEC Plaza, 3 Dan Ling Street, Haidian District, Beijing 100080, The People's Republic of China.

(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 total ordinary shares outstanding, which is 502,180,456 ordinary shares as of March 31, 2022 (excluding 7,207,144 treasury shares and ordinary shares that had been issued and reserved for the purpose of our Share Incentive Plans as of March 31, 2022), 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 March 31, 2022.

(2) Represents ordinary shares in the form of ADSs that Mr. Long has the right to acquire upon exercise of options or will be entitled to upon vesting of restricted shares within 60 days after March 31, 2022.

(3) Represents ordinary shares in the form of ADSs vested from restricted shares held by Mr. Liu.

(4) Represents ordinary shares in the form of ADSs vested from restricted shares held by Mr. Pu.

(5) Represents ordinary shares in the form of ADSs vested from restricted shares held by Dr. Wang.

(6) Represents (i) ordinary shares in the form of ADSs vested from restricted shares held by Mr. Shao, and (ii) ordinary shares in the form of ADSs that Mr. Shao has the right to acquire upon exercise of options or will be entitled to upon vesting of restricted shares within 60 days after March 31, 2022.

(7) Represents 224,800,512 ordinary shares as reported in a Schedule 13D/A filed with the SEC on March 16, 2021 by Yun Chen, a Cayman Islands company and a special purpose vehicle and subsidiary of Ping An Group, a company organized under the laws of the People's Republic of China. Ping An Group's business address is Ping An Finance Building, No. 1333 Lujiazui Ring Road, Pudong District, Shanghai 200120, People's Republic of China.

(8) The number of ordinary shares beneficially owned is as of December 31, 2021, as reported in a Form 13G/A filed with the SEC on February 11, 2022 by Kayne Anderson Rudnick Investment Management LLC and Virtus Investment Advisers, Inc. , which are collectively referred to as the Entities Affiliated with Kayne Anderson, and consists of 44,590,040 ordinary shares in the form of ADSs. Entities Affiliated with Kayne Anderson are investment advisers in accordance with §240.13d-1(b)(1)(ii)(E). Kayne Anderson Rudnick Investment Management LLC's business address is 1800 Avenue of the Stars, 2nd Floor, Los Angeles, CA 90067, USA. Virtus Investment Advisers, Inc.'s business address is One Financial Plaza, Hartford, CT 06103, USA.

To our knowledge, as of March 31, 2022, 260,426,636 ordinary shares (excluding 7,207,144 treasury shares and ordinary shares that are reserved for future issuance under our share incentive plans as of March 31, 2022) were held by one person in the United States, Deutsche Bank Trust Company Americas, the depositary of our ADS program, which holds ordinary shares in our company indirectly through HKSCC Nominees Limited following the Hong Kong Offering. 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.

## ITEM 7 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### A. Major Shareholder

As of March 31, 2022, Yun Chen owned 44.8% of our total issued and outstanding ordinary shares. Yun Chen is a subsidiary of Ping An Group. As such, we are indirectly controlled by Ping An Group, which beneficially owned 44.8% of the total voting rights in our company.

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

### B. Related Party Transactions

**Contractual Arrangements with the Variable Interest Entities**

PRC laws and regulations currently limit foreign ownership of companies that engage in internet services. We have the following contractual arrangements by and among the following entities to conduct most of our operations in China:

- Autohome WFOE, Autohome Information, the shareholders of Autohome Information and two subsidiaries of Autohome Information, namely Chengshi Advertising and Autohome Advertising;
- Chezhiying WFOE, Shengtuo Hongyuan, the shareholders of Shengtuo Hongyuan and one subsidiary of Shengtuo Hongyuan, namely Beijing Autohome Used Car Appraisal Co., Ltd., or Autohome Used Car Appraisal; and
- TTP WFOE, Shanghai Jinwu, and the shareholder of Shanghai Jinwu.

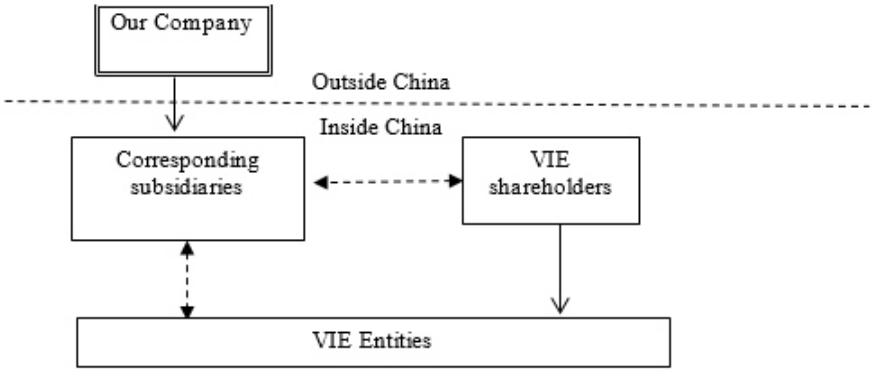
Autohome WFOE entered into a series of contractual agreements with Autohome Information and each of its individual nominee shareholders. The currently effective contractual agreements were entered into in February 2021 by and between Autohome WFOE, Autohome Information, Mr. Quan Long, our chairman of the board of directors and chief executive officer, and Ms Haiyun Lei. Autohome WFOE has also entered into a series of contractual agreements with Autohome Information and two of its subsidiaries, respectively, namely Autohome Advertising and Chengshi Advertising. Such contractual arrangements allow Autohome WFOE to (i) exercise effective control over Autohome Information and its subsidiaries, (ii) receive substantially all of the economic benefits of Autohome Information and its subsidiaries, and (iii) have an exclusive option to purchase all or part of the equity interests in Autohome Information and its subsidiaries when and to the extent permitted by the PRC laws.

In addition, Chezhiying WFOE has entered into a series of contractual agreements with Shengtuo Hongyuan and each of its individual nominee shareholders. The currently effective contractual agreements were entered into in February 2021 by and between Chezhiying WFOE, Shengtuo Hongyuan, Mr. Quan Long, our chairman of the board of directors and chief executive officer, and Ms. Haiyun Lei. Chezhiying WFOE has also entered into a series of contractual agreements with Shengtuo Hongyuan and its subsidiary, namely Autohome Used Car Appraisal. Such contractual arrangements allow Chezhiying WFOE to (i) exercise effective control over Shengtuo Hongyuan and its subsidiary, (ii) receive substantially all of the economic benefits of Shengtuo Hongyuan and its subsidiary, and (iii) have an exclusive option to purchase all or part of the equity interests in Shengtuo Hongyuan and its subsidiary when and to the extent permitted by the PRC laws.

In December 2020, the Company acquired TTP which operates an online bidding platform for used automobiles in China primarily through Shanghai Jinwu, which holds an auction business approval certificate and a value-added telecommunications license for engaging in internet information services. In August 2015, TTP WFOE entered into a series of contractual agreements with Shanghai Jinwu and Weiwei Wang, being the individual nominee shareholder of Shanghai Jinwu. The contractual arrangements of TTP WFOE with Shanghai Jinwu and its shareholders allow TTP to (i) exercise effective control over Shanghai Jinwu, (ii) receive substantially all of the economic benefits of Shanghai Jinwu, and (iii) have an exclusive option to purchase all or part of the equity interests in Shanghai Jinwu when and to the extent permitted by the PRC laws.

We have also entered into contractual arrangements with other affiliate entities and their respective nominee shareholders, through our subsidiary in China, which results in our relevant subsidiary having control over, and being the primary beneficiary of, the relevant affiliate entities. As a result of these contractual arrangements, we consolidate such affiliate entities as well, which have not generated significant revenues as of the date of this annual report.

The diagram below illustrates the general structure of the economic flow and control under the VIE structure created by the contractual arrangements:




Notes:
(1) "→" denotes the direction of legal and beneficial ownership.
(2) "◄--►" denotes the contractual arrangements among the VIE Entities, VIE shareholders, and our subsidiaries.

***Agreements that provide us effective control over Autohome Information, Autohome Advertising and Chengshi Advertising***

The following is a summary of the currently effective contractual arrangements by and among Autohome WFOE, Autohome Information, the shareholders of Autohome Information, Autohome Advertising and Chengshi Advertising (as applicable).

*Equity Interest Pledge Agreements*. Pursuant to the equity interest pledge agreements between Autohome WFOE and each of the two shareholders of Autohome Information entered into in February 2021, each shareholder of Autohome Information pledges to Autohome WFOE all of his or her 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. Without Autohome WFOE's consent, shareholders of Autohome Information shall not create or permit to create any encumbrances on the pledged equity interests 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 entered into in September 2016, Autohome Information pledges to Autohome WFOE all of its equity interests in Chengshi Advertising and Autohome Advertising to secure the performance of its obligations under the equity option agreements and the obligations of Chengshi Advertising and Autohome Advertising under the exclusive technology consulting and service 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.

*Exclusive Technology Consulting and Service Agreements*. Pursuant to the exclusive technology consulting and service agreements entered into between Autohome WFOE and each of Autohome Information, Autohome Advertising and Chengshi Advertising in February 2021, September 2016 and September 2016, respectively, 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 tax, 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.

*Equity Option Agreements*. Pursuant to the equity option agreements among Autohome WFOE, Autohome Information and each of the two shareholders of Autohome Information entered into in February 2021, each shareholder of Autohome Information jointly and severally grants to Autohome WFOE an option to purchase all or part of his or her 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.

Pursuant to the equity option agreements among Autohome WFOE, Autohome Information and two of Autohome Information's subsidiaries, namely Autohome Advertising and Chengshi Advertising, entered into in September 2016, Autohome Information granted Autohome WFOE or its designated parties an option to purchase all or part of Autohome Information's equity interests in these Autohome Information subsidiaries at a price equivalent to the lowest price permitted by PRC laws. 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 these subsidiaries have been transferred to Autohome WFOE or its designated parties, or (ii) the unilateral termination by Autohome WFOE.

*Power of Attorney*. In February 2021, each of the shareholders of Autohome Information 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 and to exercise full voting rights as the shareholders of the company with powers granted under PRC laws and regulations and the articles of association of the company, including the rights to appoint directors and management personnel. In September 2016, Autohome Information executed irrevocable powers 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 Advertising and Chengshi Advertising 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.

*Loan Agreements*. Pursuant to the loan agreements between Autohome WFOE and each of the two shareholders of Autohome Information entered into in February 2021, Autohome WFOE granted interest-free loans to these two 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.

***Agreements that provide us effective control over Shengtuo Hongyuan and Autohome Used Car Appraisal***

*Equity Interest Pledge Agreements*. In February 2021, Chezhiying WFOE and each of the shareholders of Shengtuo Hongyuan entered into equity interest pledge agreements with respect to their equity interest in Shengtuo Hongyuan. The terms of these agreements are substantially the same as the equity interest pledge agreements between Autohome WFOE and each of the two shareholders of Autohome Information described above. In September 2016, Chezhiying WFOE and Shengtuo Hongyuan entered into equity interest pledge agreements with respect to the latter's equity interest in Autohome Used Car Appraisal. The terms of these agreements are substantially the same as the equity interest pledge agreements between Autohome WFOE and Autohome Information. The registration of the equity interest pledge in Shengtuo Hongyuan was completed in March 2021.

*Exclusive Technology Consulting and Service Agreements.* In February 2021, Chezhiying WFOE and Shengtuo Hongyuan entered into an exclusive technology consulting and service agreement. In September 2016, Chezhiying WFOE and Autohome Used Car Appraisal entered into exclusive technology consulting and service agreement. 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, Autohome Advertising and Chengshi Advertising described above.

*Equity Option Agreements*. In February 2021, Chezhiying WFOE, Shengtuo Hongyuan 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 among Autohome WFOE, Autohome Information and each of the two shareholders of Autohome Information described above. In September 2016, Chezhiying WFOE, Shengtuo Hongyuan and Autohome Used Car Appraisal entered into equity option agreement. The terms of such agreement are substantially the same as the equity option agreements among Autohome WFOE, Autohome Information and each of Autohome Advertising and Chengshi Advertising.

*Power of Attorney.* In February 2021, each of the shareholders of Shengtuo Hongyuan 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 and to exercise full voting rights as the shareholders of Shengtuo Hongyuan with powers granted under PRC laws and regulations and the articles of association of the company, including the rights to appoint directors and management personnel. In September 2016, Shengtuo Hongyuan 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 Autohome Used Car Appraisal to exercise full voting rights as the shareholders of Autohome Used Car Appraisal with powers granted under PRC laws and regulations and the articles of association of Autohome Used Car Appraisal, including the rights to appoint directors and management personnel.

*Loan Agreements.* In Feburary 2021, 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 two shareholders of Autohome Information described above.

***Agreements that provide us effective control over Shanghai Jinwu***

In December 2020, the Company acquired TTP which conduct its business related to internet content services in China primarily through Shanghai Jinwu. In August 2015, TTP WFOE entered into a series of contractual agreements with Shanghai Jinwu and Weiwei Wang, being the individual nominee shareholder of Shanghai Jinwu. The contractual arrangements of TTP WFOE with Shanghai Jinwu and its shareholders allow TTP to (i) exercise effective control over Shanghai Jinwu, (ii) receive substantially all of the economic benefits of Shanghai Jinwu, and (iii) have an exclusive option to purchase all or part of the equity interests in Shanghai Jinwu when and to the extent permitted by the PRC laws.

Autohome WFOE and Chezhiying WFOE recognized service fees from all the VIEs in the amount of RMB221.7 million in 2019, RMB219.5 million in 2020 and RMB309.7 million (US$48.6 million) in 2021 in consideration for services provided to the VIEs. In the years ended December 31, 2019, 2020 and 2021, the VIEs contributed in aggregate 8.3% 8.1% and 13.1%, respectively, of our total net revenue.

**Transactions with Entities Affiliated with Our Shareholders**

Since Ping An Group became our controlling shareholder, it provided services including rental and property management services, technical services and other miscellaneous services, and assets to us for a total amount of RMB107.7 million in 2019, RMB156.4 million in 2020 and RMB176.9 million (US$27.8 million) in 2021.

We earned service fees primarily for providing facilitation services related to insurance products and loan and leasing product transactions for Ping An Group or its affiliates on our platform as well as providing advertising services to Ping An Group for a total amount of RMB447.0 million in 2019, RMB621.8 million in 2020 and RMB417.1 million (US$65.4 million) in 2021.

We also had cash or time deposits with commercial banks affiliated with Ping An Group and purchased in short-term cash management products managed by Ping An Group as a part of our cash management plan, which totaled RMB1,907.2 million, RMB3,466.9 million and RMB4,144.8 million (US$650.4 million) as of December 31, 2019, 2020 and 2021, respectively. On January 4, 2022, we entered into a limited partner interest subscription agreement, a limited partnership agreement and certain other auxiliary documents with Ping An Capital Co., Ltd., an affiliate of Ping An Group, pursuant to which we agreed to subscribe for RMB400 million worth of limited partner interests in an equity investment fund managed by Ping An Capital Co., Ltd. The subject subscription was approved by our board of directors and its audit committee and was announced on the same day.

**Investor's Rights Agreements**

Following Yun Chen's acquisition of 47.4% the Company's equity interest from Telstra in June 2016, we entered into an investor's rights agreement with Yun Chen on September 30, 2016 to the effect that Yun Chen shall enjoy the same special rights given to Telstra under the previous investors rights agreement. Under this investor's rights agreement with Yun Chen, so long as Yun Chen holds at least 20% of our issued and outstanding shares, (i) we must permit Yun Chen and its designated representatives, at their own cost and expense, at reasonable times and upon reasonable prior notice to us, to review our books and records and to discuss our financial condition with our officers; and (ii) we must provide to Yun Chen our financial statements stated in the investor's rights agreement so long as its external auditor considers it to be necessary to consolidate our financial statements into Yun Chen's financial statements in accordance with the PRC accounting standards; and (iii) we must provide to Yun Chen a copy of our register of members after the end of each quarter. The investor's rights agreement was approved by the Audit Committee and the Board.

Save as disclosed above, there are no other rights granted to Yun Chen or Ping An Group or other shareholders which are not available to all shareholders of the Company. The Directors take the view that the special rights granted to Yun Chen pursuant to the investor's rights agreement are fair and reasonable and not prejudicial to the interest of our Company's other shareholders. The same rights were granted to Telstra, the previous controlling shareholder of our Company (details of which were disclosed in the registration statement at the time of our Company's listing on the NYSE and other public filings). Such rights were granted to Yun Chen in recognition of the significant investment made by Yun Chen. Taking into account the benefits of Yun Chen maintaining a significant shareholding interest in our Company, the Directors take the view that the grant of such rights to Yun Chen is in the best interest of our Company and the shareholders as a whole. After consulting our legal advisors, the Directors take the view that the grant of such special rights to Yun Chen does not contravene the shareholders' protection requirements under the relevant U.S. federal securities laws and the NYSE rules, and the terms of the investor's rights agreement in relation to the grant of such special rights to Yun Chen do not violate the applicable laws and regulations in the Cayman Islands.

**Employment Agreements**

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

See Note 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**

We have appended consolidated financial statements filed as part of this annual report.

**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 to declare dividends subject to our Memorandum and Articles of Association and certain restrictions under Cayman Islands law. Our shareholders may also by ordinary resolution declare dividends but no dividend shall be declared in excess of the amount recommended by the board of directors. In November 2017, our board of directors declared a special cash dividend of US$0.76 per ordinary share (inclusive of applicable fees payable to our depositary bank) in favor of holders of our ordinary shares as of the close of business on January 4, 2018, which special cash dividend was paid on or about January 15, 2018. On November 4, 2019, our board of directors resolved to adopt a regular dividend policy. Under this policy, we may issue recurring cash dividend every year from 2020 in an amount of approximately 20% of the net income generated in the previous fiscal year, with the exact amount to be determined by our directors based on our financial performance and cash position prior to the distribution. For the fiscal years of 2020 and 2021, we paid cash dividends in a total amount of US$99.8 million and US$105.7 million, respectively, to our shareholders, pursuant to our dividend policy. On March 31, 2022, we paid cash dividends of US$0.1325 per share (or US$0.53 per ADS) pursuant to our dividend policy to holders of our ordinary shares of record as of the close of business on March 21, 2022.

Despite the dividend policy in place, our board of directors has the authority to decide the timing and amount of any future dividends, if any, based 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.

We are a holding company incorporated under the laws of 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 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—We may rely to a significant extent 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."

If we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the ordinary shares underlying our ADSs to the depositary, as the registered holder of such ordinary shares, and the depositary will then pay such amounts to our ADS holders in proportion to the ordinary shares underlying the ADSs held by such ADS holders, 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.

## ITEM 9 THE OFFER AND LISTING

**A. Offering and Listing Details**

See "—C. Markets."

**B. Plan of Distribution**

Not applicable.

**C. Markets**

Our ADSs have been listed on the NYSE since December 11, 2013 under the symbol "ATHM."

Our ordinary shares have been listed on the Hong Kong Stock Exchange since March 15, 2021 under the stock code "2518."

**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 Cayman Companies Act, referred to as the Companies Act 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 the offices of Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The memorandum of association provides, *inter alia*, that the liability of the shareholders 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 Act 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***

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

***Ordinary Shares***

The capital of our company is US$1,000,000,000 divided into 400,000,000,000 ordinary shares of a nominal or par value of US$0.0025 each. All of our issued and outstanding ordinary shares are fully paid and non-assessable. Certificates representing our ordinary shares are issued in registered form. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their 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, but no dividend may exceed the amount recommended by our directors. Our sixth amended and restated memorandum and articles of association provide that dividends may be declared and paid out of the funds of our Company lawfully available therefor. Under the laws of the Cayman Islands, our company may pay a dividend out of either profit or share premium account; provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

*Voting Rights*

At any general meeting every holder of 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, subject to any rights and restrictions for the time being attached to any share (including, for as long as our ordinary shares remain listed on the Hong Kong Stock Exchange, applicable rules under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time (unless otherwise waived)), and on a poll every shareholder holding 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 ordinary share of which such shareholder is the holder.

A quorum required for a meeting of shareholders consists of one or more 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 ten percent of the voting rights represented by the issued and outstanding ordinary shares throughout the meeting. We shall 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. No business shall be transacted at any annual general meeting of the Company unless stated in the Company’s notice of annual general meeting. 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 fourteen 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 not less than 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 sixth amended and restated memorandum and articles of association.

***Transfer of Ordinary Shares***

Subject to the restrictions of our sixth 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 sixth 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 in proportion to the amount paid up on the ordinary shares. The amount received by holders of 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, a nearly as may be, the losses shall be borne by the shareholders in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

***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 Act, 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 Act, 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.

***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 fourteen 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 holding not less than one-tenth of the total issued and outstanding shares of our company that carry the right of voting at general meetings.

***Appointment of Directors***

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 (other than copies of our memorandum and articles of association, register of mortgages and charges and any special resolutions passed by our shareholders). However, we will allow our shareholders to inspect our register of members and provide our shareholders with annual audited financial statements.

Pursuant to the investor's rights agreement we have with the Yun Chen and other shareholders, Yun Chen 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 sixth 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 sixth 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 ordinary shares. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Pursuant to Section 6 of the Tax Concessions Act (As Revised) 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.

### Hong Kong Taxation

Our subsidiaries in Hong Kong are subject to 16.5% income tax on their taxable income generated from operations in Hong Kong. On April 1, 2018, a two-tiered profits tax regime was introduced. The profits tax rate for the first HK$2 million of profits of corporations is lowered to 8.25%, while profits above that amount continue to be subject to the tax rate of 16.5%.

Our principal register of members is maintained by our principal share registrar in the Cayman Islands, and our Hong Kong register of members is maintained by the Hong Kong Share Registrar in Hong Kong.

Dealings in our ordinary shares registered on our Hong Kong Share Register are subject to Hong Kong stamp duty. The stamp duty is charged to each of the seller and purchaser at the rate of 0.13% of the consideration for, or (if greater) the value of, our ordinary shares transferred. In other words, a total of 0.26% is currently payable on a typical sale and purchase transaction of our ordinary shares. In addition, a fixed duty of HK$5.00 is charged on each instrument of transfer (if required).

To facilitate ADS-ordinary share conversion and trading between NYSE and the Hong Kong Stock Exchange, we have moved a portion of our issued ordinary shares from our Cayman share register to our Hong Kong share register. It is unclear whether, as a matter of Hong Kong law, the trading or conversion of ADSs constitutes a sale or purchase of the underlying Hong Kong registered ordinary shares that is subject to Hong Kong stamp duty. We advise investors to consult their own tax advisors on this matter. See "Item 3. Key Information — D. Risk Factors — Risks Related to Our ADSs and Ordinary Shares — There is uncertainty as to whether Hong Kong stamp duty will apply to the trading or conversion of our ADSs."

**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. 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."

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 ordinary shares by U.S. Holders (as defined below) that will hold ADSs or 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 Code, Treasury regulations (proposed, temporary and final) promulgated thereunder ("Regulations"), 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 stock (by vote or value), investors that will hold their ADSs or 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 ordinary shares.

***General***

For purposes of this summary, a "U.S. Holder" is a beneficial owner of our ADSs or 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 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 ordinary shares, the U.S. Holder is urged to consult its tax advisors regarding an investment in our ADSs or 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 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 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 (generally 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, 25% or more (by value) of the stock.

Although the law in this regard is unclear, we treat the 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 the VIEs for United States federal income tax purposes, we would likely be treated as a PFIC for our current and any subsequent taxable year.

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 the VIEs for U.S. federal income tax purposes, and based on our current income and assets, we do not believe that we were a PFIC for the taxable year ended December 31, 2021 and do not anticipate becoming a PFIC in the current taxable year or in future taxable years. While we do not believe that we were a PFIC for the taxable year ended December 31, 2021 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. Recent declines in the market price of our ADSs increased our risk of becoming a PFIC. The market price of our ADSs may continue to fluctuate considerably and, consequently, we cannot assure you of our PFIC status for any taxable year.

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs or 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 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, if any) paid on ADSs or 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 ordinary shares, or by the depositary 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.

Since we do not expect that our 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 "Item 10. Additional Information—E. Taxation—People's Republic of China Taxation"), we may be eligible for the benefits of the United States-PRC income tax treaty (the "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 ordinary shares. Dividends received on our ADSs or 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 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 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 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 Ordinary Shares***

A U.S. Holder will generally recognize capital gain or loss upon the sale or other disposition of ADSs or 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 ordinary shares. Any capital gain or loss will be long-term gain or loss if the ADSs or 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, which will generally limit the availability of foreign tax credits. Long-term capital gain of non-corporate U.S. Holders is generally eligible for reduced rates of taxation. The deductibility of a capital loss is subject to limitations.

As described in "Item 10. Additional Information—E. Taxation—People's Republic of China Taxation," if we are deemed to be a PRC resident enterprise under the Enterprise Income Tax Law, gains from the disposition of the ADSs or ordinary shares may be subject to PRC income tax and will generally be United States-source, which may limit the ability to receive a foreign tax credit. If a U.S. Holder is eligible for the benefits of the Treaty, such holder may be able to elect to treat such gain as PRC-source income under the Treaty. Pursuant to recently issued Regulations, however, if a U.S. Holder is not eligible for the benefits of the Treaty or does not elect to apply the Treaty, then such holder may not be able to claim a foreign tax credit arising from any PRC tax imposed on the disposition of the ADSs or ordinary shares. The rules regarding foreign tax credits and deduction of foreign taxes are complex. U.S. Holders should consult their tax advisors regarding the availability of a foreign tax credit or deduction in light of their particular circumstances, including their eligibility for benefits under the Treaty, and the potential impact of the recently issued Regulations.

***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 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 ordinary shares), and (ii) any gain realized on the sale or other disposition, including a pledge, under certain circumstances, of ADSs or 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 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;
- 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 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 ordinary shares during any taxable year in respect of which we were classified as a PFIC and continues to hold such ADSs or 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 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 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 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 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.

### F. Dividends and Paying Agents

Not applicable.

### G. Statement by Experts

Not applicable.

### H. Documents on Display

We previously filed with the SEC registration statements on Form F-1 under the Securities Act with respect to our initial public offering and our follow-on offering of our 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.

In accordance with NYSE Rule 203.01, we will post this annual report on our website http://ir.autohome.com.cn. In addition, we will provide hardcopies of our annual report to shareholders, including ADS holders, free of charge upon request.

**I. Subsidiary Information**

Not applicable.

## 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 and adjustable-rate short-term investments. 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 may fall short of expectations due to changes in market interest rates. See “Item 5.B. Operating and Financial Review and Prospects—Liquidity and Capital Resources.”

***Foreign Exchange Risk***

Substantially all of our revenues and expenses 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 exposure to such risk. Although our exposure to foreign exchange risks should be limited in general, the value of your investment in our ADSs will be affected by the exchange rate between U.S. dollar and RMB because the value of our business is effectively denominated in RMB, while our ADSs will be traded in U.S. dollars.

Any significant appreciation or depreciation of the RMB may however materially affect the value of, and any dividends payable on, our ADSs in U.S. dollars. To the extent that we need to convert U.S. dollars into RMB for our operations, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB amount we 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 or for other business purposes, appreciation of the U.S. dollar against the RMB would have a negative effect on the U.S. dollar amounts 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**

Deutsche Bank Trust Company Americas, the depositary of our ADS program, collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The principal executive office of the depositary is located at 60 Wall Street, New York, NY 1005, USA. An ADS holder will be required to pay the following service fees to the depositary bank:

| Service | Fees |
|---|---|
| • Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property | Up to US$0.05 per ADS issued |
| • Cancellation of ADSs, including in the case of termination of the deposit agreement | Up to US$0.05 per ADS cancelled |
| • Distribution of cash dividends or other cash distributions | Up to US$0.05 per ADS held |
| • Distribution of ADSs pursuant to share dividends, free share distributions or exercise of rights | Up to US$0.05 per ADS 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 the ADS holder had been ordinary shares and the ordinary shares had been deposited for issuance of ADSs |
| • Depositary services | Up to US$0.05 per ADS held on the applicable record date(s) established by the depositary bank |
| • Transfer of ADRs | US$1.50 per certificate presented for transfer |

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

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

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

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

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

**Fees and Other Payments Made by the Depositary to Us**

Our 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 2021, we did not receive any reimbursement from the depositary.

**Conversion between Ordinary Shares and ADSs**

*Dealings and Settlement of Ordinary Shares in Hong Kong*

Our ordinary shares trade on the Hong Kong Stock Exchange in board lots of 100 ordinary shares. Dealings in our ordinary shares on the Hong Kong Stock Exchange will be conducted in Hong Kong dollars.

The transaction costs of dealings in our ordinary shares on the Hong Kong Stock Exchange include:

- Hong Kong Stock Exchange trading fee of 0.005% of the consideration of the transaction, charged to each of the buyer and seller;
- SFC transaction levy of 0.0027% of the consideration of the transaction, charged to each of the buyer and seller;
- trading tariff of HK$0.50 on each and every purchase or sale transaction. The decision on whether or not to pass the trading tariff onto investors is at the discretion of brokers;
- transfer deed stamp duty of HK$5.00 per transfer deed (if applicable), payable by the seller;
- ad valorem stamp duty at a total rate of 0.26% of the value of the transaction, with 0.13% payable by each of the buyer and the seller;
- stock settlement fee, which is currently 0.002% of the gross transaction value, subject to a minimum fee of HK$2.00 and a maximum fee of HK$100.00 per side per trade;
- brokerage commission, which is freely negotiable with the broker (other than brokerage commissions for IPO transactions which are currently set at 1% of the subscription or purchase price and will be payable by the person subscribing for or purchasing the securities); and
- the Hong Kong Share Registrar will charge between HK$2.50 to HK$20.00, depending on the speed of service (or such higher fee as may from time to time be permitted under the Hong Kong Listing Rules), for each transfer of ordinary shares from one registered owner to another, each share certificate canceled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong.

Investors must settle their trades executed on the Hong Kong Stock Exchange through their brokers directly or through custodians. For an investor who has deposited his or her ordinary shares in his or her stock account or in his or her designated Central Clearing and Settlement System participant’s stock account maintained with the Central Clearing and Settlement System, or CCASS, settlement will be effected in CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. For an investor who holds the physical certificates, settlement certificates and the duly executed transfer forms must be delivered to his or her broker or custodian before the settlement date.

*Conversion between Ordinary Shares Trading in Hong Kong and ADSs*

In connection with the listing of our ordinary shares on the Hong Kong Stock Exchange, we have established a branch register of members in Hong Kong, or the Hong Kong share register, which will be maintained by our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited. Our principal register of members will continue to be maintained by our principal share registrar, Maples Fund Services (Cayman) Limited.

All ordinary shares offered in connection with our listing in Hong Kong are registered on the Hong Kong share register in order to be listed and traded on the Hong Kong Stock Exchange. As described in further detail below, holders of ordinary shares registered on the Hong Kong Share Register will be able to convert these ordinary shares into ADSs, and vice versa.

In connection with our listing in Hong Kong, and to facilitate fungibility and conversion between ADSs and ordinary shares and trading between NYSE and the Hong Kong Stock Exchange, we moved a portion of our issued ordinary shares from our register of members maintained in the Cayman Islands to our Hong Kong share register.

*Converting Ordinary Shares Trading in Hong Kong into ADSs*

An investor who holds ordinary shares registered in Hong Kong and who intends to convert them to ADSs to trade on NYSE must deposit or have his or her broker deposit the ordinary shares with the depositary's Hong Kong custodian, Deutsche Bank AG, Hong Kong Branch, Hong Kong, or the custodian, in exchange for ADSs.

A deposit of ordinary shares trading in Hong Kong in exchange for ADSs involves the following procedures:

- If ordinary shares have been deposited with CCASS, the investor must transfer ordinary shares to the depositary's account with the custodian within CCASS by following the CCASS procedures for transfer and submit and deliver a duly completed and signed letter of transmittal to the custodian via his or her broker.
- If ordinary shares are held outside CCASS, the investor must arrange to deposit his or her ordinary shares into CCASS for delivery to the depositary's account with the custodian within CCASS, submit and deliver a duly completed and signed letter of transmittal to the custodian via his or her broker.
- Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, if applicable, and subject in all cases to the terms of the deposit agreement, the depositary will issue the corresponding number of ADSs in the name(s) requested by an investor and will deliver the ADSs to the designated DTC account of the person(s) designated by an investor or his or her broker.

For ordinary shares deposited in CCASS, under normal circumstances, the above steps generally require two business days. For ordinary shares held outside CCASS in physical form, the above steps may take 14 business days, or more, to complete. Temporary delays may arise. For example, the transfer books of the depositary may from time to time be closed to ADS issuances. The investor will be unable to trade the ADSs until the procedures are completed.

*Converting ADSs to Ordinary Shares Trading in Hong Kong*

An investor who holds ADSs and who intends to convert his/her ADSs into ordinary shares to trade on the Hong Kong Stock Exchange must cancel the ADSs the investor holds and withdraw ordinary shares from our ADS program and cause his or her broker or other financial institution to trade such ordinary shares on the Hong Kong Stock Exchange.

An investor that holds ADSs indirectly through a broker should follow the broker's procedure and instruct the broker to arrange for cancelation of the ADSs, and transfer of the underlying ordinary shares from the depositary's account with the custodian within the CCASS system to the investor's Hong Kong stock account.

For investors holding ADSs directly (not holding through brokers), the following steps must be taken:

- To withdraw ordinary shares from our ADS program, an investor who holds ADSs may turn in such ADSs at the office of the depositary (and the applicable ADR(s) if the ADSs are held in certificated form), and send an instruction to cancel such ADSs to the depositary.
- Upon payment or net of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, if applicable, and subject in all cases to the terms of the deposit agreement, the depositary will instruct the custodian to deliver ordinary shares underlying the canceled ADSs to the CCASS account designated by an investor.
- If an investor prefers to receive ordinary shares outside CCASS, he or she must receive ordinary shares in CCASS first and then arrange for withdrawal from CCASS. Investors can then obtain a transfer form signed by HKSCC Nominees Limited (as the transferor) and register ordinary shares in their own names with the Hong Kong Share Registrar.

For ordinary shares to be received in CCASS, under normal circumstances, the above steps generally require two business days. For ordinary shares to be received outside CCASS in physical form, the above steps may take 14 business days, or more, to complete. The investor will be unable to trade the ordinary shares on the Hong Kong Stock Exchange until the procedures are completed.

Temporary delays may arise. For example, the transfer books of the depositary may from time to time be closed to ADS cancelations. In addition, completion of the above steps and procedures is subject to there being a sufficient number of ordinary shares on the Hong Kong share register to facilitate a withdrawal from the ADS program directly into the CCASS system. We are not under any obligation to maintain or increase the number of ordinary shares on the Hong Kong share register to facilitate such withdrawals.

*Depositary Requirements*

Before the depositary issues ADSs or permits withdrawal of ordinary shares, the depositary may require:

- production of satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with procedures it may establish, from time to time, consistent with the deposit agreement, including, but not limited to, presentation of transfer documents.

The depositary may refuse to deliver, transfer, or register issuances, transfers and cancelations of ADSs generally when the transfer books of the depositary or our Hong Kong Share Registrar are closed or at any time if the depositary or we determine it advisable to do so.

All costs attributable to the transfer of ordinary shares to effect a withdrawal from or deposit of ordinary shares into our ADS program will be borne by the investor requesting the transfer. In particular, holders of ordinary shares and ADSs should note that the Hong Kong Share Registrar will charge between HK$2.50 to HK$20, depending on the speed of service (or such higher fee as may from time to time be permitted under the Hong Kong Listing Rules), for each transfer of ordinary shares from one registered owner to another, each share certificate canceled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong. In addition, holders of ordinary shares and ADSs must pay up to US$5.00 (or less) per 100 ADSs for each issuance of ADSs and each cancelation of ADSs, as the case may be, in connection with the deposit of ordinary shares into, or withdrawal of ordinary shares from, our ADS program.

## 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 35,972,000 ordinary shares (8,993,000 Class A ordinary shares without reflecting the share split in 2021), 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;
- the registration statement on Form F-1, as amended (File Number 333-199862) for our offering in 2014 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 38,582,636 ordinary shares (9,645,659 Class A ordinary shares without reflecting the share split in 2021), or the 2014 Offering, 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; and
- the registration statement on Form F-3ASR (File Number 333-253792) and prospectus supplement filed on March 10, 2021 for the Hong Kong Offering. The public offering closed in March 2021. China International Capital Corporation Hong Kong Securities Limited, Goldman Sachs (Asia) L.L.C. and Credit Suisse (Hong Kong) Limited are the joint representatives of the underwriters for our public offering. We issued 24,738,400 ordinary shares at a public offering price of HK$176.30 per ordinary share, taking into account the ordinary shares sold upon the exercise of the over-allotment option by our underwriters. We raised HK$4,294.9 million in net proceeds from our public offering after deducting underwriting commissions and discounts and the offering expenses payable by us.

We incurred expenses and paid to others US$12.8 million for underwriting discounts and commissions in connection with our initial public offering. We incurred expenses and paid to others US$5.0 million for underwriting discounts and commissions in connection with our 2014 Offering. We incurred expenses and paid to others HK$66.5 million for underwriting discounts and commissions in connection with our Hong Kong Offering. We received net proceeds of approximately US$142.6 million, US$97.3 million and HK$4,294.9 million from our initial public offering, 2014 Offering and Hong Kong Offering, respectively.

For the period from December 10, 2013, the date that our registration statement on Form F-1 for our initial public offering was declared effective by the SEC, to December 31, 2021, we used an aggregate of approximately US$192.8 million of the net proceeds from our initial public offering, the 2014 Offering and the Hong Kong Offering for payment of establishment of new subsidiaries, investment in joint venture and other strategic investments, payment of dividends, professional fees, insurance fees, compensation to directors and general corporate purposes.

We intend to use the remainder of the proceeds from the offerings listed above 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 principal 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, 2021, 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 principal financial officer, conducted an evaluation of the effectiveness of our company's internal control over financial reporting as of December 31, 2021 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, 2021.

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.

**Attestation Report of the Independent Registered Public Accounting Firm**

The effectiveness of our internal control over financial reporting as of December 31, 2021 has been audited by PricewaterhouseCoopers Zhong Tian LLP, our independent registered public accounting firm, as stated in its report included on page F-2 of this annual report.

**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, 2021 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. Tianruo Pu is our audit committee financial expert, who is an independent director under the standards set forth in Section 303A of the New York Stock Exchange Listed Company Manual and Rule 10A-3 of the Exchange Act. Mr. Pu 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. We subsequently amended the code of business conduct and ethics and filed it as Exhibit 11.1 to our annual report on Form 20-F filed with the SEC on March 31, 2014. 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 PricewaterhouseCoopers Zhong Tian 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, | |
|---|---|---|
| | 2020 | 2021 |
| | (in RMB thousands) | |
| Audit fees[1] | 8,180 | 17,380 |
| Tax fees[2] | 100 | 410 |
| Other fees[3] | 2,200 | 600 |

Notes:

(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) "Tax fees" represents the aggregated fees billed for professional services rendered by our independent registered public accounting firm for tax compliance, tax advice and tax planning.

(3) "Other fees" represents the aggregate fees charged to us for services rendered by our independent registered public accounting firm other than services reported under "audit fees" and "tax fees."

The policy of our audit committee is to preapprove all audit and non-audit services provided by our independent registered public accounting firm, including audit services, tax services and other 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, tax fees and other fees for the year ended December 31, 2021.

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

Not applicable.

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

On November 18, 2021, our board of directors authorized a share repurchase program, under which we may repurchase up to US$200 million of our ADSs over the next 12 months. The share repurchase program was publicly announced on the same day.

As of March 31, 2022, we had repurchased approximately 1.1 million ADSs under this share repurchase program. The table below is a summary of the shares repurchased by us from November 18, 2021 to March 31, 2022. All shares were repurchased in the open market pursuant to the share repurchase program announced on November 18, 2021.

| Period | Total Number of ADSs Purchased | Average Price Paid Per ADS | Total Number of ADSs Purchased as Part of the Publicly Announced Plan | Approximate Dollar Value of ADSs that May Yet Be Purchased Under the Plan |
|---|---|---|---|---|
| December 1-December 31, 2021 | 166,067 | US$ 29.45 | 166,067 | 195,109,105.50 |
| January 1-January 31, 2022 | 61,929 | US$ 29.71 | 61,929 | 193,269,117.99 |
| February 1-February 28, 2022 | 410,718 | US$ 28.07 | 410,718 | 181,738,728.37 |
| March 1-March 31, 2022 | 418,105 | US$ 27.52 | 418,105 | 170,230,722.13 |
| **Total** | **1,056,819** | **N/A** | **1,056,819** | **170,230,722.13** |

## ITEM 16F CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

## ITEM 16G CORPORATE GOVERNANCE

As a Cayman Islands company listed on the New York Stock Exchange, we are subject to the New York Stock Exchange corporate governance listing standards. However, the New York Stock Exchange rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Pursuant to Sections 303A.01, 303A.04, 303A.05 and 303A.07 of the New York Stock Exchange Listed Company Manual, a company listed on the New York Stock Exchange must have a majority of independent directors, a nominating and corporate governance committee composed entirely of independent directors, and a compensation committee composed entirely of independent directors. We currently follow our home country practice in lieu of these requirements. We may also continue to rely on these and other exemptions available to foreign private issuers in the future. See "Item 3. Key Information—D. Risk Factors—Risks Related to our ADSs and Ordinary Shares—As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the New York Stock Exchange listing standards."

## ITEM 16H MINE SAFETY DISCLOSURE

Not applicable.

## ITEM 16I DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

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

| Exhibit Number | Description of Document |
|---|---|
| 1.1 | Sixth Amended and Restated Memorandum and Articles of Association of the Registrant, adopted on December 16, 2021 and effective as of December 16, 2021 (incorporated by reference to Exhibit 3.1 to the Form 6-K (File No. 001-36222), furnished with the SEC on December 16, 2021) |
| 2.1 | Registrant's Specimen American Depositary Receipt (incorporated herein by reference to the prospectus filed with the Securities and Exchange Commission on February 5, 2021 pursuant to Rule 424(b)(3) (File No. 333-192583) under the registration statement on Form F-6 initially filed with the Securities and Exchange Commission on November 27, 2013) |
| 2.2 | Registrant's Specimen Certificate for Ordinary Shares (incorporated by reference to Exhibit 2.2 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 2.3 | Deposit Agreement among the Registrant, the depositary 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 | Description of Securities (incorporated by reference to Exhibit 2.4 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |

| Exhibit Number | Description of Document |
|---|---|
| 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 a subsidiary of the Registrant 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 | English translation of the Executed Form of the Exclusive Technology Consulting and Service Agreement between Autohome WFOE and Autohome Information dated February 19, 2021 (incorporated by reference to Exhibit 4.5 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.6 | English translation of the Executed Form of the Exclusive Technology Consulting and Service Agreement between Chezhiying WFOE and Shengtuo Hongyuan dated February 19, 2021 (incorporated by reference to Exhibit 4.6 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.7 | English translation of the Executed Form of the Exclusive Technology Consulting and Service Agreement between Autohome WFOE and Autohome Advertising dated September 30, 2016 (incorporated by reference to Exhibit 4.17 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |
| 4.8 | English translation of the Executed Form of the Exclusive Technology Consulting and Service Agreement between Autohome WFOE and Chengshi Advertising dated September 30, 2016 (incorporated by reference to Exhibit 4.18 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |
| 4.9 | English translation of the Executed Form of the Exclusive Technology Consulting and Service Agreement between Chezhiying WFOE and Autohome Used Car Appraisal dated September 30, 2016 (incorporated by reference to Exhibit 4.19 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |
| 4.10 | English translation of the Executed Form of the Exclusive Service Agreement between TTP WFOE and Shanghai Jinwu dated August 31, 2015 (incorporated by reference to Exhibit 4.11 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.11 | English translation of the Executed Form of the Loan Agreement between Autohome WFOE and Quan Long dated February 19, 2021 (incorporated by reference to Exhibit 4.13 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.12 | English translation of the Executed Form of the Loan Agreement between Autohome WFOE and Haiyun Lei dated February 19, 2021 (incorporated by reference to Exhibit 4.14 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |

| Exhibit Number | Description of Document |
|---|---|
| 4.13 | English translation of the Executed Form of the Loan Agreement between Chezhiying WFOE and Quan Long dated February 19, 2021 (incorporated by reference to Exhibit 4.15 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.14 | English translation of the Executed Form of the Loan Agreement between Chezhiying WFOE and Haiyun Lei dated February 19, 2021 (incorporated by reference to Exhibit 4.16 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.15 | English translation of the Executed Form of the Loan Agreement between TTP WFOE and Weiwei Wang dated August 31, 2015 (incorporated by reference to Exhibit 4.17 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.16 | English translation of the Executed Form of the Equity Option Agreement among Autohome WFOE, Autohome Information and Quan Long dated February 19, 2021 (incorporated by reference to Exhibit 4.18 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.17 | English translation of the Executed Form of the Equity Option Agreement among Autohome WFOE, Autohome Information and Haiyun Lei dated February 19, 2021 (incorporated by reference to Exhibit 4.19 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.18 | English translation of the Executed Form of the Equity Option Agreement among Chezhiying WFOE, Shengtuo Hongyuan and Quan Long dated February 19, 2021 (incorporated by reference to Exhibit 4.20 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.19 | English translation of the Executed Form of Equity Option Agreement among Chezhiying WFOE, Shengtuo Hongyuan and Haiyun Lei dated February 19, 2021 (incorporated by reference to Exhibit 4.21 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.20 | English translation of the Executed Form of the Equity Option Agreement among Autohome WFOE, Autohome Information and Autohome Advertising dated September 30, 2016 (incorporated by reference to Exhibit 4.37 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |
| 4.21 | English translation of the Executed Form of the Equity Option Agreement among Autohome WFOE, Autohome Information and Chengshi Advertising dated September 30, 2016 (incorporated by reference to Exhibit 4.38 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |
| 4.22 | English translation of the Executed Form of the Equity Option Agreement among Chezhiying WFOE, Shengtuo Hongyuan and Autohome Used Car Appraisal dated September 30, 2016 (incorporated by reference to Exhibit 4.39 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |
| 4.23 | English translation of the Executed Form of the Equity Option Agreement between TTP WFOE, and Weiwei Wang dated August 31, 2015 (incorporated by reference to Exhibit 4.26 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.24 | English translation of the Executed Form of the Equity Interest Pledge Agreement between Autohome WFOE and Quan Long dated February 19, 2021 (incorporated by reference to Exhibit 4.28 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |

| Exhibit Number | Description of Document |
|---|---|
| 4.25 | English translation of the Executed Form of the Equity Interest Pledge Agreement between Autohome WFOE and Haiyun Lei dated February 19, 2021 (incorporated by reference to Exhibit 4.29 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.26 | English translation of the Executed Form of the Equity Interest Pledge Agreement between Chezhiying WFOE and Quan Long dated February 19, 2021 (incorporated by reference to Exhibit 4.30 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.27 | English translation of the Executed Form of the Equity Interest Pledge Agreement between Chezhiying WFOE and Haiyun Lei dated February 19, 2021 (incorporated by reference to Exhibit 4.31 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.28 | English translation of the Executed Form of the Equity Interest Pledge Agreement between Autohome WFOE and Autohome Information dated September 30, 2016 (incorporated by reference to Exhibit 4.49 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |
| 4.29 | English translation of the Executed Form of the Equity Interest Pledge Agreement between Autohome WFOE and Autohome Information dated September 30, 2016 (incorporated by reference to Exhibit 4.50 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |
| 4.30 | English translation of the Executed Form of the Equity Interest Pledge Agreement between Chezhiying WFOE and Shengtuo Hongyuan dated September 30, 2016 (incorporated by reference to Exhibit 4.51 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |
| 4.31 | English translation of the Executed Form of the Equity Interest Pledge Agreement between Chezhiying WFOE and Shengtuo Hongyuan dated September 30, 2016 (incorporated by reference to Exhibit 4.52 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |
| 4.32 | English translation of the Executed Form of the Equity Interest Pledge Agreement between TTP WFOE and Weiwei Wang dated August 31, 2015 (incorporated by reference to Exhibit 4.36 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.33 | English translation of the Executed Form of the Power of Attorney by Quan Long dated February 19, 2021 (incorporated by reference to Exhibit 4.38 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.34 | English translation of the Executed Form of the Power of Attorney by Haiyun Lei dated February 19, 2021 (incorporated by reference to Exhibit 4.39 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.35 | English translation of the Executed Form of the Power of Attorney by Quan Long dated February 19, 2021 (incorporated by reference to Exhibit 4.40 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.36 | English translation of the Executed Form of the Power of Attorney by Haiyun Lei dated February 19, 2021 (incorporated by reference to Exhibit 4.41 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |

| Exhibit Number | Description of Document |
|---|---|
| 4.37 | English translation of the Executed Form of the Power of Attorney by Autohome Information dated September 30, 2016 (incorporated by reference to Exhibit 4.61 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |
| 4.38 | English translation of the Executed Form of the Power of Attorney by Autohome Information dated September 30, 2016 (incorporated by reference to Exhibit 4.62 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |
| 4.39 | English translation of the Executed Form of the Power of Attorney by Shengtuo Hongyuan dated September 30, 2016 (incorporated by reference to Exhibit 4.63 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |
| 4.40 | English translation of the Executed Form of the Power of Attorney by Shengtuo Hongyuan dated September 30, 2016 (incorporated by reference to Exhibit 4.64 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |
| 4.41 | English translation of the Executed Form of the Proxy agreement among TTP WFOE, Shanghai Jinwu and Weiwei Wang dated August 31, 2015 (incorporated by reference to Exhibit 4.46 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.42 | Termination Agreement on the control documents in connection with Autohome Information by and among Autohome WFOE, Autohome Information, Min Lu, Haiyun Lei dated February 19, 2021 (incorporated by reference to Exhibit 4.48 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.43 | Equity Interest Purchase Agreement by and among Autohome Information, Min Lu and Quan Long dated February 19, 2021 (incorporated by reference to Exhibit 4.49 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.44 | Debt Transfer and Offset Agreement by and between Autohome WFOE, Min Lu and Quan Long dated February 19, 2021 (incorporated by reference to Exhibit 4.50 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.45 | Termination Agreement on the control documents in connection with Shengtuo Hongyuan by and among Chezhiying WFOE, Shengtuo Hongyuan, Min Lu, Haiyun Lei dated February 19, 2021 (incorporated by reference to Exhibit 4.51 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.46 | Equity Interest Purchase Agreement by and among Shengtuo Hongyuan, Min Lu and Quan Long dated February 19, 2021 (incorporated by reference to Exhibit 4.52 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.47 | Debt Transfer and Offset Agreement by and between Chezhiying WFOE, Min Lu and Quan Long dated February 19, 2021 (incorporated by reference to Exhibit 4.53 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.48 | Amended and Restated 2016 Share Incentive Plan of the Registrant, as amended on April 20, 2017 (incorporated by reference to Exhibit 4.65 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |
| 4.49 | 2016 Share Incentive Plan II (as amended by Amendment No 1 to the 2016 Share Incentive Plan II) of the Registrant (incorporated by reference to Exhibit 4.66 to our annual report on For 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |
| 4.50 | Investor’s Rights Agreement by and among the Registrant and Yun Chen dated September 30, 2016 (incorporated by reference to Exhibit 4.67 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 25, 2017) |

| Exhibit Number | Description of Document |
|---|---|
| 4.51 | Investment Agreement relating to US$100 Million 8.0% Convertible Bond and other Convertible Bonds issued by TTP Car Inc. between the Registrant and TTP Car Inc. dated June 6, 2018 (incorporated by reference to Exhibit 4.59 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on April 12, 2019) |
| 4.52 | Preferred Share Purchase Agreement by and among the Registrant and TTP Car Inc. dated October 27, 2020 (incorporated by reference to Exhibit 4.58 to our annual report on Form 20-F (File No. 001-36222), filed with the SEC on March 2, 2021) |
| 4.53* | English translation of the Limited Partner Interest Subscription Agreement by and between Ping An Capital Co., Ltd. and Tianjin Autohome Software Co., Ltd. dated January 4, 2022 |
| 4.54* | English translation of the Limited Partnership Agreement by and among Ping An Capital Co., Ltd., Tianjin Autohome Software Co., Ltd. and others dated January 4, 2022 |
| 4.55* | English translation of the Supplemental Limited Partnership Agreement by and among Ping An Capital Co., Ltd., Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership) and Tianjin Autohome Software Co., Ltd. dated January 4, 2022 |
| 8.1* | List of Principal Subsidiaries and VIEs |
| 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 PricewaterhouseCoopers Zhong Tian LLP, independent registered public accounting firm |
| 15.2* | Consent of Commerce & Finance Law Offices |
| 101.INS* | Inline XBRL Instance Document-this instance document does not appear on the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document |
| 101.SCH* | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL* | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF* | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB* | Inline XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE* | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

* Filed with this annual report on Form 20-F.
** Furnished with this annual report on Form 20-F.

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**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/ Quan Long
Name: Quan Long
Title: Chairman of the Board and Chief Executive Officer

Date: April 25, 2022

**AUTOHOME INC.**
**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

## Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Autohome Inc.

***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheets of Autohome Inc. and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020**,** and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

***Basis for Opinions***

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

***Definition and Limitations of Internal Control over Financial Reporting***

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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

***Critical Audit Matters***

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

*Allowance for current expected credit losses on accounts receivable*

As described in Notes 2(o) and 4 to the consolidated financial statements, as of December 31, 2021, the gross balance of accounts receivable was RMB2,317.0 million, against which an allowance for current expected credit losses of RMB177.6 million was provided. The allowance is management's estimate of current expected credit losses. Management estimated the allowance by segmenting accounts receivable into groups based on certain credit risk characteristics. Management determined an expected loss rate for each group based on historical loss experience, lifetime for debt recovery, current and future economic conditions.

The principal considerations for our determination that performing procedures relating to the allowance for current expected credit losses on accounts receivable is a critical audit matter are the significant judgements made by management in estimating the allowance for current expected credit losses. This in turn led to a high degree of auditor judgment, subjectivity and audit effort in performing procedures and evaluating audit evidence obtained relating to management's judgments about credit risk characteristics and expected loss rates. The audit effort also included the involvement of professionals with specialized skill and knowledge to assist in evaluating the audit evidence obtained from these procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's estimate of the allowance for current expected credit losses. These procedures also included, among others, (i) evaluating the appropriateness of the model and methodology; (ii) testing the completeness, accuracy and relevance of underlying data used in the model; and (iii) evaluating the reasonableness of significant judgments made by management, including credit risk characteristics and expected loss rates, by considering the historical loss experience, lifetime for debt recovery, current and future economic conditions. Professionals with specialized skill and knowledge were also used to assist in evaluating the appropriateness of the model, methodology and management's significant judgements.

*The determination of fair value of convertible redeemable noncontrolling interests in TTP Car Inc. ("TTP")*

As described in Notes 2(dd) and 20 to the consolidated financial statements, the Company recorded RMB1,468.0 million convertible redeemable noncontrolling interests in TTP as mezzanine equity as of December 31, 2021. The recorded balance is determined in accordance with the underlying share purchase agreements, based on a combination of issue price, compound interest rates, and fair value. For the determination of fair value, option pricing model was used. The major unobservable input used in the option pricing model included equity value of underlying business, which was determined by management using valuation techniques under the combination of income approach and market approach. The significant assumptions used in income approach included revenue growth rates and discount rate, and those used in market approach included revenue growth rate and selection of earning multiples.

The principal considerations for our determination that performing procedures relating to the fair value determination of convertible redeemable noncontrolling interests is a critical audit matter are the significant judgements made by the management when developing the fair value estimate. This in turn led to a high degree of auditor judgment, subjectivity, and audit effort in (i) performing procedures and evaluating audit evidences related to the significant assumptions used in income approach including revenue growth rates and discount rate and significant assumptions used in market approach including revenue growth rate and selection of earning multiples to determine the fair value of the convertible redeemable noncontrolling interests, and (ii) audit effort in involving the use of professionals with specialized skill and knowledge to assist in evaluating the audit evidence obtained from these procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of internal controls relating to the management's fair value estimate for the convertible redeemable noncontrolling interests as of December 31, 2021, which included controls over the development of the significant assumptions used in the valuation techniques. These procedures also included, among others, testing the management's process for developing the fair value estimate of the convertible redeemable noncontrolling interests as of December 31, 2021, which included (i) evaluating the appropriateness of the valuation techniques, (ii) testing the completeness, mathematical accuracy and relevance of the underlying data used, (iii) evaluating the significant assumptions made by the management under income approach including revenue growth rates and discount rate, and those under market approach including revenue growth rate and selection of earning multiples. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of the Company's valuation method and evaluating significant assumptions.

/s/ PricewaterhouseCoopers Zhong Tian LLP

Beijing, the People's Republic of China
April 25, 2022

We have served as the Company's auditor since 2016.

AUTOHOME INC.
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2020 AND 2021
(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$") except for number of shares and per share data)

| | Note | As of December 31, 2020 | 2021 | |
|---|---|---|---|---|
| | | RMB | RMB | US$ |
| **ASSETS** | | | | |
| **Current assets:** | | | | |
| Cash and cash equivalents | | 1,751,222 | 4,236,501 | 664,799 |
| Restricted cash | 2(h) | — | 89,855 | 14,100 |
| Short-term investments | | 12,878,176 | 16,496,267 | 2,588,624 |
| Accounts receivable (net of allowance for doubtful accounts of RMB128,199 and RMB177,563 (US$27,863) as of December 31, 2020 and 2021, respectively) | 4 | 3,124,197 | 2,139,471 | 335,730 |
| Amounts due from related parties, current | 12 | 47,303 | 83,376 | 13,084 |
| Prepaid expenses and other current assets | 5 | 563,182 | 280,248 | 43,977 |
| **Total current assets** | | **18,364,080** | **23,325,718** | **3,660,314** |
| **Non-current assets:** | | | | |
| Restricted cash, non-current | 2(h) | 17,926 | 5,200 | 816 |
| Property and equipment, net | 7 | 410,081 | 381,496 | 59,865 |
| Intangible assets, net | 8, 19 | 440,421 | 357,431 | 56,089 |
| Goodwill | 19 | 4,071,391 | 4,071,391 | 638,890 |
| Long-term investments | 9 | 70,418 | 70,720 | 11,098 |
| Amounts due from related parties, non-current | 12 | 18,163 | 7,529 | 1,181 |
| Deferred tax assets | 6 | 79,661 | 176,138 | 27,640 |
| Other non-current assets | 10 | 258,704 | 133,383 | 20,931 |
| **Total non-current assets** | | **5,366,765** | **5,203,288** | **816,510** |
| **Total assets** | | **23,730,845** | **28,529,006** | **4,476,824** |
| **LIABILITIES AND EQUITY** | | | | |
| **Current liabilities:** | | | | |
| Accrued expenses and other payables | 11 | 2,577,709 | 2,044,597 | 320,842 |
| Advance from customers | | 127,235 | 123,370 | 19,359 |
| Deferred revenue | | 1,315,667 | 1,553,013 | 243,702 |
| Income tax payable | | 85,177 | 233,342 | 36,616 |
| Amounts due to related parties | 12 | 79,895 | 31,897 | 5,005 |
| **Total current liabilities** (including current liabilities of consolidated VIEs without recourse to Autohome WFOE, Chezhiying WFOE or TTP WFOE of RMB602,990 and RMB375,845 (US$58,978) as of December 31, 2020 and 2021, respectively) | | **4,185,683** | **3,986,219** | **625,524** |
| **Non-current liabilities:** | | | | |
| Other liabilities | 2(s),6 | 104,861 | 28,619 | 4,492 |
| Deferred tax liabilities | 6, 19 | 631,509 | 576,798 | 90,512 |
| **Total non-current liabilities** (including non-current liabilities of consolidated VIEs without recourse to Autohome WFOE, Chezhiying WFOE or TTP WFOE of RMB75,301 and RMB60,664 (US$9,520) as of December 31, 2020 and 2021, respectively) | | **736,370** | **605,417** | **95,004** |
| **Total liabilities** (including total liabilities of consolidated VIEs without recourse to Autohome WFOE, Chezhiying WFOE or TTP WFOE of RMB 678,291 and RMB436,509 (US$68,498) as of December 31, 2020 and 2021, respectively) | | **4,922,053** | **4,591,636** | **720,528** |
| **Commitments and contingencies** | 13 | | | |

*The accompanying notes are an integral part of these consolidated financial statements.*

AUTOHOME INC.
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2020 AND 2021
(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$") except for number of shares and per share data, continued)

| | Note | As of December 31, | | |
|---|---|---|---|---|
| | | 2020 | 2021 | |
| | | RMB | RMB | US$ |
| **Mezzanine equity:** | | | | |
| Convertible redeemable noncontrolling interests | 20 | 1,056,237 | 1,468,029 | 230,366 |
| **Shareholders' equity:** | | | | |
| Ordinary shares (par value of US$0.0025 per share; 400,000,000,000 ordinary shares authorized; 479,219,628 and 505,183,788 ordinary shares issued and outstanding, as of December 31, 2020 and 2021, respectively) | 2(a),15 | 8,089 | 8,523 | 1,337 |
| Additional paid-in capital | | 4,089,763 | 7,886,227 | 1,237,521 |
| Treasury stock | 15 | — | (31,204) | (4,897) |
| Accumulated other comprehensive income | | 62,295 | (49,905) | (7,830) |
| Retained earnings | | 13,465,587 | 14,940,778 | 2,344,534 |
| **Total Autohome Inc. shareholders' equity** | | **17,625,734** | **22,754,419** | **3,570,665** |
| **Noncontrolling interests** | 19 | **126,821** | **(285,078)** | **(44,735)** |
| **Total equity** | | **17,752,555** | **22,469,341** | **3,525,930** |
| **Total liabilities, mezzanine equity and equity** | | **23,730,845** | **28,529,006** | **4,476,824** |

*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, 2019, 2020 AND 2021
(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$") except for number of shares and per share data)

| | Note | Year ended December 31, | | | |
|---|---|---|---|---|---|
| | | 2019 | 2020 | 2021 | |
| | | RMB | RMB | RMB | US$ |
| **Net revenues:** | 2(o) | | | | |
| Media services | | 3,653,767 | 3,455,056 | 2,011,446 | 315,640 |
| Leads generation services | | 3,275,544 | 3,198,832 | 2,988,075 | 468,894 |
| Online marketplace and others | | 1,491,440 | 2,004,671 | 2,237,483 | 351,110 |
| **Total net revenues (**including related party transactions of RMB447,350, RMB621,845 and RMB417,051 (US$65,444) for the years ended December 31, 2019, 2020 and 2021, respectively**)** | | **8,420,751** | **8,658,559** | **7,237,004** | **1,135,644** |
| **Cost of revenues** (including related party transactions of RMB41,591, RMB61,566 and RMB68,639 (US$10,771) for the years ended December 31, 2019, 2020 and 2021, respectively) | 14 | **(960,292)** | **(961,170)** | **(1,047,892)** | **(164,437)** |
| **Gross profit** | | **7,460,459** | **7,697,389** | **6,189,112** | **971,207** |
| **Operating expenses:** | | | | | |
| Sales and marketing expenses | | (3,093,345) | (3,246,507) | (2,759,905) | (433,089) |
| General and administrative expenses (including provision for doubtful accounts of RMB36,676, RMB95,683 and RMB 53,294 (US$8,363) for the years ended December 31, 2019, 2020 and 2021, respectively) | | (317,967) | (381,843) | (543,799) | (85,334) |
| Product development expenses | | (1,291,054) | (1,364,227) | (1,398,037) | (219,383) |
| **Total Operating expenses** (including related party transactions of RMB67,810, RMB99,763 and RMB108,955 (US$17,097) for the years ended December 31, 2019, 2020 and 2021, respectively) | | **(4,702,366)** | **(4,992,577)** | **(4,701,741)** | **(737,806)** |
| Other operating income, net | 2(aa) | 477,699 | 443,215 | 294,241 | 46,173 |
| **Operating profit** | | **3,235,792** | **3,148,027** | **1,781,612** | **279,574** |
| Interest and investment income, net (including related party transactions of RMB47,459, RMB63,558 and RMB136,613 (US$21,438) for the years ended December 31, 2019, 2020 and 2021, respectively) | | 464,529 | 521,731 | 395,245 | 62,022 |
| Earnings/(loss) from equity method investments | | 685 | (1,246) | 301 | 47 |
| **Income before income taxes** | | **3,701,006** | **3,668,512** | **2,177,158** | **341,643** |
| Income tax expense | 6 | (500,361) | (260,945) | (34,006) | (5,336) |
| **Net income** | | **3,200,645** | **3,407,567** | **2,143,152** | **336,307** |
| Net (income)/loss attributable to noncontrolling interests | | (679) | (2,338) | 105,633 | 16,576 |
| **Net income attributable to Autohome Inc.** | | **3,199,966** | **3,405,229** | **2,248,785** | **352,883** |
| Accretion of mezzanine equity | 20 | — | — | (411,792) | (64,619) |
| Accretion attributable to noncontrolling interests | | — | — | 311,573 | 48,893 |
| **Net income attributable to ordinary shareholders** | | **3,199,966** | **3,405,229** | **2,148,566** | **337,157** |
| **Earnings per share for ordinary shares: *(Note)*** | | | | | |
| Basic | 17 | 6.75 | 7.13 | 4.30 | 0.67 |
| Diluted | 17 | 6.69 | 7.10 | 4.29 | 0.67 |
| **Earnings per ADS attributable to ordinary shareholders (one ADS equals four ordinary shares)** | | | | | |
| Basic | 17 | 26.99 | 28.53 | 17.19 | 2.70 |
| Diluted | 17 | 26.77 | 28.40 | 17.17 | 2.69 |

AUTOHOME INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021
(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$") except for number of shares and per share data)

| | Note | Year ended December 31, | | | |
|---|---|---|---|---|---|
| | | 2019 | 2020 | 2021 | |
| | | RMB | RMB | RMB | US$ |
| **Weighted average number of shares used to compute earnings per share attributable to ordinary shareholders:** | | | | | |
| Basic | 17 | 474,328,384 | 477,467,268 | 499,861,764 | 499,861,764 |
| Diluted | 17 | 478,060,988 | 479,686,380 | 500,481,540 | 500,481,540 |
| **Net income** | | **3,200,645** | **3,407,567** | **2,143,152** | **336,307** |
| **Other comprehensive income/(loss)** | | | | | |
| Foreign currency translation adjustments | | 20,040 | (86,120) | (106,893) | (16,774) |
| **Comprehensive income** | | **3,220,685** | **3,321,447** | **2,036,259** | **319,533** |
| Comprehensive (income)/ loss attributable to noncontrolling interests | | (679) | (2,338) | 100,326 | 15,743 |
| **Comprehensive income attributable to Autohome Inc.** | | **3,220,006** | **3,319,109** | **2,136,585** | **335,276** |

*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, 2019, 2020 AND 2021
(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$") except for number of shares and per share data)

| | Note | Year ended December 31, | | | |
|---|---|---|---|---|---|
| | | 2019 | 2020 | 2021 | |
| | | RMB | RMB | RMB | US$ |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Net income | | 3,200,645 | 3,407,567 | 2,143,152 | 336,307 |
| **Adjustments to reconcile net income to net cash from operating activities:** | | | | | |
| Depreciation of property and equipment | | 106,941 | 158,229 | 225,310 | 35,356 |
| Amortization of intangible assets | | 11,662 | 12,045 | 83,710 | 13,136 |
| Amortization of operating lease assets | | 122,427 | 108,904 | 122,144 | 19,167 |
| Loss/(gain) on disposal of property and equipment | | 83 | (249) | (1,203) | (189) |
| Provision for doubtful accounts | | 36,676 | 95,683 | 53,294 | 8,363 |
| (Earnings)/loss from equity method investments | | (685) | 1,246 | (301) | (47) |
| Fair value change of short-term investments | | 20,662 | 9,042 | 107,526 | 16,873 |
| Fair value change of other non-current assets | | 5,442 | 15,658 | — | — |
| Interest income of convertible bond | | (70,889) | (77,720) | — | — |
| Share-based compensation | | 204,008 | 211,206 | 206,060 | 32,335 |
| Deferred income taxes | | 144,963 | (22,427) | (151,188) | (23,725) |
| **Changes in operating assets and liabilities:** | | | | | |
| Accounts receivable | | (479,538) | (39,910) | 931,432 | 146,162 |
| Amounts due from related parties, current | | 4,546 | (17,802) | (36,073) | (5,661) |
| Prepaid expenses and other current assets | | (50,995) | (217,720) | 1,046 | 164 |
| Amounts due from related parties, non-current | | (2,468) | (13,654) | 10,634 | 1,669 |
| Other non-current assets | | (186,591) | (252,877) | 3,177 | 499 |
| Accrued expenses and other payables | | (22,630) | (158,270) | (432,192) | (67,820) |
| Advance from customers | | 20,619 | 31,599 | (3,865) | (607) |
| Deferred revenue | | (139,773) | (55,286) | 237,346 | 37,245 |
| Income tax payable | | (73,721) | 39,688 | 148,165 | 23,250 |
| Amounts due to related parties | | 16,519 | 43,508 | (47,998) | (7,532) |
| Other liabilities | | 21,466 | 47,171 | (76,242) | (11,964) |
| **Net cash generated from operating activities** | | **2,889,369** | **3,325,631** | **3,523,934** | **552,981** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Purchase of property and equipment | | (204,113) | (263,892) | (218,798) | (34,334) |
| Proceeds from disposal of property and equipment | | 621 | 388 | 1,030 | 162 |
| Purchase of intangible assets | | — | (573) | (810) | (127) |
| Cash consideration paid for the TTP acquisition, net of cash acquired | | — | (639,760) | (77,444) | (12,153) |
| Purchase of short-term investments | | (42,660,267) | (40,050,012) | (27,082,428) | (4,249,824) |
| Maturity of short-term investments | | 41,695,492 | 37,968,391 | 23,565,437 | 3,697,931 |
| **Net cash used in investing activities** | | **(1,168,267)** | **(2,985,458)** | **(3,813,013)** | **(598,345)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Proceeds from exercise of share options | | 68,676 | 104,154 | 37,032 | 5,811 |
| Payment of dividends | | — | (651,121) | (673,375) | (105,667) |
| Proceeds from issuance of ordinary shares | 1 | — | — | 3,565,843 | 559,559 |
| Payments for repurchase of ordinary shares | 15 | — | — | (31,204) | (4,897) |
| **Net cash generated from/(used in) financing activities** | | **68,676** | **(546,967)** | **2,898,296** | **454,806** |
| Effect of exchange rate changes on cash and cash equivalents and restricted cash | | (13,250) | (17,556) | (46,809) | (7,345) |
| Net increase/(decrease) in cash and cash equivalents and restricted cash | | 1,776,528 | (224,350) | 2,562,408 | 402,097 |
| Cash and cash equivalents and restricted cash at beginning of year | | 216,970 | 1,993,498 | 1,769,148 | 277,618 |
| **Cash and cash equivalents and restricted cash at end of year** | | **1,993,498** | **1,769,148** | **4,331,556** | **679,715** |
| **Supplemental disclosures of cash flow information:** | | | | | |
| Income taxes paid | | 430,308 | 563,415 | 340,215 | 53,387 |
| Purchase of fixed assets included in accrued expenses and other payables | | 20,382 | 34,061 | 18,624 | 2,923 |
| Cash paid for operating lease cost | | 132,096 | 135,773 | 137,693 | 21,607 |
| Right-of-use assets acquired under operating leases | | 54,315 | 217,668 | 38,023 | 5,967 |

*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, 2019, 2020 AND 2021
(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$") except for number of shares and per share data)

| | Note | Ordinary shares | | Additional capital paid-in | Treasury stock | Accumulated other comprehensive income | Retained earnings | Noncontrolling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| | | Shares | Amount | | | | | | |
| | | Number | RMB | RMB | RMB | RMB | RMB | RMB | RMB |
| **Balance as of December 31, 2018** | | **472,225,380** | **7,969** | **3,500,620** | — | **128,375** | **7,498,314** | **(23,835)** | **11,111,443** |
| Net income | | — | — | — | — | — | 3,199,966 | 679 | 3,200,645 |
| Other comprehensive income: | | — | — | — | — | 20,040 | — | — | 20,040 |
| Exercise and vesting of share-based awards | | 3,481,368 | 60 | 69,745 | — | — | — | — | 69,805 |
| Share-based compensation | | — | — | 204,008 | — | — | — | — | 204,008 |
| **Balance as of December 31, 2019** | | **475,706,748** | **8,029** | **3,774,373** | — | **148,415** | **10,698,280** | **(23,156)** | **14,605,941** |
| Net income | | — | — | — | — | — | 3,405,229 | 2,338 | 3,407,567 |
| Other comprehensive loss: | | — | — | — | — | (86,120) | — | — | (86,120) |
| Acquisition of a subsidiary | 19 | — | — | — | — | — | — | 147,639 | 147,639 |
| Dividends declared (US$0.77 per ordinary share before the Share Subdivision) | | — | — | — | — | — | (637,922) | — | (637,922) |
| Exercise and vesting of share-based awards | | 3,512,880 | 60 | 104,184 | — | — | — | — | 104,244 |
| Share-based compensation | | — | — | 211,206 | — | — | — | — | 211,206 |
| **Balance as of December 31, 2020** | | **479,219,628** | **8,089** | **4,089,763** | — | **62,295** | **13,465,587** | **126,821** | **17,752,555** |
| Net income | | — | — | — | — | — | 2,248,785 | (105,633) | 2,143,152 |
| Other comprehensive (loss)/income: | | — | — | — | — | (112,200) | — | 5,307 | (106,893) |
| Dividends declared (US$0.87 per ADS) | | — | — | — | — | — | (673,375) | — | (673,375) |
| Exercise and vesting of share-based awards | | 1,890,028 | 32 | 36,547 | — | — | — | — | 36,579 |
| Share-based compensation | | — | — | 206,060 | — | — | — | — | 206,060 |
| Issuance of ordinary shares, net of issuance costs | 1 | 24,738,400 | 402 | 3,553,857 | — | — | — | — | 3,554,259 |
| Repurchase of ordinary shares | 15 | (664,268) | — | — | (31,204) | — | — | — | (31,204) |
| Accretion of redeemable noncontrolling interests | | — | — | — | — | — | (100,219) | (311,573) | (411,792) |
| **Balance as of December 31, 2021** | | 505,183,788 | 8,523 | 7,886,227 | (31,204) | (49,905) | 14,940,778 | (285,078) | 22,469,341 |
| **Balance as of December 31, 2021, in US$** | | | 1,337 | 1,237,521 | (4,897) | (7,830) | 2,344,534 | (44,735) | 3,525,930 |

*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. In May 2012, Telstra acquired additional ordinary shares of the Company from other shareholders. In June 2016, Telstra completed the sale of approximately 47.4% of the then total issued shares in the Company to Yun Chen Capital Cayman ("Yun Chen"), a subsidiary of Ping An Insurance Company of China, Ltd. ("Ping An") and on February 22, 2017, Yun Chen further acquired from Telstra approximately 6.5% of the then total issued shares in the Company. After the consummation of the sale, Yun Chen has become the Company's controlling shareholder since June 2016.

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 four ordinary shares (previously 1 ADS represents 1 ordinary share before the ADS Ratio Change as detailed in Note 2(a)). Upon the completion of IPO in December 2013, the Company's dual-class ordinary share structure came into effect. 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 before the Share Subdivision as detailed in Note 2(a) were converted into Class A ordinary shares. The net proceeds from the follow-on offering amounted to US$97,344 net of issuance cost. Upon the transfer of 47.4% share ownership by Telstra to Yun Chen in June 2016, all the Class B ordinary shares were converted into Class A ordinary shares.

On March 15, 2021, the Company successfully completed its global offering and the Company's ordinary shares have been listed on the Hong Kong Stock Exchange. The Company issued 24,738,400 ordinary shares, including 4,544,000 ordinary shares under an over-allotment option. Net proceeds raised by the Company from the global offering after deducting underwriting discounts and commissions and other offering expenses amounted to Hong Kong Dollar ("HK$") 4,294,850.

As of December 31, 2021, the Company had 505,183,788 issued and outstanding ordinary shares after considering the effects of the Share Subdivision as detailed in Note 2(a). Yun Chen was the Company's controlling shareholder who held 44.5% of the total equity interest and a significant percentage of the voting rights in the Company as of December 31, 2021, by which it has substantial 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 the Company's assets, election of directors and other significant corporate actions.

The Company, through its subsidiaries and VIEs (as disclosed in the table below), is engaged in the provision of media services, leads generation services and online marketplace and others.

As of December 31, 2021, the Company's principal subsidiaries and VIEs where Autohome WFOE, Chezhiying WFOE and TTP 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 Subsidiaries** | | | |
| Cheerbright International Holdings, Limited ("Cheerbright") | June 13, 2006 | British Virgin Islands | 100% |
| Autohome Link Inc. | January 29, 2015 | Cayman Islands | 100% |
| Autohome (Hong Kong) Limited ("Autohome HK") | March 16, 2012 | Hong Kong | 100% |
| Autohome Link Hong Kong Limited | February 16, 2015 | Hong Kong | 100% |
| Autohome Media Limited ("Autohome Media", formerly known as Prbrownies Marketing Limited) | October 18, 2013 | Hong Kong | 100% |
| Fetchauto Limited (UK) | October 8, 2019 | United Kingdom | 100% |
| Fetchauto Limited (Ireland) | October 18, 2019 | Ireland | 100% |
| FetchAuto GmbH | December 23, 2019 | Germany | 100% |
| TTP Car Inc. ("TTP") | June 12, 2015 | Cayman Islands | 51% *(Note)* |
| Auto Pai Ltd. | September 25, 2020 | British Virgin Islands | 51% |
| TTP Car (HK) Limited | June 23, 2015 | Hong Kong | 51% |
| Beijing Cheerbright Technologies Co., Ltd. ("Autohome WFOE") | September 1, 2006 | PRC | 100% |
| Autohome Shanghai Advertising Co., Ltd. ("Shanghai Advertising") | September 29, 2013 | PRC | 100% |
| Beijing Prbrownies Software Co., Ltd. (formerly known as "Beijing Autohome Software Co., Ltd.") | November 12, 2013 | PRC | 100% |
| Beijing Autohome Technologies Co., Ltd. | November 12, 2013 | PRC | 100% |
| Beijing Autohome Advertising Co., Ltd. | November 13, 2013 | PRC | 100% |
| Beijing Chezhiying Technology Co., Ltd. ("Chezhiying WFOE") | May 26, 2015 | PRC | 100% |
| Guangzhou Autohome Advertising Co., Ltd. | November 25, 2013 | PRC | 100% |
| Guangzhou Chezhihuitong Advertising Co., Ltd. | August 20, 2018 | PRC | 100% |
| Hainan Chezhiyitong Information Technology Co., Ltd. | August 20, 2018 | PRC | 100% |
| Tianjin Autohome Software Co., Ltd. | October 15, 2018 | PRC | 100% |
| Autohome Zhejiang Advertising Co., Ltd. | December 19, 2018 | PRC | 100% |
| Shanghai Jinpai E-commerce Co., Ltd. ("TTP WFOE") | July 31, 2015 | PRC | 51% |
| | | | |
| **Principal VIEs and VIEs' subsidiaries** | | | |
| Beijing Autohome Information Technology Co., Ltd. ("Autohome Information") | August 28, 2006 | PRC | — |
| Beijing Shengtuo Hongyuan Information Technology Co., Ltd. ("Shengtuo Hongyuan") | November 8, 2010 | PRC | — |
| Shanghai Tianhe Insurance Brokerage Co., Ltd. | September 21, 2017 | PRC | |
| Shanghai Jinwu Auto Technology Consultant Co., Ltd. ("Shanghai Jinwu") | September 20, 2007 | PRC | — |

*Note:* Please refer to Note 19 for the disclosure of acquisition.

Autohome Inc., its subsidiaries and VIEs are hereinafter collectively referred to as the "Company". The Company provides media services, leads generation services and online marketplace and others through its websites and mobile applications. These services are primarily offered to automakers and dealers, and advertising agencies that represent automakers and dealers in the automobile industry, and financial institutions. The Company'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 subsidiaries and the VIEs.

PRC laws and regulations prohibit or restrict foreign ownership of internet content businesses. To comply with these foreign ownership restrictions, the Company and its subsidiaries operate websites and mobile applications and conduct its business related to internet content services through VIEs. The paid-in capital of the VIEs was funded by the Company's PRC subsidiaries, Autohome WFOE, Chezhiying WFOE and TTP 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.

Autohome WFOE entered into a series of contractual agreements with Autohome Information and each of its individual nominee shareholders. The currently effective contractual agreements were entered into in February 2021 by and between Autohme WFOE, Autohome Information, Mr. Quan Long, the Company's chairman of the Board of Directors and chief executive officer, and Ms. Haiyun Lei.

Chezhiying WFOE also entered into a series of contractual agreements with Shengtuo Hongyuan and each of its individual nominee shareholders. The currently effective contractual agreements were entered into in February 2021 by and between Chezhiying WFOE, Shengtuo Hongyuan, Mr. Quan Long, the Company's chairman of the Board of Directors and chief executive officer, and Ms. Haiyun Lei.

In the end of December 2020, the Company acquired TTP, its subsidiaries and VIEs, which also conduct its business related to internet content services through VIEs. In August 2015, the then individual nominee shareholder of Shanghai Jinwu, entered into Equity Interest Purchase Agreements and Debt Transfer and Offset Agreements with Weiwei Wang, pursuant to which the then individual nominee shareholder transferred all of its equity interest of Shanghai Jinwu to Weiwei Wang. In August 2015, TTP WFOE, and Shanghai Jinwu and Weiwei Wang, as the individual nominee shareholder of VIE, entered into contractual agreements.

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. 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. In addition, 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. The VIEs shall pay to the WFOEs service fees calculated based on such VIE's revenues reduced by its value-added taxes and surcharges, operating expenses and an appropriate amount of retained profit that is determined pursuant to the Company's tax planning strategies and relevant tax laws. The service fees can be adjusted by the WFOEs unilaterally. The WFOEs shall exclusively own any intellectual property arising from the performance of these agreements. This agreement has 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 agreement*

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.

*Exclusive equity option agreements*

Pursuant to the exclusive equity option agreements entered into among the Nominee Shareholders of the VIEs, 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. In addition, 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. 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. 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, shareholders of the VIEs 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.

*Risk in relation to the VIE Structure*

Internet content related businesses are subject to significant restrictions under current PRC laws and regulations. Specifically, foreign investors are not allowed to own more than 50% equity interest in any Internet Content Provider ("ICP") business.

The Company conducts its operations in China through Contractual Agreements entered into between the WFOEs and VIEs. In 2014, the Company 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. 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, TTP WFOE and VIEs, revoking their business licenses or operating licenses, shutting down the Company's servers or blocking the Company's websites and mobile applications, discontinuing or placing restrictions or onerous conditions on the Company's operations, requiring the Company to undergo a costly and disruptive restructuring, restricting the Company's rights to use the proceeds from the offering to finance the Company's business and operations in China, or enforcement actions that could be harmful to the Company's business. Any of these actions could cause significant disruption to the Company's business operations and severely damage the Company's reputation, which would in turn materially and adversely affect the Company'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 activities 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 Autohome Information and its subsidiaries, Shengtuo Hongyuan and its subsidiaries, Shanghai Jinwu 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 shareholders are valid and binding, and will not result in any violation of PRC laws or regulations currently in effect; and (iii) the Company's business operations are in compliance with existing PRC law and regulations in all material respects.

The VIEs contributed an aggregate of 8.3%, 8.1% and 13.1% of the consolidated net revenues for the years ended December 31, 2019, 2020 and 2021, respectively, after elimination of inter-company transactions. As of December 31, 2020, and 2021, the VIEs accounted for an aggregate of 10.6% and 8.7%, respectively, of the consolidated total assets, and 13.8% and 9.5%, respectively, of the consolidated total liabilities after elimination of inter-company balances. The inter-company revenues of VIEs from Group companies, which mainly represented the service fee for information services, was RMB113,430, RMB173,299, and RMB131,524 (US$20,639) for the years ended December 31, 2019, 2020 and 2021, respectively, which were eliminated upon consolidation by the Company.

Relevant PRC laws and regulations restrict the VIEs from transferring a portion of its net assets to the Company in the form of loans and advances or cash dividends. Please refer to Note 16 for disclosure of restricted net assets.

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.

| | As of December 31, | | |
|---|---|---|---|
| | 2020 | 2021 | |
| | RMB | RMB | US$ |
| Current assets | 558,442 | 735,968 | 115,489 |
| Non-current assets | 2,077,768 | 1,922,848 | 301,737 |
| **Total assets** | **2,636,210** | **2,658,816** | **417,226** |
| Accrued expenses and other payables | 497,742 | 255,661 | 40,119 |
| Advance from customers | 87,604 | 88,699 | 13,919 |
| Deferred revenue | 17,644 | 31,485 | 4,941 |
| Inter-company payables | 103,393 | 524,983 | 82,381 |
| **Total current liabilities** | **706,383** | **900,828** | **141,360** |
| Other liabilities | 9,054 | 4,202 | 659 |
| Deferred tax liabilities | 66,247 | 56,462 | 8,860 |
| **Total non-current liabilities** | **75,301** | **60,664** | **9,519** |
| **Total liabilities** | **781,684** | **961,492** | **150,879** |
| **Net assets** | **1,854,526** | **1,697,324** | **266,347** |

*Note: The non-current assets, total assets and net assets of VIEs and VIEs' subsidiaries as of December 31, 2020 have been revised to increase the intangible assets by RMB 423,800 from amounts previously presented, to correct an immaterial disclosure error under which certain intangible assets were omitted from the presentation.*

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | US$ |
| Net revenues | 702,040 | 700,608 | 948,520 | 148,844 |
| Net (loss)/income | (848) | 23,342 | (89,397) | (14,028) |

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | US$ |
| Net cash (used in)/generated from operating activities | (446,358) | 23,147 | 411,966 | 64,646 |
| Net cash generated/(used in) from investing activities | 478,513 | 193,190 | (386,343) | (60,626) |
| Net cash generated from financing activities | — | — | 163,424 | 25,645 |

The revenue-producing assets that are held by the VIEs comprise of customer relationship, trademarks, websites, domain names, operating license and servers.

The current assets of the VIEs included amounts due from Group companies of RMB129,223 and RMB183,335 (US$28,769), as of December 31, 2020 and 2021, respectively, which were eliminated upon consolidation by the Company. The current liabilities of the VIEs included amounts due to Group companies of RMB103,393 and RMB524,983 (US$82,381), as of December 31, 2020 and 2021, respectively, which were eliminated upon consolidation by the Company. There was no pledge or collateralization of the VIEs' assets that can only be used to settle obligations of the VIEs. Creditors of the VIEs have no recourse to the general credit of the WFOEs, which are the primary beneficiaries of the VIEs. The WFOEs did not provide or intend to provide financial or other supports not previously contractually required to the VIEs during the years presented.

## 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").

On February 2, 2021, the Company announced that the following proposed resolution submitted for shareholder approval has been adopted and approved as a special resolution at the Company's extraordinary general meeting of shareholders: All authorized Class A ordinary shares and Class B ordinary shares are re-designated and combined into one single class of ordinary shares, and subsequently each ordinary share is subdivided into four shares, effective as of February 5, 2021 (the "Share Subdivision"). As a result of this variation of share capital, the authorized share capital of the Company shall be US$1,000,000,000 divided into 400,000,000,000 ordinary shares of a par value of US$0.0025 each, effective as of February 5, 2021. The Company also announced that, concurrently with the effectiveness of the variation of share capital of the Company, the ratio of ADS to ordinary share will be adjusted to one ADS representing four ordinary shares, beginning on February 5, 2021 (the "ADS Ratio Change"). Accordingly, because the Share Subdivision and ADS Ratio Change are exactly proportionate, the ADS Ratio Change, in and of itself, is neutral in its impact on the per-ADS trading price of the Company's ADSs on the New York Stock Exchange ("NYSE"), as the percentage interest in the Company represented by each ADS will not be altered. The number of issued and unissued ordinary shares as disclosed in these consolidated financial statements are prepared on a basis after taking into account the effects of the Share Subdivision and the ADS Ratio Change and have been retrospectively adjusted accordingly.

### *(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: revenues (identification of performance obligations, standalone selling price for each performance obligation and estimation of variable consideration represented by sales rebates related to revenue transactions); initial valuation of the assets acquired and liabilities assumed in a business combination; fair value measurement of short-term investments; depreciation or amortization of long-lived assets and intangible assets; subsequent impairment assessment of long-lived assets, intangible assets, goodwill, other non-current assets and long-term investments; provision for expected credit loss of accounts receivable; accounting for deferred income taxes, assessment of fair value and estimate of forfeitures for share-based awards; and accretion of changes in the redemption value on the preferred shares owned by the noncontrolling shareholders. 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 Company's subsidiaries and VIEs with operations in the PRC, Hong Kong, and other jurisdictions generally use their respective local currencies as their functional currencies 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 operating income, net in the consolidated statements of comprehensive income.

Assets and liabilities of the Company and Company's subsidiaries, other than the subsidiaries with the functional currency of RMB, are translated into RMB at fiscal year-end exchange rates. Income and expense items are translated at monthly 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$1.00 to RMB6.3726 on December 30, 2021 in the City of New York for cable transfers of RMB as certified for customs purposes by the Federal Reserve Bank of New York. No representation is made that the RMB amounts could have been, or could be, converted into US$ 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 of three months or less.

### *(g) Short-term Investments*

Short-term investments represent bank deposits and adjustable-rate financial products with original maturities of less than 1 year that are measured at fair value. In accordance with ASC 825, *Financial Instruments*, for adjustable-rate financial products with the interest rate indexed to performance of underlying assets, the Company elected the fair value method at the date of initial recognition and carried these investments at fair value. Changes in the fair value are reflected in the consolidated statements of comprehensive income as interest and investment income, net. As of December 31, 2021, the Company had an investment in an overdue financial product with fair value below its initial investment, and recognized the loss of RMB164,070 ($25,746) at "interest and investment income, net".

### *(h) Restricted Cash and Consolidated Statements of Cash Flows*

Restricted cash primarily represents cash deposits in a regulatory escrow account related to insurance brokerage services and application for the credit lines from bank.

The following table provides a reconciliation of the amount of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets to the total of the same such amounts shown in the consolidated statements of cash flows:

| | As of December 31, | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | US$ |
| Amounts shown in Consolidated Balance Sheets: | | | | |
| Cash and cash equivalents | 1,988,298 | 1,751,222 | 4,236,501 | 664,799 |
| Restricted cash | 5,200 | 17,926 | 95,055 | 14,916 |
| Total cash, cash equivalents and restricted cash as shown in Consolidated Statements of Cash Flows | 1,993,498 | 1,769,148 | 4,331,556 | 679,715 |

### *(i) Fair Value Measurements of Financial Instruments*

Financial instruments of the Company primarily comprise of cash and cash equivalents, restricted cash, short-term investments, accounts receivable, amounts due from related parties, prepaid expenses and other current assets excluding prepayments and staff advances, other non-current assets excluding operating lease right-of-use assets, accrued expenses and other payables, and amounts due to related parties. The carrying values of these financial instruments excluding other non-current assets approximated their fair values due to the short-term maturity of these instruments.

ASC topic 820 ("ASC 820"), *Fair Value Measurements and Disclosures*, establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets
Level 2 – Include other inputs that are directly or indirectly observable in the marketplace
Level 3 – Unobservable inputs which are supported by little or no market activity

ASC 820 describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

### *(j) 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:

| Category | Estimated useful life |
|---|---|
| Electronic equipment | 3 – 5 years |
| Office equipment | 3 – 5 years |
| Motor vehicles | 4 – 5 years |
| Software | 3 – 5 years |
| Leasehold improvements | Shorter of lease term or the estimated useful lives of the assets |

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.

### *(k) 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 acquired in asset acquisitions are measured based on the cost to the acquiring entity, which generally includes transaction costs. 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:

| Category | Estimated useful life |
|---|---|
| Technologies | 5 years |
| Trademarks | 3-15 years |
| Customer relationship | 5 years |
| Websites | 4 years |
| Domain names | 4-10 years |
| Database | 5 years |
| Licensing agreements | 1.75 years |
| Insurance brokerage license | 4 years |

### *(l) 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 and holds an investment in voting common stock or in-substance common stock (or both) of the investee 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.

***(m) 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 Company's goodwill at December 31, 2020 and 2021 was related to its acquisition of Cheerbright, China Topside and Norstar in June 2008, and its acquisition of TTP in December 2020. 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 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.

Management has determined that the Company represents the lowest level within the entity at which goodwill is monitored for internal management purposes. Starting from January 1, 2020, the Company adopted ASU 2017-04, which simplifies the accounting for goodwill impairment by eliminating Step 2 from the goodwill impairment test. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess, versus determining an implied fair value in Step 2 to measure the impairment loss. Management evaluated the recoverability of goodwill by performing a qualitative assessment 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 as of December 31, 2020 and 2021. Therefore, no impairment loss was recorded for the years ended December 31, 2019, 2020 and 2021. At December 31, 2020 and 2021, goodwill was RMB4,071,391 and RMB4,071,391 (US$638,890), respectively.

If the Company 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.

***(n) Impairment of Long-Lived Assets and Intangibles***

The Company 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 Company of long-lived assets may not be recoverable. When these events occur, the Company 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 Company 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.

***(o) Revenue Recognition and Accounts Receivable***

The Company's revenues are derived from media services, leads generation services and online marketplace and others. Under ASC 606, revenues are recognized when control of the promised goods or services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. The recognition of revenue involves certain management judgments including identification of performance obligations, standalone selling price for each performance obligation, estimation of variable consideration represented by sales rebates, etc. The Company provides rebates to agency companies based on cumulative annual advertising and service volume, and timeliness of their payments, which are accounted for as variable consideration. The Company estimate its obligations under such agreements by applying the most likely amount method, based on an evaluation of the likelihood of the agency companies' achievement of the advertising and service volume targets, and the timeliness of their payments, after taking into account the agency companies' purchase trends and history. A refund liability (included in accrued expenses and other payables) is recognized for expected sales rebates payable to agency companies in relation to advertising services provided. The Company recognizes revenue for the amount of fees it receives from its clients, after deducting these sales rebates, and net of VAT collected from customers. The Company believes that there will not be significant changes to its estimates of variable consideration and updates the estimate at each reporting period as actual utilization becomes available.

The Company determines revenue recognition through the following steps

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, the Company satisfies a performance obligation

*Media services*

Media services revenues mainly include revenues from automaker advertising services and regional marketing campaigns conducted by certain automobile brands' regional offices. The majority of online advertising service contracts involve multiple deliverables or performance obligations presented on PC and mobile platforms and under different formats such as banner advertisements, links and logos, other media insertions and promotional activities that are delivered over different periods of time. Revenue is allocated among these different deliverables based on their relative standalone selling prices. The Company generally determines the standalone selling price as the observable price of a product or service charged to customers when sold on a standalone basis. Advertising services are primarily delivered based on cost per day ("CPD") pricing model. For CPD advertising arrangements, revenue is recognized when the corresponding advertisements are published over the stated display period. For cost per thousand impressions ("CPM") model, revenue is recognized when the advertisements are displayed and based on the number of times that the advertisement has been displayed. For cost-per-click ("CPC") model, revenue is recognized when the user clicks on the customer-sponsored links and based on the number of clicks.

*Leads generation services*

Leads generation services primarily include revenues from (i) dealer subscription services, (ii) advertising services sold to individual dealer advertisers, and (iii) used car listing services. Under the dealer subscription services, the Company makes available throughout the subscription period a webpage linked to its websites and mobile applications where the dealers can publish information such as the pricing of their products, locations and addresses and other related information. Usually, advanced payment is made for the dealer subscription services and revenue is recognized over time on a straight line basis as services are constantly provided over the subscription period. For the advertising services sold to individual dealers, revenue is recognized when the advertising is published over the stated display period. The used car listing services primarily include listing and display of used vehicles, generation of sales leads, etc, through the Company's platform. The used car platform acts as a user interface that allows potential used car buyers to identify listings that meet their specific requirements and contact the seller. The service fee is charged per the number of displayed days, or quantity of sales leads delivered. Revenue is recognized respectively at a point in time upon the display of vehicles or the delivery of sales leads.

*Online marketplace and others*

Online marketplace and others revenue primarily consist of revenues related to (i) data products, (ii) new and used vehicle transaction platform, and (iii) auto financing services and others. For the data products, the Company provides data-driven products and solutions for the automakers and dealers and data analysis reports and recognizes revenue over the service period of data-driven products and solutions by the automakers and dealers or at a point in time upon the delivery of reports. For the new and used vehicle transaction business, and auto-financing business, the Company provides platform-based services including facilitation of transactions, transaction-oriented marketing solutions, generation of sales leads and facilitation of transactions as an insurance brokerage service provider. For the new vehicle transaction, the Company acts as the platform for users to review automotive-related information, purchase coupons offered by automakers for discounts and make purchases to complete the transaction. For the used vehicle transaction, the Company acts as a used car consumer-to-business-to-consumer, or C2B2C, transaction system that facilitates the used car transaction between the sellers and buyers and charge the service fee per each sale. For the auto-financing business, the Company provides a platform which serves as a bridge to match users and automobile sellers that have auto financing needs with the Company's cooperative financial institutions that offer a variety of products covering merchant loans, consumer loans, leases and insurance services. The auto-financing service fee is charged on a per sale or lead basis. The service fee is recognized at a point in time when the relevant information is displayed, marketing solution package is delivered, when the sales leads are delivered or upon the successful facilitation of transaction. The company is not involved in providing the loans and has no further obligation once the revenue for the lead has been recognized.

*Contract Balances and Accounts Receivable*

Payment terms and conditions vary by contract and service types. However, generally speaking, excluding dealer subscription and used car listing, the rest of service contracts usually require payment within several months of service delivery. The term between billings and when payment is due is not significant and the Company generally does not provide significant financing terms. Timing of revenue recognition may differ from the timing of invoicing to customers. Accounts receivable represent amounts invoiced and revenue recognized prior to invoicing, when the Company has satisfied its performance obligations and has the unconditional right to payment. Non-refundable payments in advance of revenue recognition are recorded as deferred revenue and recognized as revenue along with the fulfillment of performance obligations. Deferred revenue is primarily related to the advanced payment related to dealer subscription services and used car listings under leads generation services. The beginning balance of deferred revenue of RMB1,315,667 (US$206,457) was fully recognized as revenue for the year ended December 31, 2021. There is no significant change in contract liability balance for the year ended December 31, 2021.

Accounts receivable are carried at net realizable value. Prior to the adoption of ASC 326, 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. On January 1, 2020, the Company adopted Accounting Standards Update No. 2016-13, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASC 326") using the modified retrospective transition method. ASC 326 replaces the existing incurred loss impairment model with a forward-looking current expected credit loss ("CECL") methodology. The Company estimated the allowance by segmenting accounts receivable into groups based on certain credit risk characteristics. The Company determined an expected loss rate for each group based on historical loss experience, lifetime for debt recovery, current and future economic conditions. The cumulative effect from the adoption as of January 1, 2020 was immaterial to the consolidated financial statements. An accounts receivable balance is written off after all collection effort has ceased.

*Practical Expedients and Exemptions*

The Company has elected to use the practical expedient to not disclose the remaining performance obligations for contracts that have durations of one year or less. Performance obligations to be recognized over a period in excess of one year are immaterial as of December 31, 2020 and 2021.

The revenue standard requires the Company to recognize an asset for the incremental costs of obtaining a contract with a customer if the benefit of those costs is expected to be longer than one year. The Company has determined that sales commission for sales personnel meet the requirements of capitalization. However, the Company applies a practical expedient to expense these costs as incurred for costs to obtain a contract with a customer when the amortization period would have been one year or less.

***(p) Cost of Revenues***

Cost of revenues primarily consist of (i) content-related costs, (ii) bandwidth and Internet Data Center ("IDC") fees, (iii) tax surcharges, (iv) depreciation of the Company's long-lived assets, (v) amortization of certain acquired intangible assets, and (vi) others. Content-related costs primarily comprise of salaries and benefits for employees directly involved in revenue generation activities, cost related to content generation and acquisition and execution cost and other overhead expenses directly attributable to the provision of the media services, leads generation services and online marketplace and others.

***(q) Advertising Expenditures***

Advertising expenditures which amounted to RMB1,649,660, RMB1,795,330 and RMB1,341,623 (US$210,530) for the years ended December 31, 2019, 2020 and 2021, respectively, are expensed as incurred and are included in sales and marketing expenses.

***(r) Product Development Expenses***

Product development expenses consist primarily of employee costs related to personnel involved in the development and enhancement of the Company's service offerings on its websites and mobile applications, and expenditure for research and development activities. The Company recognizes these costs as expenses when incurred, unless they qualify for capitalization as software development costs. Capitalized software development costs have not been material for the periods presented.

***(s) Leases***

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2016-02, *Leases* ("ASU 2016-02"). Further, as a clarification of the new guidance, the FASB issued several amendments and updates. The Company adopted the new lease guidance beginning January 1, 2019 by applying the modified retrospective method to those contracts that are not completed as of January 1, 2019, with the comparative information not being adjusted and continues to be reported under historic accounting standards. There is no impact to retained earnings at adoption.

The Company has elected to utilize the package of practical expedients at the time of adoption, which allows the Company to (1) not reassess whether any expired or existing contracts are or contain leases, (2) not reassess the lease classification of any expired or existing leases, and (3) not reassess initial direct costs for any existing leases. The Company also has elected to utilize the short-term lease recognition exemption and, for those leases that qualified, the Company did not recognize operating lease right-of-use ("ROU") assets or operating lease liabilities.

The Company determines if an arrangement is a lease and determines the classification of the lease, as either operating or finance, at commencement. The Company has operating leases for office buildings and data centers and has no finance leases as of December 31, 2020 and 2021. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the lease payments over the lease term at commencement date.

As the Company's leases do not provide an implicit rate, an incremental borrowing rate is used based on the information available at commencement date, to determine the present value of lease payments. The incremental borrowing rates approximate the rate the Company would pay to borrow in the currency of the lease payments for the weighted-average life of the lease.

The operating lease ROU assets also include any lease payments made prior to lease commencement and exclude lease incentives and initial direct costs incurred if any. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

The Company's lease agreements contain both lease and non-lease components, which are accounted for separately based on their relative standalone price.

As of December 31, 2020 and 2021, the Company recognized the following items related to operating lease in its consolidated balance sheets.

| | As of December 31, | | |
|---|---|---|---|
| | 2020 | 2021 | |
| | RMB | RMB | US$ |
| Operating lease ROU assets | 209,339 | 133,383 | 20,931 |
| Operating lease liabilities, current portion | 112,094 | 96,160 | 15,090 |
| Operating lease liabilities, non-current portion | 90,614 | 28,619 | 4,492 |

Lease cost recognized in the Company's consolidated statements of comprehensive income is summarized as follows:

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | US$ |
| Operating lease cost | 128,507 | 117,479 | 131,529 | 20,640 |
| Cost of other leases with terms less than one year | 64,163 | 96,065 | 99,923 | 15,680 |

Maturities of operating lease liabilities as of December 31, 2021 are as follows:

| | Amounts | |
|---|---|---|
| | RMB | US$ |
| 2021 | — | — |
| 2022 | 97,954 | 15,371 |
| 2023 | 26,846 | 4,213 |
| 2024 | 5,917 | 929 |
| 2025 | 491 | 77 |
| Total lease payments | 131,208 | 20,590 |
| Less imputed interest | (6,429) | (1,008) |
| Total | 124,779 | 19,582 |

As of December 31, 2021, the Company's weighted-average remaining lease term was 1.10 years, and weighted-average discount rate was 6.69%.

As of December 31, 2020 and 2021, the Company does not have any significant operating or finance leases that have not yet commenced. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Company leased office space and data centers from its related party, Ping An Company for a total amount of RMB72,185, RMB119,855 and RMB138,009 (US$21,657) for the years ended December 31, 2019, 2020 and 2021, respectively.

***(t) Income Taxes***

The Company accounts for income taxes using the asset and 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 Company 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 Company 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 Company has recorded unrecognized tax benefits in the other liabilities line item in the accompanying consolidated balance sheets. The Company 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 Company'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 Company'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 Company to adjust the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recognized in the period in which they occur.

***(u) 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.

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.

***(v) 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 statements of comprehensive income. There have been no reclassifications out of accumulated other comprehensive income to net income for the years presented.

***(w) Noncontrolling interests***

Noncontrolling interests are recognized to reflect the portion of the equity of majority-owned subsidiary which is not attributable, directly or indirectly, to the controlling shareholder. Noncontrolling interests are classified as a separate line item in the equity section of the Company's consolidated balance sheets and have been separately disclosed in the Company's consolidated statements of comprehensive income to distinguish the interests from that of the Company.

***(x) Segment Reporting***

In accordance with ASC 280-10, *Segment Reporting: Overall*, the Company'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 Company as a whole; hence, the Company has only one operating segment. The Company does not distinguish between markets or segments for the purpose of internal reporting. As the Company's long-lived assets and revenue are substantially located in and derived from the PRC, no geographical segments are presented.

***(y) 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 RMB344,829, RMB241,951 and RMB418,517 (US$65,677) for the years ended December 31, 2019, 2020 and 2021, respectively.

***(z) 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. For awards with performance condition and multiple service dates, if the performance conditions are all set at inception and independent for each year, each tranche is accounted for as a separate award with its own requisite service period. Compensation cost is recognized over the respective requisite service period separately for each separately-vesting tranche as though each tranche of the award is, in substance, a separate award.

Under ASC 718, an entity can make an accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures when they occur. The Company has elected to estimate the forfeiture rate at the time of grant and revise, if necessary, in subsequent periods if actual forfeitures differ from initial estimates. The Company recognizes compensation cost for awards with performance conditions if and when the Company concludes that it is probable that the performance condition will be achieved. The Company reassesses the probability of vesting at each reporting period for awards with performance conditions and adjusts compensation cost based on its probability assessment.

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 is the price of the Company's publicly traded shares.

The Company accounts for a change in any of the terms or conditions of share-based awards as a modification in accordance with ASC subtopic 718-20, *Compensation-Stock Compensation: Awards Classified as Equity*, whereby the incremental fair value, if any, of a modified award, is recorded as compensation cost on the date of modification for vested awards or over the remaining vesting period for unvested awards. The incremental compensation cost is the excess of the fair value of the modified award on the date of modification over the fair value of the original award immediately before the modification.

***(aa) Other operating income, net***

Value Added Tax ("VAT") refunds are presented as a component of other operating income, net. For Beijing Prbrownies Software Co., Ltd. ("Beijing Prbrownies") and Tianjin Autohome Software Co., Ltd. ("Tianjin Autohome", formerly known as Tianjin Autohome Data Information Technology Co., Ltd.)., they are subject to 13% VAT (or 16% VAT before April 1, 2019) for the dealer subscription services and other services, which were sold in the form of software products. Beijing Prbrownies and Tianjin Autohome are entitled to an immediate 10% VAT (or 13% before April 1,2019) refund, which is a refund in excess of 3% VAT on the total VAT payable, after their registration of software products with relevant authorities and obtaining a refund approval from the local tax bureau. For the years ended December 31, 2019, 2020 and 2021, RMB293,008, RMB218,412 and RMB231,452 (US$36,320) of VAT refunds were recorded as other operating income, net.

Other operating income, net also includes government grants, which primarily represent subsidies and tax refunds for operating a business in certain jurisdictions and fulfilment of specified tax payment obligations. These grants are not subject to any specific requirements and are recorded when received. For the years ended December 31, 2019, 2020 and 2021, RMB147,694, RMB210,022 and RMB51,685 (US$8,111) of government grants were recorded as other operating income, net.

***(bb) Commitment and contingencies***

From time to time, the Company is subject to legal proceedings and claims in the ordinary course of business. Liabilities for such contingencies are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated.

***(cc) Business Combinations***

The Company accounts for its business combinations using the acquisition method of accounting in accordance with ASC 805, *Business Combinations*. The cost of an acquisition is measured as the aggregate of the acquisition date fair values of the assets transferred and liabilities incurred by the Company to the sellers and equity instruments issued. Transaction costs directly attributable to the acquisition are expensed as incurred. Identifiable assets and liabilities acquired or assumed are measured separately at their fair values as of the acquisition date, irrespective of the extent of any noncontrolling interests. The excess of (i) the total costs of acquisition, fair value of the noncontrolling interests and acquisition date fair value of any previously held equity interest in the acquiree over (ii) the fair value of the identifiable net assets of the acquiree is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of comprehensive income. During the measurement period, which can be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the consolidated statements of comprehensive loss.

In a business combination achieved in stages, the Company re-measures the previously held equity interest in the acquiree when obtaining control at its acquisition date fair value and the re-measurement gain or loss, if any, is recognized in the consolidated statements of comprehensive income.

For the Company's majority-owned subsidiaries and consolidated VIEs, a noncontrolling interest is recognized to reflect the portion of their equity which is not attributable, directly or indirectly, to the Company. When the noncontrolling interest is contingently redeemable upon the occurrence of a conditional event, which is not solely within the control of the Company, the noncontrolling interests are classified as mezzanine equity. Consolidated net income on the consolidated statements of comprehensive income includes the net income/loss attributable to noncontrolling interests and mezzanine equity holders when applicable.

***(dd) Mezzanine Equity***

The Company's acquired subsidiary had issued preferred shares to the Company and other shareholders (Note 20), which could be converted into ordinary shares or redeemed by such shareholders upon the occurrence of certain events that are not solely within the control of the entity. Therefore, these preferred shares were accounted for as convertible redeemable noncontrolling interests in the consolidated balance sheets.

The Company accounts for the changes in accretion to the redemption value in accordance with ASC Topic 480, *Distinguishing Liabilities from Equity.* The Company accounts for the changes of redemption value over the period from the date of issuance to the earliest redemption date of the noncontrolling interest. According to different share purchase agreements, the accounting measurement varies among different rounds of issued preferred shares, which including (i) a percentage of the issue price, or (ii) the fair value of the underlying convertible redeemable noncontrolling interests or a percentage of the issue price, whichever is higher, and (iii) the fair value of the underlying convertible redeemable noncontrolling interests or the compound annual interests accrued on such convertible redeemable noncontrolling interests, whichever is higher.

For the determination of fair value, option pricing model was used. The major unobservable input used in the option pricing model included equity value of underlying business, which was determined by management using valuation techniques under the combination of income approach and market approach. The significant assumptions used in income approach included revenue growth rate and discount rate, and those used in market approach included revenue growth rate and selection of earning multiples.

***(ee) Recent Accounting Pronouncements***

In May 2021, the FASB issued ASU No. 2021-04, Earnings Per Share (Topic 260), Debt — Modifications and Extinguishments (Subtopic 470-50), Compensation — Stock Compensation (Topic 718), and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40) to clarify and reduce diversity in an issuer's accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange. The amendments in this update are effective for all entities for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. An entity should apply the amendments prospectively to modifications or exchanges occurring on or after the effective date of the amendments. The Company is currently evaluating the impact of the new guidance on our consolidated financial statements.

***(ff) Concentration of Risk***

*Credit risk*

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash, short-term investments and accounts receivable. As of December 31, 2020, and 2021, cash and cash equivalents, restricted cash and short-term investments altogether amounting to RMB14,647,324 and RMB20,827,823 (US$3,268,339), 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 Company'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 Company continues to monitor the financial strength of these financial institutions.

Accounts receivable are typically unsecured and derived from revenue earned from customers, which are exposed to credit risk. The risk is mitigated by the Company's assessment of its customers' creditworthiness and its ongoing monitoring process of outstanding balances. The Company maintains reserves for allowance of doubtful accounts and these allowances have generally been within expectations. There were no customer and one customer that individually represented greater than 10% of the total accounts receivable as of December 31, 2020 and 2021.

*Business, customer, political, social and economic risks*

The Company participates in a dynamic high technology industry and believes that changes in any of the following areas could have a material adverse effect on the Company's future financial position, results of operations or cash flows; changes in the overall demand for services and products; changes in business offerings; epidemic outbreak that may cause disruption to business operation of the Company, its customers and suppliers; 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 Company's ability to attract and retain employees necessary to support its growth.

There were no customer that individually represented greater than 10% of the total net revenues for the years ended December 31, 2019, 2020 and 2021, respectively.

*Currency convertibility risk*

The Company transacts majority of its business in RMB, which is not freely convertible into foreign currencies. According to the relevant regulations in the PRC, all foreign exchange transactions are required to take place either through the People's Bank of China ("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.

Most of the cash and cash equivalents and short-term investments held by PRC subsidiaries and the VIEs are denominated in RMB, while a portion of cash and cash equivalents and short-term investments held by PRC subsidiaries and the VIEs are denominated in US$. Cash distributed outside of the PRC by PRC subsidiaries and the VIEs are 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 depreciation of 1.2%, appreciation of 6.7%, and appreciation of 2.4% for the years ended December 31, 2019, 2020 and 2021, respectively. Any significant appreciation or depreciation of the RMB may materially and adversely affect the Company's earnings and financial position, and the value of, and any dividends payable on, the Company's ADSs in U.S. dollars. For example, to the extent that the Company need to convert U.S. dollars it received from its initial public offering into RMB to pay its operating expenses, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB amount it would receive from the conversion. Conversely, 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 ADSs.

## 3. FAIR VALUE MEASUREMENT

**Assets measured at fair value on a recurring basis**

| | Fair Value Measurement at December 31, 2021 Using | | | | |
|---|---|---|---|---|---|
| | Quoted Prices in Active Market for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Unobservable inputs (Level 3) | Fair Value at December 31, 2021 | |
| | RMB | RMB | RMB | RMB | US$ |
| Cash equivalents | | | | | |
| Time deposits | — | 892,598 | — | 892,598 | 140,068 |
| Short-term investments | | | | | |
| Term deposits | — | 10,484,066 | — | 10,484,066 | 1,645,179 |
| Adjustable-rate financial products | — | 6,007,859 | — | 6,007,859 | 942,764 |
| Equity investments with readily determinable fair value | 4,342 | — | — | 4,342 | 681 |
| Restricted cash | — | 95,055 | — | 95,055 | 14,916 |
| | 4,342 | 17,479,578 | — | 17,483,920 | 2,743,608 |

| | Fair Value Measurement at December 31, 2020 Using | | | |
|---|---|---|---|---|
| | Quoted Prices in Active Market for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Unobservable inputs (Level 3) | Fair Value at December 31, 2020 |
| | RMB | RMB | RMB | RMB |
| Cash equivalents | | | | |
| Time deposits | — | 268,634 | — | 268,634 |
| Short-term investments | | | | |
| Term deposits | — | 7,286,100 | — | 7,286,100 |
| Adjustable-rate financial products | — | 5,592,076 | — | 5,592,076 |
| Restricted cash | — | 17,926 | — | 17,926 |
| | — | 13,164,736 | — | 13,164,736 |

**Other financial instruments**

The followings are other financial instruments not measured at fair value in the consolidated balance sheets, but for which the fair value is estimated for disclosure purposes.

Financial assets, including accounts receivable, amounts due from related parties, prepaid expenses and other current assets excluding prepayments and staff advances, and other non-current assets excluding operating lease right-of-use assets, are not measured at fair value in the consolidated balance sheets, and the carrying values approximated fair value due to their short-term maturity. Financial liabilities, including accrued expense and other payables, and amounts due to related parties, are also not measured at fair value in the consolidated balance sheets, and the carrying values approximated fair value due to their short-term maturity.

**Assets and liabilities measured at fair value on a non-recurring basis**

The Company measures certain assets, including long-term investments, goodwill and intangible assets, at fair value on a non-recurring basis when they are deemed to be impaired (Level 3). The fair values of these assets are determined based on valuation techniques using the best information available, and may include management judgments, future performance projections, etc. An impairment charge to these investments is recorded when the cost of the investment exceeds its fair value and this condition is determined to be other-than-temporary.

## 4. ACCOUNTS RECEIVABLE, NET

Accounts receivable and allowance for credit losses consist of the following:

| | As of December 31, | | |
|---|---|---|---|
| | 2020 | 2021 | |
| | RMB | RMB | US$ |
| Accounts receivable | 3,252,396 | 2,317,034 | 363,593 |
| Allowance for credit losses | (128,199) | (177,563) | (27,863) |
| Total | 3,124,197 | 2,139,471 | 335,730 |

The movements in the allowance for credit losses were as follows:

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | US$ |
| Beginning balance | 3,589 | 33,989 | 128,199 | 20,117 |
| Additions charged to bad debt expense/current expected credit loss | 37,141 | 104,434 | 53,294 | 8,363 |
| Reversal | (465) | (8,751) | — | — |
| Write off | (6,276) | (1,473) | (3,930) | (617) |
| Ending balance | 33,989 | 128,199 | 177,563 | 27,863 |

## 5. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

| | As of December 31, | | |
|---|---|---|---|
| | 2020 | 2021 | |
| | RMB | RMB | US$ |
| Prepayments | 299,154 | 216,264 | 33,937 |
| Rental and other deposits | 10,867 | 20,371 | 3,197 |
| Receivables from third-party payment platform | 86,777 | 9,899 | 1,553 |
| Interest receivable | 114,726 | 1,495 | 235 |
| Staff advances | 2,070 | 1,395 | 219 |
| Other receivables | 49,588 | 30,824 | 4,836 |
| | 563,182 | 280,248 | 43,977 |

Prepayments primarily include prepaid VAT and surcharges, prepaid promotional expenses and service fee.

## 6. TAXATION

**Enterprise income tax**

*Cayman Islands*

The Company and certain of its subsidiaries are incorporated in the Cayman Islands and conduct substantially all of its business through its PRC subsidiaries and VIEs. Under the current laws of the Cayman Islands, the Company and its subsidiaries are 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 and Auto Pai Ltd. were 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, they are 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 (Hong Kong) Limited, Autohome Media, Autohome Link Hong Kong Limited, and TTP Car (HK) Limited were incorporated in Hong Kong. Subsidiaries in Hong Kong are subject to a two-tiered profits tax regime. The profits tax rate for the first HK$2 million of profits of corporations is 8.25%, while profits above that amount continue are subject to the a rate of 16.5%. Under the Hong Kong tax law, the Company's subsidiaries in Hong Kong are exempted from income tax on their foreign-derived income and there are no withholding taxes in Hong Kong on remittance of dividends.

*The PRC*

Autohome WFOE, Chezhiying WFOE, Beijing Autohome Technologies Co., Ltd.("Beijing Autohome Technologies"), Beijing Prbrownies, Hainan Chezhiyitong Information Technology Co., Ltd. ("Hainan Chezhiyitong") and Tianjin Autohome are recognized as "High-New Technology Enterprise"("HNTE") and are eligible for a 15% preferential tax rate until 2021, 2023, 2023, 2023, 2022 and 2022, respectively, upon the completion of their filings with the relevant tax authorities. The qualification as an HNTE is subject to annual evaluation and a three-year review by the relevant authorities in China.

Chezhiying WFOE, Hainan Chezhiyitong and Tianjin Autohome are recognized as software enterprise("SE") and exempt from income tax for the tax year of 2019 and 2020, followed by a 50% reduction in the statutory income tax rate of 25% for the years of 2021, 2022 and 2023 provided that it maintains its status as a SE during each relevant tax year.

Beijing Prbrownies, further enjoys a more preferential enterprise tax rate of 10% for the tax years of 2019 and 2020 as it was accredited as key software enterprise ("KSE") under the relevant PRC laws and regulations as well, which tax rate will continue to apply for so long as it maintains its key software enterprise status during each relevant tax year. Autohome WFOE and Beijing Autohome Technologies, further enjoy a more preferential enterprise tax rate of 10% as KSE for the tax years of 2019.

Except for the above-mentioned entities, the Company's remaining PRC subsidiaries and all the VIEs were subject to enterprise income tax at a rate of 25% for 2019, 2020 and 2021.

The management subsequently assessed and concluded that uncertain preferential tax rates for certain subsidiaries were able to be realized in the year of 2021 and a reversal of RMB348,593 (US$54,702) was recorded in the year of 2021, composed of current income tax expense of RMB317,944 (US$49,892) and deferred income tax expense of RMB30,649 (US$4,810). A reversal of RMB150,714 and RMB331,952 was also recorded in the fourth quarter of 2019 and 2020, each composed of current income tax expense of RMB151,645 and deferred income tax benefit of RMB931, current income tax expense of RMB371,826 and deferred income tax benefit of RMB39,874.

The basic earnings per share effects related to the preferential tax rate were RMB0.68, RMB0.97 and RMB1.11 (US$0.17) after considering the effects of the Share Subdivision as detailed in Note 2(a) for the years ended December 31, 2019, 2020 and 2021, respectively.

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. 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 believes that the chance of being recognized as a tax resident enterprise is remote for PRC tax purposes.

The Company's subsidiaries incorporated in other jurisdictions were subject to income tax charges calculated according to the tax laws enacted or substantially enacted in the countries where they operate and generate income.

The Company had minimal operations in jurisdictions other than the PRC. Income/(loss) before income tax expense consists of:

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | US$ |
| PRC | 3,647,316 | 3,770,148 | 2,328,917 | 365,458 |
| Non-PRC | 53,690 | (101,636) | (151,759) | (23,815) |
| | 3,701,006 | 3,668,512 | 2,177,158 | 341,643 |

The income tax expense is comprised of:

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | US$ |
| Current | 355,398 | 283,372 | 185,194 | 29,061 |
| Deferred | 144,963 | (22,427) | (151,188) | (23,725) |
| | 500,361 | 260,945 | 34,006 | 5,336 |

The reconciliation of income tax expense for the years ended December 31, 2019, 2020 and 2021 is as follows:

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | US$ |
| Income before income tax expense | 3,701,006 | 3,668,512 | 2,177,158 | 341,643 |
| Income tax expense computed at PRC statutory tax rates (25%) | 925,253 | 917,128 | 544,290 | 85,411 |
| Non-deductible expenses | 27,333 | 22,063 | 28,725 | 4,508 |
| Research and development expenses super-deduction | (194,000) | (225,715) | (185,801) | (29,156) |
| Change in valuation allowances | 16,420 | (5,285) | 50,473 | 7,920 |
| Outside basis difference | (7,727) | 142 | (1,111) | (174) |
| Effect of international tax rate difference | (14,440) | 8,682 | 37,940 | 5,954 |
| Effect of preferential tax rate | (323,534) | (463,819) | (552,567) | (86,712) |
| Effect of withholding tax on dividend | 71,056 | 76,610 | 164,946 | 25,884 |
| Other adjustments *(Note)* | — | (68,861) | (52,889) | (8,299) |
| Income tax expense | 500,361 | 260,945 | 34,006 | 5,336 |

*Note: This amount mainly represents tax savings relating to share-based compensation exercised in 2019 and 2020, which can be recognized under US GAAP when realized at the time of filing of the Company's tax returns, in 2020 and 2021, respectively.*

***Deferred tax***

The significant components of deferred taxes are as follows:

| | As of December 31, | | |
|---|---|---|---|
| | 2020 | 2021 | |
| | RMB | RMB | US$ |
| **Deferred tax assets** | | | |
| Allowance for doubtful accounts | 22,343 | 35,359 | 5,549 |
| Accrued staff cost and expenses | 42,091 | 97,883 | 15,360 |
| Deferred revenue | 11,214 | 5,551 | 871 |
| Tax losses | 404,178 | 489,664 | 76,839 |
| VAT refund | 2,032 | 351 | 55 |
| Less: Valuation allowances | (402,197) | (452,670) | (71,034) |
| Total deferred tax assets | 79,661 | 176,138 | 27,640 |
| | | | |
| **Deferred tax liabilities** | | | |
| Identifiable intangible assets arising from acquisition | 63,570 | 52,460 | 8,232 |
| Intangible assets and internally-developed software | 39,306 | 32,540 | 5,106 |
| Outside basis difference and others | 452,023 | 437,963 | 68,726 |
| Withholding income tax | 76,610 | 53,835 | 8,448 |
| Total deferred tax liabilities | 631,509 | 576,798 | 90,512 |

In assessing the realizability of deferred tax assets, the Company 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 Company 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 the PRC subsidiaries and VIEs as of December 31, 2020 and 2021, respectively, due to the cumulative tax loss positions and insufficient forecasted future taxable income.

As of December 31, 2021, the Company had net operating losses of approximately RMB2,022,137 (US$317,317), which can be carried forward to offset taxable income. The net operating loss will start to expire in 2022 if not utilized.

***Deferred tax liabilities arising from undistributed earnings***

The Enterprise Income Tax Law also imposes a withholding income tax of 10% on dividends distributed by a Foreign Invested Enterprises (“FIEs”) to its immediate holding company outside of China. A lower withholding income tax rate of 5% is applied if the FIE’s immediate holding company is registered in Hong Kong or other jurisdictions that have a tax treaty arrangement with China. As of December 31, 2021, the Company has no such qualified subsidiary, and dividends are subject to a withholding tax rate of 10%.

On November 4, 2019, the Company’s Board of Directors approved an annual cash dividend policy. Under the policy, starting from 2020, the Company will declare and distribute a recurring cash dividend at an amount equivalent to approximately 20% of the Company’s net income in the previous fiscal year. In 2019, 2020 and 2021, the Company accrued RMB71,056, RMB76,610 and RMB53,835 (US$8,448) of deferred income tax expenses associated with the expected cash dividend payment, respectively.

As of December 31, 2020 and 2021, the total amount of undistributed earnings from the Company’s PRC subsidiaries and VIEs that are considered to be permanently reinvested was RMB13,674,190 and RMB14,620,442 (US$2,294,266), respectively. As of December 31, 2020 and 2021, determination of the amount of unrecognized deferred tax liability related to the earnings that are indefinitely reinvested is not practical.

***Unrecognized tax benefits***

As of December 31, 2020 and 2021, the Company recorded an unrecognized tax benefit of RMB14,247 and nil, respectively.

## 7. PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following:

| | As of December 31, | | |
|---|---|---|---|
| | 2020 | 2021 | |
| | RMB | RMB | US$ |
| At cost: | | | |
| Electronic equipment | 647,271 | 651,779 | 102,278 |
| Office equipment | 5,841 | 2,290 | 359 |
| Motor vehicles | 7,071 | 7,264 | 1,140 |
| Software | 305,552 | 419,326 | 65,801 |
| Leasehold improvements | 96,211 | 87,718 | 13,766 |
| | 1,061,946 | 1,168,377 | 183,344 |
| Less: Accumulated depreciation | (651,865) | (786,881) | (123,479) |
| | 410,081 | 381,496 | 59,865 |

Depreciation expense was RMB106,941, RMB158,229 and RMB225,310 (US$35,356) for the years ended December 31, 2019, 2020 and 2021, respectively.

## 8. INTANGIBLE ASSETS, NET

The following tables present the Company's intangible assets with definite lives as of the respective balance sheet dates:

| | December 31, 2021 | | | |
|---|---|---|---|---|
| | Gross Carrying Value | Accumulated Amortization | Net Carrying Value | |
| | RMB | RMB | RMB | US$ |
| Technologies | 202,100 | (40,420) | 161,680 | 25,371 |
| Trademarks | 175,309 | (72,237) | 103,072 | 16,174 |
| Customer relationship | 46,900 | (13,860) | 33,040 | 5,185 |
| Websites | 27,000 | (27,000) | — | — |
| Domain names | 2,954 | (2,277) | 677 | 106 |
| Database | 73,500 | (14,700) | 58,800 | 9,228 |
| Licensing agreements | 2,798 | (2,636) | 162 | 25 |
| Insurance brokerage license | 28,133 | (28,133) | — | — |
| | 558,694 | (201,263) | 357,431 | 56,089 |

| | December 31, 2020 | | |
|---|---|---|---|
| | Gross Carrying Value | Accumulated Amortization | Net Carrying Value |
| | RMB | RMB | RMB |
| Technologies | 202,100 | — | 202,100 |
| Trademarks | 175,309 | (56,993) | 118,316 |
| Customer relationship | 46,900 | (5,600) | 41,300 |
| Websites | 27,000 | (27,000) | — |
| Domain names | 2,237 | (2,012) | 225 |
| Database | 73,500 | — | 73,500 |
| Licensing agreements | 2,870 | (2,579) | 291 |
| Insurance brokerage license | 28,133 | (23,444) | 4,689 |
| | 558,049 | (117,628) | 440,421 |

The Company obtained insurance brokerage license in 2017 through acquisition of Shanghai Tianhe Insurance Brokerage Co., Ltd., which was accounted for as asset acquisition. The Company acquired TTP on December 31, 2020 and identified the intangible assets of technologies, trademarks, customer relationship and database (Note 19). The intangible assets are amortized using the straight-line method, which is the Company'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 RMB11,662, RMB12,045 and RMB83,710 (US$13,136) for the years ended December 31, 2019, 2020 and 2021, respectively.

The annual estimated amortization expenses for the acquired intangible assets for each of the next five years are as follows:

| | 2022 RMB | 2023 RMB | 2024 RMB | 2025 RMB | 2026 RMB |
|---|---|---|---|---|---|
| Amortization expenses | 81,104 | 76,106 | 74,106 | 74,106 | 10,726 |

## 9. LONG-TERM INVESTMENTS

As of December 31, 2020 and 2021, the Company holds several equity investments through its subsidiaries or VIEs, all of which were accounted for under the equity method since the Company can exercise significant influence but does not own a majority equity interest in or control them.

*Hunan Mango Autohome Automobile Sales Co., Ltd. ("Mango JV")*

In May 2015, the Company 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.

*Visionstar Information Technology (Shanghai) Co., Ltd. ("Shanghai Visionstar")*

In July 2017, the Company acquired a 10% interest in Shanghai Visionstar, which primarily engages in augmented reality technology and related operations in the PRC, with a total cash consideration of RMB30,000. The investment was accounted for using equity method as the Company determined that it can exercise significant influence over Shanghai Visionstar.

*Other investments*

The Company also holds several other investments in equity investees. The carrying amount of all of the equity method investments was RMB70,418 and RMB70,720 (US$11,098) as of December 31, 2020 and 2021, respectively. The Company excluded the summarized information for these equity method investees as they were insignificant either individually or on an aggregated basis for all the years presented.

No impairment charges associated with the equity method investments were recognized during any of the years presented.

## 10. OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following:

| | As of December 31, | | |
|---|---|---|---|
| | 2020 | 2021 | |
| | RMB | RMB | US$ |
| Operating lease right-of-use assets | 209,339 | 133,383 | 20,931 |
| Others | 49,365 | — | — |
| | 258,704 | 133,383 | 20,931 |

## 11. ACCRUED EXPENSES AND OTHER PAYABLES

The components of accrued expenses and other payables are as follows:

| | As of December 31, | | |
|---|---|---|---|
| | 2020 | 2021 | |
| | RMB | RMB | US$ |
| Accrued rebates | 797,218 | 646,723 | 101,485 |
| Accrued expenses | 737,797 | 550,848 | 86,440 |
| Payroll and welfare payable | 552,985 | 526,080 | 82,553 |
| Operating lease liabilities - current portion | 112,094 | 96,160 | 15,090 |
| VAT and surcharges payable | 85,372 | 31,307 | 4,913 |
| Professional service fees | 7,074 | 22,885 | 3,591 |
| Deposit from customers | 22,387 | 21,058 | 3,304 |
| Payable for purchase of fixed assets | 39,852 | 21,045 | 3,302 |
| Payable for exercise of share-based awards | 38,217 | 2,566 | 403 |
| Others | 184,713 | 125,925 | 19,761 |
| | 2,577,709 | 2,044,597 | 320,842 |

## 12. RELATED PARTY TRANSACTIONS

Yun Chen became the Company's controlling shareholder in June 2016 and Yun Chen is a subsidiary of Ping An. Therefore Ping An Group became the Company's related party since then.

During the years ended December 31, 2019, 2020 and 2021, related party transactions were as follows:

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | US$ |
| Services provided to Ping An Group (a) | 447,010 | 621,845 | 417,051 | 65,444 |
| Services provided to other related parties | 340 | — | — | — |
| Net revenues from related parties | 447,350 | 621,845 | 417,051 | 65,444 |
| Services provided by and assets purchased from Ping An Group (b) | 107,706 | 156,420 | 176,880 | 27,756 |
| Services provided by and assets purchased from other related parties | 15,717 | 5,625 | 714 | 112 |
| Services provided by related parties | 123,423 | 162,045 | 177,594 | 27,868 |
| Interest income from Ping An Group | 47,459 | 63,558 | 136,613 | 21,438 |

As of December 31, 2020 and 2021, balances with related parties were as follows:

| | As of December 31, | | |
|---|---|---|---|
| | 2020 | 2021 | |
| | RMB | RMB | US$ |
| Amounts due from related parties, current | | | |
| Ping An Group (c) | 47,303 | 83,376 | 13,084 |
| Amounts due from related parties, non-current | | | |
| Ping An Group (c) | 18,163 | 7,529 | 1,181 |
| Amounts included in “Cash and cash equivalents” (d) | 557,117 | 780,875 | 122,536 |
| Amounts included in “Short-term investments” (d) | 2,892,057 | 3,358,937 | 527,091 |
| Amounts included in “Restricted cash” (d) | 17,726 | 5,000 | 785 |
| Amounts due to related parties | | | |
| Ping An Group (e) | 76,048 | 31,182 | 4,893 |
| Other related parties | 3,847 | 715 | 112 |
| | 79,895 | 31,897 | 5,005 |

(a) The amount represents (i) the commission fee for transaction facilitation service on financial product including loan and insurance products, (ii) advertising services and (iii) technical services provided to Ping An Group.
(b) The amount represents rental and property management services, technical services, other miscellaneous services and assets provided by Ping An Group.
(c) Receivable from Ping An Group primarily consists of deposit in relation to the operating lease and other agreements, service fee receivable, and interest receivable from cash and cash equivalents.
(d) The Company has cash or time deposits in commercial banks associated with Ping An Group and purchased certain short-term cash management products managed by Ping An Group as a part of the Company’s cash management plan.
(e) The outstanding payable to Ping An Group primarily consists of payable for provision of services related to business operation, IDC service fee and other miscellaneous services.

## 13. COMMITMENTS AND CONTINGENCIES

***Legal proceedings***

From time to time, the Company is subject to legal proceedings and claims in the ordinary course of business. The Company does not believe that any currently pending legal proceeding to which the Company is a party will have a material effect on its business, balance sheets, or results of operations or cash flows.

## 14. COST OF REVENUES

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | US$ |
| Content-related costs | 451,212 | 571,516 | 513,735 | 80,616 |
| Bandwidth and IDC fees | 106,146 | 113,858 | 105,343 | 16,531 |
| Tax surcharges | 189,935 | 96,958 | 39,240 | 6,158 |
| Depreciation and amortization expenses | 31,169 | 29,889 | 23,406 | 3,673 |
| Others | 181,830 | 148,949 | 366,168 | 57,459 |
| | 960,292 | 961,170 | 1,047,892 | 164,437 |

## 15. ORDINARY SHARES

As of December 31, 2021, the Company had 505,183,788 issued and outstanding ordinary shares after considering the effects of the Share Subdivision as detailed in Note 2(a).

On November 18, 2021, the company announced a share repurchase program under which the Company may repurchase up to US$200,000 of its ADSs over the next twelve months through open market transactions at prevailing market prices, in privately negotiated transactions, in block trades and/or through other legally permissible means, depending on the market conditions and in accordance with applicable rules and regulations.

The Company repurchased 166,067 ADSs (equal to 664,268 ordinary shares) from the open market with an aggregate purchase price of RMB31,204 (US$4,897) during the year ended December 31, 2021. The repurchased shares have not been cancelled by the end of 2021 and are reflected as treasury stock.

## 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.

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 Company in the form of loans, advances or cash dividends. As of December 31, 2019, 2020 and 2021, the Company's PRC subsidiaries and VIEs had appropriated RMB84,537, RMB87,759 and RMB91,339 (US$14,333), 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. As of December 31, 2020 and 2021, the amounts of net assets restricted including the paid-up capital, additional paid-in capital and the statutory reserve funds of the Company's PRC subsidiaries and the net assets of the VIEs in which the Company has no legal ownership, were RMB 4,582,897 and RMB 4,924,954 (US$ 772,833), respectively.

Furthermore, cash transfers from the Company's PRC subsidiaries to their parent companies outside of China are subject to PRC government control of currency conversion. Shortages in availability of foreign currency may temporarily restrict the ability of the PRC subsidiaries and VIEs to remit sufficient foreign currency to pay dividends or other payments to the Company, or otherwise satisfy their foreign currency denominated obligations.

## 17. EARNINGS PER SHARE/ADS

Basic and diluted earnings per share for each of the years presented are calculated as follows:

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | US$ |
| **Basic earnings per share:** | | | | |
| ***Numerator:*** | | | | |
| Net income attributable to ordinary shareholders | 3,199,966 | 3,405,229 | 2,148,566 | 337,157 |
| ***Denominator:*** | | | | |
| Weighted average ordinary shares outstanding | 474,328,384 | 477,467,268 | 499,861,764 | 499,861,764 |
| **Basic earnings per share** | **6.75** | **7.13** | **4.30** | **0.67** |
| **Diluted earnings per share:** | | | | |
| ***Numerator:*** | | | | |
| Net income attributable to ordinary shareholders | 3,199,966 | 3,405,229 | 2,148,566 | 337,157 |
| ***Denominator:*** | | | | |
| Weighted average ordinary shares outstanding | 474,328,384 | 477,467,268 | 499,861,764 | 499,861,764 |
| Dilutive effect of share-based awards | 3,732,604 | 2,219,112 | 619,776 | 619,776 |
| Weighted average number of shares outstanding-diluted | 478,060,988 | 479,686,380 | 500,481,540 | 500,481,540 |
| **Diluted earnings per share** | **6.69** | **7.10** | **4.29** | **0.67** |
| **Earnings per ADS** | | | | |
| **Net income per ADS – basic (RMB)** | **26.99** | **28.53** | **17.19** | **2.70** |
| **Net income per ADS – diluted (RMB)** | **26.77** | **28.40** | **17.17** | **2.69** |

The effects of 389,440, 481,828 and 455,824 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, 2019, 2020 and 2021, respectively. The effects of 714,700, 90,536 and 1,407,232 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, 2019, 2020 and 2021, respectively.

## 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"), a share incentive plan in 2013 (the "2013 Plan"), Amended and Restated 2016 Share Incentive Plan (the "2016 Plan") and 2016 Share Incentive Plan II (the "2016 Plan II") in 2016, collectively the "Plans". The Company may grant share-based awards to its employees, directors and consultants to purchase an aggregate of no more than 31,372,400, 13,400,000, 19,560,000 and 12,000,000 ordinary shares (previously 7,843,100, 3,350,000, 4,890,000 and 3,000,000 ordinary shares, respectively before the Share Subdivision as detailed in Note 2(a) of the Company under the 2011 Plan, 2013 Plan, 2016 Plan and 2016 Plan II, respectively. 2011 Plan, 2013 Plan, 2016 Plan and 2016 Plan II were approved by the Board of Directors in May 2011, November 2013, March 2017 and December 2016, respectively. The Plans are administered by the Board of Directors or any of its committees as set forth in the Plans. For share options and restricted shares with service condition or performance condition granted under the Plans, majority are subject to vesting schedules of approximately four years with 25% of the awards vesting each year and have a contractual term of ten years.

Following the Share Subdivision and the ADS Ratio Change that became effective on February 5, 2021 as detailed in Note 2(a), each ordinary share was subdivided into four ordinary shares and each ADS represents four ordinary shares. Pro-rata adjustments have been made to the number of ordinary shares underlying each share option and restricted share granted, so as to give the participants the same proportion of the equity that they would have been entitled to prior to the Share Subdivision. Prior to February 5, 2021, one ordinary share was issuable upon the exercise of one outstanding share option or the vesting of one outstanding restricted share, respectively. Subsequent to the Share Subdivision, four ordinary shares are issuable upon the exercise of one outstanding share option or the vesting of one outstanding restricted share, respectively. The Share Subdivision has no impact on the number of share options, the number of restricted shares, the weighted average exercise price per share option and the weighted average grant date fair value per restricted share as stated below.

**Share options**

The following table summarizes the Company's employee share option activity under the share option plans:

| | Number of options | Weighted average exercise price | Weighted average grant date fair value | Weighted average remaining contractual term | Aggregate intrinsic value |
|---|---|---|---|---|---|
| Outstanding, January 1, 2021 | 511,790 | 63.83 | 41.10 | 7.54 | 18,910 |
| Granted | 385,120 | 47.06 | 23.00 | | |
| Exercised | (123,811) | 45.35 | | | |
| Forfeited | (230,271) | 79.60 | | | |
| Outstanding, December 31, 2021 | 542,828 | 51.33 | 25.80 | 8.88 | 206 |
| Vested and expected to vest at December 31, 2021 | 517,519 | 49.68 | 25.98 | 8.87 | 206 |
| Exercisable as of December 31, 2021 | 104,324 | 50.03 | 35.69 | 6.76 | 206 |

The aggregate intrinsic value in the table above is calculated as the difference between the exercise price of the underlying awards and US$29.48, the closing stock price of the Company's ordinary shares on December 31, 2021. The weighted-average grant-date fair value of options granted during the years ended December 31, 2019, 2020 and 2021 was US$45.26, US$40.52 and US$23.00, respectively. The total grant date fair value of options vested during the years ended December 31, 2019, 2020 and 2021 was RMB79,197, RMB58,092 and RMB32,226 (US$5,057), respectively. Total intrinsic value of options exercised during the years ended December 31, 2019, 2020 and 2021 was RMB178,577, RMB170,374 and RMB27,950 (US$4,386), respectively.

The aggregate fair value of the outstanding options at the grant dates were determined to be RMB89,242 (US$14,004) 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, 2021, there was RMB48,884 (US$7,671) 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 3.26 years. Total unrecognized compensation expenses may be adjusted for future changes in estimated forfeitures.

**Restricted shares**

Restricted shares activity for the year ended December 31, 2021 was as follows:

| | Number of shares | Weighted average grant date fair value |
|---|---|---|
| Outstanding, January 1, 2021 | 853,331 | 79.88 |
| Granted | 1,028,741 | 50.79 |
| Vested | (348,696) | 74.17 |
| Forfeited | (243,217) | 79.67 |
| Outstanding, December 31, 2021 | 1,290,159 | 55.34 |
| Expected to vest, December 31, 2021 | 1,011,422 | 54.83 |

The weighted average grant-date fair value of restricted shares granted during the years ended December 31, 2019, 2020 and 2021 was US$85.30, US$85.44 and US$50.79, 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, 2019, 2020 and 2021 was RMB141,227, RMB144,757 and RMB165,675 (US$25,998). The aggregate fair value of the outstanding restricted shares at the grant dates were determined to be RMB454,972 (US$71,395) 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, 2021, there was RMB262,589 (US$41,206) 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 2.83 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. The exercise multiple is estimated as the ratio of fair value of underlying shares over the exercise price as at the time the option is exercised and is based on a consideration of research study regarding exercise pattern based on historical statistical data. 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 Company's management is ultimately responsible for the determination of the estimated fair value of its options. 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:

| | 2019 | 2020 | 2021 |
|---|---|---|---|
| Fair value of ordinary share | US$ 87.39 | US$ 77.32-US$94.46 | US$ 31.06-US$119.82 |
| Risk-free interest rates | 1.96% | 0.62%-1.92% | 1.09%-1.62% |
| Expected exercise multiple | 2.2 | 2.2-2.8 | 2.2-2.8 |
| Expected volatility | 53% | 52%-53% | 51%-52% |
| Expected dividend yield | 0.00% | 1.00% | 1.00% |
| Weighted average fair value per option granted | US$ 45.26 | US$ 30.00 - US$ 44.69 | US$ 10.51-US$60.83 |

Share-based compensation expenses relating to options and restricted shares granted to employees recognized for the years ended December 31, 2019, 2020 and 2021 is as follows:

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | |
| | RMB | RMB | RMB | US$ |
| Cost of revenues | 15,508 | 21,372 | 23,142 | 3,631 |
| Sales and marketing expenses | 46,081 | 40,103 | 46,823 | 7,348 |
| General and administrative expenses | 62,884 | 55,868 | 48,803 | 7,658 |
| Product development expenses | 79,535 | 93,863 | 87,292 | 13,698 |
| | 204,008 | 211,206 | 206,060 | 32,335 |

## 19. ACQUISITION

In October 2020, the Company entered into a definitive agreement with TTP, an auction platform for used cars in China. Pursuant to the agreement, the Company committed to make an investment in TTP through subscription of preferred shares of TTP for an aggregate purchase price of US$168,000, including (i) the first closing transaction of US$143,000 in exchange for 31.48% preferred shares of TTP on an as-converted basis; and (ii) the second closing transaction of US$25,000, in exchange for an additional 4.17% preferred shares of TTP. In addition, the Company also obtained the right to purchase up to US$200,000 in total principal amount of convertible bonds ("New Warrant") to be issued by TTP upon the Company's request.

The first closing transaction was completed on December 31, 2020, which would give the Company 51% voting rights at the shareholders' level and right to appoint majority members on TTP's Board of Directors. Therefore, the Company has obtained control over TTP. After the first closing, the Company holds investments in TTP both in forms of convertible bonds ("CB") and preferred shares, representing in aggregate 48.87% of TTP's equity interest on as-converted basis. In April 2021, the Company completed the second closing of its investment in TTP with a cash consideration of US$25,000. In June 2021, the CB and the related accrued interest held the Company was converted into preferred shares of TTP. After the second closing and the conversion of CB, the Company held 51.00% of TTP's equity interest.

The acquisition was accounted for as a business combination. The financial position and results of operation of TTP and its subsidiaries have been included in the Company's consolidated financial statements on December 31, 2020. Since the acquisition was effective on the last day of the fiscal year, the impact was immaterial to the results of operations for the year ended December 31, 2020. Total purchase price for the acquisition comprised of:

| | Amount RMB |
|---|---|
| Total Cash consideration | 935,932 |
| Less: consideration for New Warrant | (74,383) |
| Purchase consideration | 861,549 |

The Company made estimates and judgments in determining the fair value of the assets acquired and liabilities assumed with the assistance from an independent valuation firm. The purchase price allocation as the date of the acquisition is as follows:

| | Amount RMB | Amortization Period |
|---|---|---|
| Intangible assets | | |
| - Technologies | 202,100 | 5 years |
| - Trademarks | 106,900 | 10 years |
| - Customer relationship | 41,300 | 5 years |
| - Database | 73,500 | 5 years |
| Goodwill | 2,567,113 | |
| Net liabilities acquired, excluding intangible assets and the related deferred tax liabilities | (861,918) | |
| Deferred tax liabilities | (63,570) | |
| Noncontrolling interests | (147,639) | |
| Convertible redeemable noncontrolling interests (Note) | (1,056,237) | |
| | 861,549 | |

*Note: TTP had previously issued preferred shares in several series to certain shareholders, which could be redeemed by such shareholders upon the occurrence of certain events. The outcome of these events is not solely within the control of TTP and, therefore, these preferred shares have been accounted for as convertible redeemable noncontrolling interests.*

The excess of purchase price over net tangible assets and identifiable intangible assets acquired was recorded as goodwill. Goodwill primarily represents the expected synergies from combining the TTP's resources and experiences in the used car auction industry with the Company's current business. The goodwill is not expected to be deductible for tax purposes.

Pro forma results of operations for the TTP acquisition has not been presented because it was not material to the consolidated financial statements.

## 20. MEZZANINE EQUITY

| | As of December 31, | | |
|---|---|---|---|
| | 2020 | 2021 | 2021 |
| | RMB | RMB | US$ |
| Balance as of January 1 | — | 1,056,237 | 165,747 |
| Business combinations (Note 19) | 1,056,237 | — | — |
| Accretion of mezzanine equity | — | 411,792 | 64,619 |
| Balance as of December 31 | 1,056,237 | 1,468,029 | 230,366 |

Pursuant to the agreement that was entered into between the Company and TTP (Note 19), after the second closing and conversion of CB, the Company held 51.00% of TTP's equity interest on as-converted basis.

As of December 31, 2020 and 2021, TTP had issued 142,196,089 and 142,196,089 preferred shares, respectively, to certain shareholders (including 80,340,268 shares held by one subsidiary of the Company and eliminated in consolidated financial statements), which could be converted into ordinary shares or redeemed by such shareholders upon the occurrence of certain events that are not solely within the control of TTP. Therefore, these preferred shares were accounted for as convertible redeemable noncontrolling interests.

## 21. COVID-19

The automotive industry in China was negatively impacted by the COVID-19 pandemic, during which automobile production and the number of purchasers declined due to precautionary government-imposed closures of certain travel and business, the government's order to delay resumption of service and mass production and the related quarantine measures. The containment efforts led by the government also caused delay in the near-term marketing demand of the Company's automaker and dealer customers. There is great uncertainty as to the future development of the COVID-19 pandemic and its impact on the automotive industry. Relaxation of restrictions on economic and social life may lead to new cases which may lead to the re-imposition of restrictions. However, the Company will pay close attention to the development of the COVID-19 pandemic and continue to evaluate the nature and extent of the impact to the Company's financial condition.

## 22. SUBSEQUENT EVENTS

***Equity investment in Ping An Capital Co., Ltd.***

In January, 2022, the Company entered into a limited partner interest subscription agreement, a limited partnership agreement and certain other auxiliary documents with Ping An Capital Co., Ltd. (the "Fund Manager"), pursuant to which the Company agrees to subscribe for RMB400,000 worth of limited partner interests in an equity investment fund managed by the Fund Manager.

***Dividends***

On February 24, 2022, the Board of Directors has approved a dividend of US$0.53 per ADS (or US$0.1325 per ordinary share) for fiscal year 2021, which was paid as of March 31, 2022.

**Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership) Subscription Agreement**

This Subscription Agreement (hereinafter this "**Agreement**") is entered into on January 4, 2022 by and between Ping An Capital Co., Ltd. (hereinafter "**Party A**") and the person (hereinafter "**Party B**") set forth in Schedule I.

**Whereas:**

1. Party A, as the Fund Manager of Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership) (hereinafter the "**Limited Partnership**"), manages the Limited Partnership.

2. Party B desires to join the Limited Partnership as a Limited Partner and subscribe the capital contribution of the Limited Partnership; Party A agrees to accept Party B as a Limited Partner of the Limited Partnership.

**NOW, THEREFORE, Party A and Party B hereby enter into this Agreement on Party B's subscription to the capital contribution of the Limited Partnership to join the Limited Partnership.**

Article 1. The Parties acknowledge that Party B, as a Limited Partner of the Limited Partnership, subscribes to the capital contribution of the Limited Partnership, and the Capital Commitment is shown in Schedule I to this Agreement.

Article 2. Party B acknowledges and agrees that it has carefully read the Limited Partnership Agreement attached to Schedule II of this Agreement before signing this Agreement, and has fully understood the meaning and corresponding legal consequences of all terms. Party B has no objection to all terms of Schedule II. Party B acknowledges that its signing of this Agreement indicates that Party B fully agrees to be bound by the Limited Partnership Agreement. While signing this Agreement, Party B shall sign the Limited Partnership Agreement whose content and format are substantially consistent with Schedule II, submit the signature page of the Limited Partnership Agreement to Party A at the quantity specified by Party A, and authorize Party A to prepare the final signing version according to the format and content of Schedule II based on the final subscription. For avoidance of doubt, when preparing the final signing version of the Limited Partnership Agreement, Party A has the right to fill in, modify and supplement the following contents to prepare a formal signing version without prior written consent of Party B:

(1) The name of the Limited Partnership;

(2) The place of registration of the Limited Partnership;

(3) The address of the General Partner;

(4) Typo correction;

(5) Clause number correction;

(6) Text touch up without changing semantics;

(7) Table of content arrangement;

(8) Amendments to the terms in accordance with the requirements of the industry and commerce department;

(9) Other matters provided by laws and regulations, other normative documents or agreed in the Limited Partnership Agreement that do not require the consent of Party B.

Article 3. Party B represents and warrants that:

(1) Party B's information is listed in Schedule I, including Party B's name, address, contacts, contact information, certificate number, legal representative/executive partner representative (applicable to non-natural persons) and Party B's account information. Party B confirms that such information is true, accurate and complete, and Party B understands that the account is Party B's distribution account in the Limited Partnership.

(2) The source of capital contribution to be paid to the Limited Partnership is lawful, without being subject to fundraising from others, and meets the requirements of relevant anti-money laundering laws and regulations.

(3) If it is an entity, it has made effective resolutions in accordance with its internal procedures and has been duly authorized to sign this Agreement, and the person signing this Agreement on its behalf is its legal and duly authorized representative; the signing of this Agreement will not cause it to violate its Articles of Association, any provisions legally binding on it or its obligations under other agreements.

(4) It is qualified to act as a Limited Partner of the Limited Partnership, without being subject to any situation where any law, regulation or competent authority prohibits or restricts it from acting as a partner of a limited partnership.

(5) It subscribes and holds the property shares of the Limited Partnership for its own interests, without being subject to authorization, trust or entrustment holding.

Article 4. All disputes arising from and in connection with this Agreement shall be first settled through friendly negotiation between the Parties in good faith. If the disputes cannot be resolved through negotiation, the Parties shall submit the disputes to the Shenzhen Court of International Arbitration (Shenzhen Arbitration Commission) for arbitration in Shenzhen in accordance with its arbitration rules then in force. The arbitral proceedings shall be conducted in Chinese language. The arbitral tribunal shall be composed of three arbitrators. The applicant and the respondent shall each appoint one arbitrator, and the third arbitrator shall be appointed by the arbitration institution and serve as the chief arbitrator. All arbitration costs (including but not limited to arbitration fees, arbitrators' fees and legal fees and expenses) shall be borne by the losing party, unless otherwise determined by the arbitral tribunal. The arbitral award shall be final and binding on the relevant parties.

Article 5. This Agreement shall come into force after being signed by the Parties (if the signatory is a natural person, it shall be signed by the signatory; if the signatory is a non-natural person, it shall be affixed with the official seal and signed by the legal or authorized representative). This Agreement is made in duplicate, with each party holding one copy, and both copies are equally authentic.

[Intentionally left blank]

[Signature page of the Fund Manager of the Subscription Agreement]

Fund Manager: Ping An Capital Co., Ltd.

Official Seal:

Signature of Legal/Authorized Representative: /s/ Authorized Representative

[Signature page of the Limited Partner of the Subscription Agreement]

Name of Limited Partner: Tianjin Autohome Software Co., Ltd. (天津车之家软件有限公司)

Signature/Official Seal:

Signature of Legal/Authorized Representative: /s/ Authorized Representative

**Notes:**

In case of a natural person, please write your full name neatly and sign.

In case of a non-natural person, please write the name neatly, affix the official seal, and sign by the legal or authorized representative.

Schedule I: Information and Capital Commitment of Party B

Information of Party B:

| | |
|---|---|
| Name: | Tianjin Autohome Software Co., Ltd. |
| ID No./Unified Social Credit Code: | 91120116MA06FHKD45 |
| Domicile/Principal Place of Business: | Room 209, Floor 2, Area C, Animation Building, No. 126, Animation Middle Road, Tianjin Eco City (Trusteeship No. 979, Tianjin Haobang Business Secretary Co., Ltd.) |
| Legal Representative: | Long Quan |
| Contacts: | |

Capital Commitment of Party B:

| | |
|---|---|
| Capital Commitment of Party B (RMB): | In Chinese Character: RMB Four Hundred Million Only<br>In figures: RMB 400,000,000.00 |

Account Information of Party B:

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| Account Name: | *** |
| Beneficiary Bank: | *** |
| Account No.: | *** |

Schedule II: Limited Partnership Agreement of Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership)

**Exhibit 4.54**

Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership)

**Partnership Agreement**

**Contract No.:**

Date: January, 2022

**Representations and Warranties of the Fund Manager**

**The Fund Manager of Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership) (the "Partnership") hereby represents and warrants to the investors as follows:**

**Ping An Capital Co., Ltd. serves as the Fund Manager of the Partnership and has been registered as a private fund manager numbered P1065097 with the Asset Management Association of China ("AMAC") prior to fundraising. The Fund Manager further represents to the investors that the registration of the Fund Manager and the filing of the Partnership handled by the AMAC shall not constitute the recognition of the Fund Manager's investment capabilities and ongoing compliance, nor the guarantee for the assets safety of the Partnership. The Fund Manager warrants that it has disclosed relevant risks to the investors prior to the execution of this Agreement and understood the investors' risk preference, risk perception and risk tolerance. The Fund Manager undertakes to manage and operate the assets of the Partnership based on the principles of dedication to duties, good faith, and prudence and diligence, without making any promise on the profitability or minimum return of the business of the Partnership.**

**Fund Manager: Ping An Capital Co., Ltd. (official seal)**

By Legal Representative/Authorized Representative: /s/ Authorized Representative

**Representations and Warranties of the Investors**

**Each investor of the Partnership hereby represents and warrants to the Fund Manager as follows:**

**This investor is a qualified investor as defined under the *Interim Measures for the Supervision and Administration of Private Investment Funds* and the sources and use of the assets of this investor comply with the relevant laws and regulations of the State; this investor has fully understood all terms and contents of this Limited Partnership Agreement of Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership) and the schedules hereto, the relevant rights and obligations hereunder, the relevant laws and regulations and the risk and return characteristics of the Partnership in which it invests, and is willing to bear the corresponding investment risks. This investor undertakes that the basic information provided to the Fund Manager with respect to investment objectives, investment preferences, investment restrictions, income status and risk tolerance, is true, complete, accurate and legal, without any major omissions or misleading information.**

**By signing this Agreement, this investor hereby makes the above representations and warranties on behalf of itself.**

**Guangzhou Ping An Consumption Equity Investment Partnership(Limited Partnership)**

**Limited Partnership Agreement**

This Limited Partnership Agreement of Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership) (this "**Agreement**") is entered into by and among the General Partner and the Limited Partners (together with the General Partner, the "**Partners**" or the "**Parties**") as listed in Schedule I hereto on January 4, 2022 (the "**Signing Date**").

WHEREAS, the Parties intend to initiate and establish a limited partnership to engage in investment business in accordance with the provisions of the *Partnership Enterprise Law* (as defined below), the *Securities Investment Fund Law of the People's Republic of China*, the *Interim Measures for the Supervision and Administration of Private Investment Funds* (Order No. 105 of the China Securities Regulatory Commission), the *Measures for the Registration of Private Investment Fund Managers and Filing of Funds (for Trial Implementation)*, the *Administrative Measures for Fund Raising* (as defined below), the *Private Investment Fund Contract Guidelines No. 1—Guidelines for Content and Format of Contractual Private Fund Contract*, the *Private Investment Fund Contract Guidelines No. 3—Guidelines for Mandatory Clauses in Partnership Agreements*, the *Administrative Measures for Information Disclosure of Private Investment Funds* and other relevant laws and regulations and self-regulatory rules in the private investment fund industry, as well as the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the Parties agree as follows:

## 1 Definitions

### 1.1 Definitions

In this Agreement, unless the context otherwise requires, the following terms shall have the meanings set forth below:

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| **"Agreement"** | means this Limited Partnership Agreement of Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership) and the schedules hereto, as supplemented or restated through proper procedures from time to time. |
| **"Affiliated Enterprises"** | means, with respect to the Partnership, (i) the non-individual partners of the Partnership; (ii) the Persons directly or indirectly Controlled by the non-individual partners of the Partnership; (iii) any corporation that directly or indirectly Controls the non-individual partners of the Partnership and the Persons directly or indirectly Controlled by such corporations; (iv) the Persons directly or indirectly Controlled by Affiliated Individuals; or (v) the Persons affiliated with the non-individual partners according to PRC laws; and with respect to any other Persons, any Person directly or indirectly Controlling or Controlled by such Person or any Person directly or indirectly under common Control with such Person by any third party. "Control", "Controlled" and "Controlling" referred above shall mean the power by a Person to direct the business or personal activities of any other Person, whether through the equity interests, voting rights, contractual relationship, kinship or other relationship that is generally deemed to vest such power. A Person shall be deemed to have Control over any other Person if such Person owns fifty percent (50%) or more of the voting securities of such other Person. In addition, though the voting power directly or indirectly held by a Person in any other Person is less than fifty percent (50%), Control shall also be deemed to exist if a Person owns the voting power sufficient to impose material impact on the decision-making by any other Person, or to exercise actual control over the latter through investment relationship, agreements or other arrangements. |

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| **“Affiliated Individuals”** | means, with respect to a non-natural Person, (i) such Person’s individual shareholders or partners and their parents, spouses or children aged 18 or above with civil capacity; (ii) individual shareholders, partners, directors, supervisors and senior executives of such Persons’ non-individual shareholders or partners; (iii) members and Observers of the Investment Decision-making Committee, or members of the Investment Advisory Committee of such Person; and with respect to a natural Person, such Person’s parents, spouses and children aged 18 or above with civil capacity. |
| **“Affiliates”** | means, with respect to any Person, such Person’s Affiliated Enterprises and Affiliated Individuals. |
| **“Related Party Transactions”** | means transactions between the Partnership and a Partner and/or the Fund Manager, or an Affiliate of a Partner and/or the Fund Manager, or an Affiliated Fund (as defined below) of the General Partner and/or the Fund Manager, which may cause conflicts of interests with the Partnership. For the avoidance of doubt, none of the following transactions shall constitute “Related Party Transactions” subject to restrictions under this Agreement: collection of the management fee, custodian fee and supervision fee for the special account for the settlement of funds raised from the Partnership by the Fund Manager, the Custodian Bank and the fundraising regulators; or co-investment in a Portfolio by the Co-investment LP (as defined below) and/or the Affiliated Funds and the Partnership. |
| **“Business Day”** | means any day other than statutory holidays and rest days in China. |

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| **“Partnership”** | means the limited partnership established pursuant to this Agreement, i.e., Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership) (the specific name of which shall be subject to the final approval of the competent administrative department for industry and commerce). |
| **“Partners”** | means the General Partner and the Limited Partners under this Agreement. |
| **“General Partner” or “Executive Partner”** | means the sole General Partner and Executive Partner of the Partnership at the time of the execution of this Agreement, i.e., Ping An Capital Co., Ltd.. |
| **“Limited Partners”** | means the limited partners who have subscribed for the capital contributions to the Partnership, which have been accepted by the Fund Manager, and have executed and accepted this Agreement, and those who have joined the Partnership through transfer of or succession to the Partnership Interests. |
| **“Defaulting Partner”** | means a Partner who fails to perform its obligation of capital contribution and/or other obligations pursuant to this Agreement. |
| **“PIPE”** | means investment in non-publicly issued and traded ordinary shares, preferred shares that are convertible into ordinary shares, and convertible bonds of a listed company through private placement, block trade, transfer by contract or other similar methods. |
| **“Term”** | means a six (6) years’ period from the Initial Closing Date of the Partnership and any extension determined in accordance with Articles 2.8.2 and 2.8.3 or a period from the Initial Closing Date of the Partnership until the early termination of the Partnership according to Article 2.8.4. |
| **“Initial Closing Date”** | shall have the meaning ascribed to it in Article 3.2.2. |
| **“Fund Manager”** | means the institution that manages the Partnership, i.e., Ping An Capital Co., Ltd.. |
| **“Fund Manager Removal Date”** | means the date on which the resolutions for the removal of the Fund Manager have been passed on a Partners’ Meeting in accordance with Article 8.1 (5). |
| **“Portfolio”** | means a project, company, enterprise, partnership enterprise, partnership or other legal or economic entity in which the Partnership directly or indirectly invests in a manner consistent with this Agreement. |

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| **Portfolio Interests Disposal** | means the sale of all or part of equity interests of any Portfolio or disposal of such equity interests in other lawful forms (including, without limitation, sale on the secondary market after the listing of a Portfolio and liquidation of a Portfolio). |
| **"Investment Cost"** | means, with respect to any Portfolio, the capital contribution made by the Partnership as Investment Principal invested in such Portfolio and any payment made by the Partnership for the costs, expenses and other fees of such Portfolio, including, without limitation, the appraisal, acquisition, maintenance and disposal costs of such Portfolio and the fees of relevant intermediaries (such as attorneys, accountants and industry advisors) that have not been reimbursed by the portfolio company. |
| **"Investment Principal"** | means, with respect to any Portfolio, the capital contribution made by the Partnership to the Portfolio by directly using assets of the Partnership, which constitutes the property interests in such Portfolio, excluding any other costs, fees or expenses related to the investment in such Portfolio. |
| **"Partnership Enterprise Law"** | means the Law of the People's Republic of China on Partnerships (amended and adopted at the 23rd Meeting of the Standing Committee of the 10th National People's Congress of the People's Republic of China on August 27, 2006 and effective as of June 1, 2007), as amended and interpreted by competent authorities. |
| **"Partnership Expenses"** | means the expenses borne by the Partnership on its own, including, without limitation, the expenses set forth in Article 6.1. |
| **"Affiliated Funds"** | mean, whether prior to or after the execution of this Agreement, one or more investment funds and/or other corporate or non-corporate enterprises (including RMB funds and foreign currency funds) with making investment as their principal business activities that are otherwise sponsored, raised, invested in, established by the General Partner and/or the Executive Partner and/or the Fund Manager and/or their Affiliates acting as the fund manager and/or the general partner and/or the executive partner of such entities, or invested and managed by the aforesaid entities which act as the fund manager of such entities, or that participate in the foregoing activities. |

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| **“Person”** | means any individual or any company, enterprise, partnership enterprise, partnership or other legal or economic entity registered and duly existing under the PRC laws. |
| **“Capital Commitment”** | means the amount of cash contribution committed by a Partner to the Partnership in accordance with this Agreement and accepted by the Fund Manager. |
| **“Total Capital Commitment”** | means the total amount of cash contributions committed by all the Partners to the Partnership in accordance with this Agreement and accepted by the Fund Manager. |
| **“Capital Contribution”** | means the amount of cash contribution paid in by a Partner to the Partnership in accordance with this Agreement and accepted by the Fund Manager. |
| **“Total Capital Contribution”** | means the total amount of cash contributions paid in by all the Partners to the Partnership in accordance with this Agreement and accepted by the Fund Manager. |
| **“Custodian Bank”** | means a custodian bank of the Partnership selected by the Fund Manager, i.e., Ping An Bank Co., Ltd. Guangzhou Branch, which is an Affiliate of the General Partner or the Fund Manager, as of the Signing Date. |
| **“Escrow Account”** | means an account opened by the Partnership with the Custodian Bank or a general account (as determined by the Fund Manager as necessary), which is under the supervision of the Custodian Bank. |
| **“Partnership Interests”** | means the rights and interests that a Partner is entitled to in the Partnership in accordance with this Agreement. Specifically, with respect to a Limited Partner, it refers to the property shares that the Limited Partner is entitled to in the Partnership based on its Capital Contribution, including the right to recover the Investment Cost and to receive distributions; with respect to the General Partner, in addition to the above rights and interests that the General Partner is entitled to based on its Capital Contribution, the Partnership Interests also include the rights to execute the Partnership’s affairs and to receive distributions in accordance herewith. |
| **“Portfolio Investment”** | means the direct or indirect investment by the Partnership in a Portfolio in the manner as set forth in this Agreement. |
| **“Unused Funds”** | mean all the idle cash assets retained by the Partnership, including, without limitation, any cash to be invested, distributed, and reserved for payment. |
| **“PRC” or “China”** | means the People’s Republic of China, for the purpose of this Agreement, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region, and Taiwan. |
| **“above” or “below”** | as used in this Agreement with respect to a figure, shall include the given figure. |

## 2 Establishment of the Partnership

2.1 Basis of Establishment

The Parties agree to jointly establish a limited partnership in accordance with the *Partnership Enterprise Law*, the *Interim Measures for the Supervision and Administration of Private Investment Funds* (Order No. 105 of the China Securities Regulatory Commission), the *Measures for the Registration of Private Investment Fund Managers and Filing of Funds (for Trial Implementation)*, the *Administrative Measures for Fund Raising, the Private Investment Fund Contract Guidelines No. 1—Guidelines for Content and Format of Contractual Private Fund Contract*, the *Private Investment Fund Contract Guidelines No. 3—Guidelines for Mandatory Clauses in Partnership Agreements*, the *Administrative Measures for Information Disclosure of Private Investment Funds* and other relevant laws and regulations and self-regulatory rules in the private investment fund industry, as well as the terms and conditions set forth in this Agreement.

2.2 Name of the Partnership

2.2.1 The name of the Partnership shall be "Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership)", which shall be subject to the final approval of the competent administrative department for industry and commerce.

2.2.2 As necessary for the operation of the Partnership, the General Partner may change the name of the Partnership and, if so, shall complete the relevant registration procedures for such change. All the Partners hereby agree that the General Partner shall have the authority to execute relevant legal documents by itself and/or on behalf of the Limited Partners and complete the relevant procedures for the registration of industrial and commercial changes, and the other Partners shall provide necessary assistance upon request of the General Partner.

2.3 Principal Place of Business

2.3.1 The principal place of business of the Partnership shall be: No. 068, Room 206, Building 3, No. 62, Dachong Road, Nansha District, Guangzhou, which shall be subject to the final approval of the competent administrative department for industry and commerce.

2.3.2 As necessary for the operation of the Partnership, the General Partner may change the principal place of business of the Partnership and, if so, shall complete the relevant registration procedures for such change. All the Partners hereby agree that the General Partner shall have the authority to execute relevant legal documents by itself and/or on behalf of the Limited Partners and complete the relevant procedures for the registration of industrial and commercial registrationchanges, and the other Partners shall provide necessary assistance upon request of the General Partner.

2.4 Date of Establishment

The Partnership shall be deemed to be established on the "Establishment Date" specified in the business license of the Partnership.

2.5 Purpose and Business Scope of the Partnership

2.5.1 The Partners establish the Partnership to invest in Portfolios in the fields of consumption, healthcare, modern service and technology, high-end manufacturing, environmental protection, etc., mainly through equity investment, mergers and acquisitions, debt-to-equity investment, PIPE investment and investment in exchangeable bonds privately issued by shareholders of listed companies and other similar investments.

2.5.2 The business scope of the Partnership includes engaging in equity investment, investment management, asset management and other activities through private equity funds (provided that such business activities shall not be conducted until the completion of registration and filing procedures with the AMAC), which shall be subject to the final approval of the competent administrative department for industry and commerce.

2.5.3 As necessary for the operation of the Partnership or as required by laws and regulations, and/or the requirements of regulatory institutions and/or the registration authorities for industry and commerce, the General Partner may change the business scope of the Partnership and, if so, shall complete the relevant registration procedures for such change. All the Partners hereby agree that the General Partner shall have the authority to execute relevant legal documents by itself and/or on behalf of the Limited Partners and complete the relevant procedures for the registration of industrial and commercial changes, and the other Partners shall provide necessary assistance upon request of the General Partner.

2.6 Partners

2.6.1 The basic information of the General Partner and the Limited Partners of the Partnership is set forth in Schedule I. In case of any changes to any Partner of the Partnership during the Term, Schedule I shall be amended accordingly and the relevant registration procedures for such changes shall be completed. All the Partners hereby agree that the General Partner shall have the authority to execute relevant legal documents by itself and/or on behalf of the Limited Partners and complete the relevant procedures for the registration of industrial and commercial changes, and the other Partners shall provide necessary assistance upon request of the General Partner.

2.6.2 The General Partner (i.e., the Executive Partner), Ping An Capital Co., Ltd., is a limited liability company incorporated under the PRC laws.

2.6.3 During the Term, in the event of admission or withdrawal of any Partner or transfer of the Partnership interests by any Partner and/or occurrence of any other matters resulting in the change of the name, domicile or Capital Commitment of any Partner, the General Partner shall promptly update the Schedule I accordingly to reflect such change.

2.7 Fund Manager

2.7.1 By executing this Agreement, the Partners hereby agree to engage Ping An Capital Co., Ltd. (i.e., the General Partner and Executive Partner) as the Fund Manager of the Partnership. Ping An Capital Co., Ltd., as the Fund Manager, mainly provides services relating to fundraising and investment management to the Partnership.

2.7.2 The Fund Manager may engage lawyers, accountants, investment banks, brokers, appraisers, and other professional institutions/experts to provide services to it during the performance of its management obligations. Relevant fees shall be paid according to this Agreement. For the avoidance of doubt, if the Partnership subsequently engages any third-party advisors (including, without limitation, investment advisors and consultants, which may be the Affiliates of the Fund Manager), the relevant service fees incurred based on this Article 2.7 shall be borne by the Fund Manager; provided, however, that such fees may be deducted and withheld by the Partnership from the Management Fee payable to the Fund Manager.

2.8 Term

2.8.1 The Partnership is allowed to continue on a long-term basis as registered on its business license, which shall be subject to the final approval of the competent administrative department for industry and commerce.

2.8.2 The Term of the Partnership shall be six (6) years commencing from the Initial Closing Date. If the Partnership fails to fully exit from all the Portfolios invested by it upon the expiration of such six (6) years' period, the Fund Manager may, at its sole discretion, extend the Term by no more than two (2) years (collectively, the "**Extension Period**", and in this case, the Term shall be extended accordingly). The Term of the Partnership consists of an Investment Period and an Exit Period as set forth below:

(1) The investment period of the Partnership shall commence from the Initial Closing Date to the third (3rd) anniversary thereof (the "**Investment Period**"), which may be terminated according to Articles 2.8.4 and 5.11.

(2) The remaining Term after the expiration of the Investment Period shall be the exit period of the Partnership (the "**Exit Period**"), which shall commence from the expiration date of the Investment Period.

For the avoidance of doubt, the Term of the Partnership as extended pursuant to this Article 2.8.2 (i.e., the Investment Period and the Exit Period) shall not exceed eight (8) years in aggregate.

2.8.3 Notwithstanding the foregoing, upon the expiration of the Term as extended by the Partnership pursuant to Article 2.8.2 above, in the event the Partnership fails to fully exit from all Portfolios or holds any non-cash property and further extension of the Term is required, the Term may be further extended with approval of the Partners' Meeting before the expiration date of Term; where such further extension period is not approved by the Partners' Meeting pursuant to this Article 2.8.3, so long as there is any non-cash property held by the Partnership, the Fund Manager shall monetize such non-cash properties to the maximum extent (in which case, the Term shall be extended to the date on which such properties have been monetized and distributed), or to the extent practicable, make non-cash distributions to all the Partners in accordance with the applicable laws and regulations then in effect.

2.8.4 Notwithstanding Articles 2.8.2 and 2.8.3 above, the Fund Manager may, at its sole discretion, terminate the Partnership upon occurrence of any of the following events at any time during the Term:

(1) The Partnership is unable to conduct its business in the ordinary course due to major adjustments in the financial policies of the State or force majeure events; or

(2) The Partnership has completed its withdrawal from all Portfolios and the distribution in accordance with Article 9 hereof; or

(3) Other circumstances that may affect the normal operation of the Partnership or, upon the reasonable judgment of the Fund Manager, prevent the Partners from maximizing their interests.

2.9 Filing of the Partnership

All the Partners agree that, if the Partnership is required to obtain approval from or complete filing procedures with the relevant authorities or the AMAC for this Agreement and/or the establishment and subsequent operation of the Partnership in accordance with the relevant laws and regulations of China, the Parties agree to authorize the Fund Manager to complete the relevant procedures and submit relevant materials on behalf of the Partnership. If any authorities and/or the AMAC has any comments to this Agreement, the Parties agree to cooperate in the execution of supplementary agreements to this Agreement or other relevant legal documents.

If the Partnership fails to complete the filing procedures with the AMAC, all the Partners agree unanimously that the General Partner or the Fund Manager shall refund the amount already paid by all the Partners (after deduction of all taxes and fees) after the date (exclusive of such date) on which the determination of such unsuccessful filing is made.

## 3 Method, Amount and Term of Capital Contribution

3.1 Method

3.1.1 All the Partners shall make their Capital Contributions to the Partnership in cash in RMB.

3.2 Capital Commitment

3.2.1 The Parties acknowledge that the Total Capital Commitment to the Partnership shall be determined by the Fund Manager based on the closing status of the Partnership and shall be subject to the total amount set forth in Schedule I.

3.2.2 The Fund Manager may determine and declare the completion of the initial closing of the Partnership (the date of which shall be the "**Initial Closing Date"**) based on status of the initial capital contributions to the Partnership, and the Partnership shall complete the relevant registration procedures for change of partners in the Partnership. Notwithstanding the foregoing, all the Partners acknowledge and agree that the Fund Manager may declare an early completion of the initial capital contribution period (as determined by the Fund Manager) as long as the target size set by the Fund Manager has been completed. In addition, if the Partnership fails to reach the initial target size set by the Fund Manager at its sole discretion upon the expiration of the initial capital contribution period, the Fund Manager may, at its sole discretion, rescind this Agreement and other legal documents in connection with any Partner's subscription of the partner interests in the Partnership, and refund such Partner's Capital Contribution, if any, without interest.

3.2.3 The minimum Capital Commitment of each Limited Partner to the Partnership shall be RMB*** (subject to the adjustment by the Fund Manager from time to time). As of the execution of this Agreement, the amount and ratio of the Capital Commitment of each Partner are set forth in Schedule I. In case of any change in any Partner or the amount or ratio of any Partner's Capital Commitment during the Term, Schedule I shall be updated accordingly, and the relevant registration procedures for such change shall be completed. All the Partners unanimously agree that the General Partner shall have the authority to execute relevant legal documents by itself and/or on behalf of the Limited Partners (other than the Limited Partner undergoing the change) and complete the relevant procedures for the registration of industrial and commercial changes, and other Partners shall provide necessary assistance as required by the General Partner.

3.2.4 Subsequent Closings

(1) All the Partners unanimously acknowledge and agree that, after the Initial Closing Date, the Fund Manager may schedule one or more additional closings (the "**Subsequent Closings**") from time to time to admit additional Limited Partners or to allow any existing Partners to increase their Capital Commitments to the Partnership and/or a Parallel Investment Vehicle (as defined in Article 7.12.1), if any. The Subsequent Closings shall be completed within the [eighteen (18)] months' period from the Initial Closing Date or at such later date as agreed by the Investment Advisory Committee (if any, the date on which all Subsequent Closings have been completed shall be the "**Final Closing Date**"); the Final Closing Date shall not be later than the earlier of the expiration date of the Investment Period of the Partnership or any Parallel Investment Vehicle (if any). As of the Final Closing Date, the Total Capital Commitment to the Partnership and the Parallel Investment Vehicles (if any) is expected to not exceed RMB[***] (RMB[***]), which may be increased or decreased and shall be subject to the determination of the Fund Manager based on the actual conditions of the capital contributions.

(2) Unless otherwise provided for in Article 3.3.2, a Partner admitted to the Partnership or a Parallel Investment Vehicle (if any) or any existing Partner increasing its Capital Commitment in any Subsequent Closings (the "**Subsequent Partner**"; for the avoidance of doubt, with respect to an existing Partner who increases its Capital Commitment, the relevant provisions shall only apply to the additional Capital Commitment made by such Partner in the Subsequent Closings) shall make the initial Capital Contribution on or prior to the drawdown date stated in the initial drawdown notice issued by the Fund Manager ten (10) Business Days in advance of such drawdown date. The amount of initial Capital Contribution of a Subsequent Partner shall be no less than [***]% of its Capital Commitment or such other amount or proportion as decided by the Fund Manager based on the specific circumstances of the investments (including potential investments) by and/or other capital needs (if any, the latter shall prevail) of the Partnership or the Parallel Investment Vehicles (if any). Such Subsequent Partner shall pay the remaining Capital Commitment on the drawdown date and in the amount as stated in the relevant drawdown notice to be issued by the Fund Manager based on the specific circumstances of the investments by the Partnership or the Parallel Investment Vehicles (if any). The Fund Manager may specify the amount and due date of capital contribution in a drawdown notice according to the specific circumstances of the investments (including potential investments) by and/or other capital needs of the Partnership or the Parallel Investment Vehicles (if any), and such drawdown notice shall be delivered by the Fund Manager to Subsequent Partners at least ten (10) Business Days prior to the drawdown date specified in the drawdown notice. Notwithstanding the foregoing, the Parties agree that the Fund Manager may decide, at its sole discretion, to issue a drawdown notice, and the Subsequent Partners shall make Capital Contributions in the amount and on the drawdown date specified in such notice.

(3) In addition, with respect to the Portfolios (the "**Prior Investments**") of the Partnership and the Parallel Investment Vehicles (if any), the Subsequent Partners shall pay compensation (the "**Subsequent Closing Compensation**") based on the amount of their Capital Commitments in the Subsequent Closings to the Partnership or the Parallel Investment Vehicles (if any). The calculation period of the Subsequent Closing Compensation shall commence from the date (inclusive of such date) on which the Partnership or a Parallel Investment Vehicle (if any) makes the initial investment to the first Portfolio (whichever is earlier, and if the investment amount is paid in installments, the date of the payment of the first installment of the investment amount) (the "**First Investment Date**") and end on the date (exclusive of such date) on which the Subsequent Partners make their initial Capital Contributions and with respect to each Subsequent Partner, the relevant amount shall be calculated according to the following formula:

Amount of the Subsequent Closing Compensation = Capital Contributions of all the Partners admitted to the Partnership and the Parallel Investment Vehicles (if any) prior to the Subsequent Partner (the "**Prior Partners**") as of the date on which the Subsequent Partner makes its initial Capital Contribution ÷ Capital Commitments of all Prior Partners as of such date × Capital Commitment of such Subsequent Partner × [***]% × number of days of the calculation period ÷ 365

The Fund Manager may require a Subsequent Partner to pay the Subsequent Closing Compensation when making its initial Capital Contribution (for the avoidance of doubt, such Subsequent Closing Compensation shall not be included in the Subsequent Partner's Capital Contributions), or deduct the Subsequent Closing Compensation from the amount of proceeds distributable to such Subsequent Partner before any distribution in accordance with Article 9.2. The Fund Manager may decide at its sole discretion how the Subsequent Closing Compensation shall be collected at that time. With respect to any Subsequent Partner, its Subsequent Closing Compensation shall be distributed by the Partnership or the Parallel Investment Vehicles (if any) among all relevant Prior Partners (other than the Defaulting Partners) in proportion based on their respective Capital Contributions in the Partnership or the Parallel Investment Vehicles (if any) to the Total Capital Contribution at the time of such distribution (the "**Parallel Capital Contribution Ratio**").

After the Subsequent Partners have made the initial Capital Contributions to the Partnership or the Parallel Investment Vehicles (if any) and the Subsequent Closing Compensation (for the avoidance of doubt, without interest) in the manner in accordance with the above, the allocation of the investment costs and proceeds of the Prior Investments with respect to such Subsequent Partners shall be determined as if such Subsequent Partners have subscribed or increased their Capital Commitments at the time of making the Prior Investments and have made their Capital Contributions on the same schedule as the Prior Partners, and the Subsequent Partners shall be entitled to the same rights and interests as the Prior Partners on a pro rata basis according to the increased Capital Commitments or the Capital Contributions to the Partnership or the Parallel Investment Vehicles (if any). The Subsequent Partners shall not participate in the allocation of the investment costs in connection with any part of the Portfolio Interests Disposal (regardless of whether the proceeds received from such disposal have been actually settled and distributed) that have been completed by the Partnership or the Parallel Investment Vehicles (if any), nor the allocation of profits or losses derived from any disposal or distribution of profits of such Portfolios before the Subsequent Capital Contributions.

If, upon its reasonable judgment, the Fund Manager believes that the Subsequent Closing Compensation made in proportion by the Subsequent Partners in accordance with the above fails to appropriately reflect the material change in the value of the Prior Investments then held by the Partnership and the Parallel Investment Vehicles (if any), the Fund Manager may (i) adjust the Subsequent Closing Compensation to be paid by such Subsequent Partners to appropriately reflect such change in value, or (ii) exclude such Subsequent Partners from the distribution of profits of such Prior Investments.

Notwithstanding the foregoing:

(1) The Subsequent Partners that are accepted by the Partnership or the Parallel Investment Vehicles (if any) during the period from the Initial Closing Date (inclusive) to the First Investment Date (exclusive) and have made the initial Capital Contributions as agreed shall not be required to pay the Subsequent Closing Compensation.

(2) The exemption period for the Subsequent Closing Compensation shall commence from the First Investment Date (inclusive) to the expiration date of the [ninetieth (90th)] calendar day from the First Investment Date (exclusive) (the "**Subsequent Closing Compensation Exemption Period**", as extended in accordance with this Article). The Subsequent Partners who are contractual private equity funds or private asset management plans that have completed product filing procedures with the AMAC and have made the initial Capital Contributions during the Subsequent Closing Compensation Exemption Period, shall not be required to pay the Subsequent Closing Compensation.

After the expiration of the Subsequent Closing Compensation Exemption Period, the Subsequent Partners shall make the Subsequent Closing Compensation in accordance with this Article 3.2.4, unless the Fund Manager determines, based on the investment amount, industry status and other circumstances of such Subsequent Partners, (1) to exempt certain Subsequent Partners from the Subsequent Closing Compensation in full, or (2) to adjust the amount of the Subsequent Closing Compensation to be paid by certain Subsequent Partners; provided, however, that the rate of the adjusted Subsequent Closing Compensation shall not be lower than the current deposit interest rate of the Custodian Bank, and in each case of (1) and (2), the relevant matters related to the exemption or adjustment of the Subsequent Closing Compensation shall be subject to the examination and approval by the Investment Advisory Committees of the Partnership and the Parallel Investment Vehicles (if any).

3.3 Payment of Capital Contributions

3.3.1 Payment Procedures of Capital Contributions by the Limited Partners

The Limited Partners shall make Capital Contributions in accordance with the following procedures:

(1) Initial Capital Contribution: The Fund Manager shall give an initial drawdown notice to each Limited Partner within ten (10) Business Days from the date on which each Limited Partner signs this Agreement to require each Limited Partner to pay [***]% of its Capital Commitment or such other amount or percentage as the Fund Manager determines based on the specific circumstances of the investments (including potential investments) and/or other capital needs (if any, the latter shall prevail) of the Partnership (the "**Initial Capital Contribution**"). The "**Drawdown Date**", with respect to each drawdown of Capital Contribution, shall be the date on which such drawdown is due and payable as provided in the drawdown notice issued to the Limited Partner, and such Limited Partner shall pay the Capital Contribution in full into the special account for the settlement of funds raised prior to the Drawdown Date in accordance with the drawdown notice.

(2) Subsequent Capital Contribution: Each Limited Partner shall make any subsequent Capital Contribution on the Drawdown Date and in the amount specified in the drawdown notice to be issued by the Fund Manager based on the specific circumstances of the investments (including potential investments) and/or other capital needs of the Partnership or the Parallel Investment Vehicles (if any). The Fund Manager may specify the amount and the Drawdown Date in a drawdown notice according to the specific circumstances of the investments (including potential investments) by and/or other capital needs of the Partnership or the Parallel Investment Vehicles (if any), and such drawdown notice shall be delivered by the Fund Manager to Limited Partners at least ten (10) Business Days prior to the Drawdown Date specified in the drawdown notice. Notwithstanding the foregoing, the Parties agree that the Fund Manager may decide, at its sole discretion, to issue a drawdown notice, and the Limited Partners shall make Capital Contributions in the amount and on the Drawdown Date as specified in such notice.

(3) Upon the expiration of the Investment Period, the Partners shall have no obligation to pay their remaining Capital Commitments, and the Fund Manager shall not issue any additional drawdown notices to the Partners, except for the following circumstances: (a) for completing Portfolio Investments with respect to which any investment letter of intent, memorandum of understanding or similar document has been signed prior to the expiration of the Investment Period, or any investment commitment has been made, or ongoing Portfolio Investments, by the Partnership or the Parallel Investment Vehicles (if any); (b) for making subsequent investments in existing Portfolios by the Partnership or the Parallel Investment Vehicles (if any); (c) for paying expenses and/or debts, compensation, indemnity or other similar amounts payable by the Partnership or the Parallel Investment Vehicles (if any).

(4) If any Limited Partner fails to make all or any portion of any Capital Contributions pursuant to Articles 3.3.1 (1), 3.3.1 (2) and 3.3.1 (3) above or the Subsequent Closing Compensation pursuant to Articles 3.2.4 (3), the Fund Manager may, in its independent judgement, designate such Limited Partner as in default under this Agreement and become a "**Defaulting Partner**". The Fund Manager may (but shall not be obligated to) require a Defaulting Partner to pay all of its outstanding Capital Contribution (including the Subsequent Closing Compensation) during a grace period of ten (10) Business Days (the "**Grace Period**") following the Drawdown Date as specified in the relevant drawdown notice, and may (but shall not be obligated to) require the Defaulting Partner to pay interests (the "**Overdue Capital Contribution Interests**") to the Partnership at the rate of 0.1% of the overdue amounts accrued from the day following the relevant Drawdown Date until the date the overdue amount has been paid in full. A Defaulting Partner who pays in full the overdue Capital Contribution and, if any) shall be deemed as a non-Defaulting Partner. If, during the Grace Period, a Defaulting Partner pays in full the overdue Capital Co the Overdue Capital Contribution Interests (including the Overdue Fines and/or the Liquidated Damages Contributions or the Subsequent Closing Compensation but fails to pay all or any portion of the Overdue Capital Contribution Interests, the Defaulting Partner shall pay the Partnership late payment fees at the rate of 0.1% of the outstanding Overdue Capital Contribution Interests (the "**Overdue Fines**") accrued from the due date of the Overdue Capital Contribution Interests. In addition, if such Limited Partner still fails to make any portion of its Capital Commitment, the Subsequent Closing Compensation and the Overdue Capital Contribution Interests (and the Overdue Fines, if any) during the Grace Period, the Fund Manager may (but shall not be obligated to) take any one or more of the following actions after the expiration of such Grace Period, and shall promptly notify the Defaulting Partner of the same:

(a) The Fund Manager may reduce the portion of such Defaulting Partner's Capital Commitment in the amount of the Capital Contributions that have not been paid. All the Partners hereby approve such reduction, and no further consent shall be required at the time of such reduction. The Fund Manager may determine to allocate the amount of such reduced Capital Commitment to other Limited Partners or allow other third parties to subscribe for such amount. All Partners shall cooperate in completing the relevant procedures for reduction of such Capital Commitment as soon as practicable, including, without limitation, executing all necessary documents and taking all necessary actions as required by the Fund Manager. Such reduction of the Defaulting Partner's Capital Commitment shall be deemed to have been completed at the time that the Fund Manager makes the decision of the reduction, regardless of whether the procedures in connection with such reduction of the Capital Commitment have been completed, and the Defaulting Partner shall be entitled to the rights hereunder based on the remaining Capital Commitment;

(b) The Fund Manager may require the Defaulting Partner to pay the Partnership liquidated damages in the amount equal to 15% of its overdue Capital Contribution, or in case of the overdue Subsequent Closing Compensation, in the amount twice the overdue Subsequent Closing Compensation (the "**Liquidated Damages**"). If such Limited Partner fails to pay any portion of the Liquidated Damages as well as its Capital Contribution, Subsequent Closing Compensation, Overdue Capital Contribution Interests and Overdue Fines for five (5) Business Days, the Fund Manager may (but shall not be obligated to) directly reduce the Defaulting Partner's Capital Contribution (and its Capital Commitment and the Total Capital Commitment of the Partnership shall be commensurately reduced) by an amount not exceed the aggregate amount of the Overdue Capital Contribution Interests, Overdue Fines and Liquidated Damages as determined above (which shall be subject to the determination of the Fund Manager). All Partners shall cooperate in completing the formalities for such reduction as soon as practicable, including, without limitation, executing all necessary documents and taking all necessary actions as required by the Fund Manager. Such reduction of the Defaulting Partner's Capital Commitment shall be deemed to have been completed at the time that the Fund Manager makes the decision of the reduction, regardless of whether the procedures for the registration of industrial and commercial changes in connection with such reduction have been completed, and the Defaulting Partner shall be entitled to the rights hereunder based on its remaining Capital Contribution after the reduction, including, without limitation, the right to receive any distribution pursuant to such remaining Capital Contribution;

(c) The Fund Manager may adjust distributions with respect to the Defaulting Partner. When making any distributions according to this Agreement, other non-Defaulting Partners shall have priority over the Defaulting Partner in receiving distributions, i.e., the Defaulting Partner shall not receive any distributions until other non-Defaulting Partners have received distributions in the amount equal to their Capital Contributions (and if there are more than one Defaulting Partners, the distribution shall be made in proportion to the respective Capital Contributions of such Defaulting Partners); and the Defaulting Partners have the right to receive distributions no more than their Capital Contributions ;

(d) The Fund Manager may take any action that it believes necessary to make the Defaulting Partner perform its capital contribution obligations;

(e) The Fund Manager may require the Defaulting Partner to reimburse and indemnify the Partnership or the General Partner/the Fund Manager for the costs and expenses and direct and indirect losses incurred due to the Defaulting Partner's breach of this Agreement; or

(f) The Fund Manager may force the Limited Partner to withdraw from the Partnership.

Once a Limited Partner is designated a "Defaulting Partner", before its breach has been comprehensively and fully rectified, (i) such Defaulting Partner shall have no voting right on the matters that required to be approved by the Partners hereunder, and its voting right shall be excluded from the total voting right of all the Partners; (ii) such Defaulting Partner shall automatically lose its seat, if any, in the Investment Decision-making Committee and the Investment Advisory Committee.

(5) For the avoidance of doubt, the compulsory withdrawal of a Defaulting Partner shall not exempt it from its indemnification obligations and liabilities as discussed above. The Limited Partners acknowledge and agree that the Partnership may refund such Limited Partners the remaining amount of its Capital Contributions, if any, after deducting the Overdue Contribution Interests, Overdue Fines, Liquidated Damages and other compensations based on liabilities for breach of contract from such Capital Contributions. All Limited Partners unanimously agree that the Fund Manager may have the authority to execute relevant legal documents by itself and/or on behalf of the Limited Partners and complete the procedures for the registration of industrial and shall commercial changes in accordance with Articles 3.3.1 (3), 3.3.1 (4) and 3.3.1 (5) hereof, and the other Partners shall provide necessary assistance as required by the Fund Manager.

(6) If the Partnership incurred any losses due to any Defaulting Partner's failure to make its Capital Contribution on time, and the Overdue Contribution Interests, Overdue Fines, Liquidated Damages and other compensations based on liabilities for breach of contract paid by such Defaulting Partner are insufficient to make up the losses incurred by the Partnership, such Defaulting Partner shall be liable for the compensation of such losses, including, without limitation, (a) losses arising from indemnification liabilities to third parties due to the Partnership's failure in performing investment obligations, payment obligations or debt repayment obligations on time; (b) costs and reasonable attorneys' fees incurred in arbitration, litigation and other judicial proceedings arising from the recovery by the Partnership of the Overdue Contribution Interests, Overdue Fines, Liquidated Damages and other compensations based on breach of contract liabilities from the Defaulting Partner. The Fund Manager may, in its sole discretion, deduct the amount of the damages and compensations under this Article directly from the future proceeds distributable to the Defaulting Partner and shall promptly notify the Defaulting Partner of such deduction in writing.

(7) The Overdue Contribution Interests, Overdue Fines, Liquidated Damages and other compensations based on breach of contract liabilities under this Article, as other income of the Partnership, may be distributed among all the non-Defaulting Partners of the Partnership (excluding the Partners exempted by the Fund Manager from any Overdue Contribution Interests, Overdue Fines or Liquidated Damages) in proportion to their respective Capital Contributions. Notwithstanding the foregoing, if a Defaulting Partner fails to pay the Subsequent Closing Compensation in accordance with Article 3.2.4 (3), the relevant Overdue Contribution Interests, Overdue Fines, Liquidated Damages and other compensations based on breach of contract liabilities arising from such default by the Defaulting Partner shall be distributed among all the non-Defaulting Partners of the Partnership and the Parallel Investment Vehicles, if any, (excluding the Partners exempted by the Fund Manager from any Overdue Contribution Interests, Overdue Fines or Liquidated Damages) based on their Parallel Capital Contribution Ratio.

(8) Notwithstanding the foregoing, all the Partners hereby agree that the Fund Manager may, in its sole discretion, exempt any Defaulting Partner from liabilities for breach of contract and indemnification in whole or in part for its failure to make any Capital Contribution on time, or enter into other agreements with such Defaulting Partner with respect to such liabilities and indemnification.

3.3.2 Procedure for Capital Contribution by General Partner

The actual payment progress of the Capital Commitment made by the General Partner shall be determined by the Fund Manager based on the specific circumstances of the investments of the Partnership. The Limited Partners hereby acknowledge that they shall have no right to require the General Partner to indemnify the Partnership or any Limited Partner for any potential inconsistencies between the progress of Capital Contribution of the General Partner and that of the Limited Partners. For the avoidance of doubt, notwithstanding the provisions of Article 3.3.1, the procedures for payment of Capital Contribution by the General Partner during the initial closing and the Subsequent Closings shall be implemented in accordance with this Article 3.3.2.

3.3.3 After any installment of Capital Contribution has been made, the Fund Manager may (1) determine to reduce the Total Capital Commitment of the Partnership on a pro rata basis; or (2) upon the application by a Limited Partner and based on its judgement, determine to approve the reduction of such Limited Partner's Capital Commitment and reduce the Total Capital Commitment of the Partnership accordingly (for the avoidance of doubt, in such case, the Capital Commitments of the other Limited Partners shall remain unchanged). Where the Fund Manager decides to reduce the Total Capital Commitment of the Partnership in accordance with this Article, the Fund Manager shall change relevant information on the register of Partners accordingly. All the Partners shall cooperate in completing the relevant procedures for the reduction of any Capital Commitment as soon as practicable, including, without limitation, executing all necessary documents and taking all necessary actions as required by the Fund Manager. Upon the issuance of a notice to reduce any Capital Commitment by the Fund Manager, any distribution in accordance with this Agreement shall be conducted based on the remaining Capital Commitment and the then Capital Contribution, whether or not the relevant formalities for the reduction of Capital Commitment have been completed.

3.4 Without prejudice to the capital needs of Portfolios and the overall interests of the Partnership and the Parallel Investment Vehicles (if any), the Fund Manager may adjust the Capital Contribution schedule of any Partner based on the actual conditions of the Partnership or the Parallel Investment Vehicles (if any) (to ensure that the proportion of each Partner's investment amount in any Portfolio is consistent with its proportion of Capital Commitment to the Partnership, except for the investment made in accordance with Article 7.15 or the Fund Manager's failure in reducing the Capital Commitment corresponding to the Capital Contribution unpaid by the Defaulting Partner in breach of this Agreement in accordance with Article 3.3.1 (4)) by notifying such Partner at least ten (10) Business Days in advance.

## 4 Limited Partners

4.1 **Limited Partners**

4.1.1 A Limited Partner shall be liable for the debts of the Partnership within its Capital Commitment. A newly admitted Limited Partner shall be liable for the debts of the Partnership incurred prior to its admission within its Capital Commitment. The Limited Partner that has withdrawn from the Partnership shall be liable for the debts of the Partnership incurred due to reasons prior to its withdrawal within the property that it received from the Partnership at the time of its withdrawal.

4.1.2 A Limited Partner does not execute the affairs of the Limited Partnership or act on behalf of the Partnership. Unless otherwise expressly provided herein, none of the Limited Partners shall participate in the management or control of the investment business of the Partnership or other activities, transactions and business conducted in the name of the Partnership, sign any document on behalf of the Partnership, or engage in any other actions binding upon the Partnership.

4.1.3 The bankruptcy, dissolution, or withdrawal of a Limited Partner shall not automatically dissolve or terminate the Partnership. Limited Partners shall not voluntarily withdraw from the Partnership prior to the dissolution of the Partnership, except for transferring its Partnership Interests pursuant to Article 12.1 or withdrawing from the Partnership pursuant to Article 13.1.

4.1.4 The exercise by a Limited Partner of the rights of a Limited Partner in accordance with the Partnership Enterprise Law and this Agreement shall not constitute such Limited Partner’s participation in the management or control of the investment business or other activities of the Partnership, in which case the Limited Partner may be deemed as a General Partner who shall be jointly and severally liable for the debts of the Partnership in accordance with laws or other regulations.

4.1.5 There shall be no preference or priority among the rights of the Limited Partners that have made the Capital Contributions and are not in default in the Partnership. No Limited Partner shall have priority over any other Limited Partners in recovering its Capital Contribution or receiving any other property that may be distributed by the Partnership.

4.2 Cooperation Obligations of the Limited Partners

All the Partners agree that, if the Partnership is required to obtain approval from or complete filing procedures with the relevant approval authorities or supervisory institutions for this Agreement and/or the establishment and subsequent operation of the Partnership in accordance with the relevant laws and regulations of the PRC, the Parties agree to authorize the General Partner and/or the Fund Manager, as required by the approval authorities or supervisory institutions, to complete the relevant procedures and submit relevant materials on behalf of the Partnership. During such process, the General Partner and/or the Fund Manager shall be considered as the authorized representative of the Partnership. If the approval authorities and/or the supervisory institutions have any comments to this Agreement, other Partners shall, within five (5) Business Days from the date on which the General Partner and/or the Fund Manager delivers such comments to the Parties, notify the General Partner and/or the Fund Manager in writing about whether they agree to amend this Agreement in accordance with such comments, failure of which shall be deemed as acceptance of the comments of the approval authorities and/or the supervisory institutions.

With respect to (1) the matters subject to approvals through the resolutions adopted at the Partners' Meeting in accordance with this Agreement, and/or the matters the General Partner and/or the Fund Manager may determine in its discretion in accordance with this Agreement, and/or the matters for which registration or registration of changes with the industrial and commercial administrative department is required that can be handled by the General Partner in its discretion in accordance with this Agreement; and (2) supervision, examination, filing or other requirements imposed by supervisory institutions on the Partnership and/or the Partners (including, without limitation, the circumstances set forth in Article 4.2), the Limited Partners shall execute relevant documents and provide relevant cooperation (including, without limitation, provision of information required by supervisory institutions) (collectively, the "**Cooperation Obligations**"). If a Limited Partner refuses to perform its Cooperation Obligations, the General Partner or the Fund Manager (as the case may be) may issue a notice and require such Limited Partner to perform its Cooperation Obligations within the grace period granted by the General Partner or the Fund Manager (as the case may be). If a Limited Partner still fails to perform its Cooperation Obligations during the grace period, it shall pay liquidated damages of RMB ten thousand (10,000) to the Partnership for each day after the expiration of the grace period. If such Limited Partner fails to perform its Cooperation Obligations for more than thirty (30) days after the expiration of the grace period, all the Partners hereby agree that the General Partner may compel such Limited Partner to withdraw from the Partnership. Notwithstanding the foregoing, the General Partner or the Fund Manager (as the case may be) may exempt, in whole or in part, the defaulting Limited Partner from obligation to pay such liquidated damages. All the Partners further acknowledge that the matters subject to approvals through the resolutions adopted at the Partners' Meeting in accordance with this Agreement shall become effective from the date of adoption of such resolutions, and the matters subject to determinations of the General Partner or the Fund Manager in its discretion in accordance with this Agreement shall become effective from the date when such determinations are made, and such resolutions or determinations shall be binding to all the Partners upon their effective, regardless of the actual signing date of the relevant documents executed by any Limited Partners (whether or not the Limited Partners have executed such documents) or the process of registration procedures for industrial and commercial information or any changes thereof.

4.3 Conversion of Status

Unless otherwise provided by laws or decided unanimously by all the Partners in writing, no Limited Partner shall convert to a general partner, and the General Partner shall not convert to a Limited Partner. A Limited Partner who is converted to a general partner shall bear unlimited liability, jointly and severally, for debts incurred by the Partnership during the period when it is a Limited Partner; upon converting to a Limited Partner, the General Partner shall be jointly and severally liable without limit for the debts of the Partnership incurred during the period when it is the General Partner, provided, however, that such change shall not lead to the dissolution of the Partnership or otherwise materially affect the Partnership. The Partnership shall be dissolved if there are only the Limited Partners and shall convert to a general partnership enterprise if there are only general partners.

## 5 General Partner (Executive Partner) and Fund Manager

5.1 Authority of the General Partner

The power to manage, control, operate and make decisions with respect to the day-to-day operation and other activities of the Partnership shall be vested exclusively in the General Partner (and exercised by it directly or through representatives duly appointed by it). Subject to other provisions hereof, all the Partners hereby consent to the General Partner's authority to achieve the purposes of the Partnership, in whole or in part (if necessary or advisable), take all actions and enter into and perform all contracts and other undertakings, in whole or in part, on behalf of the Partnership and in the name of the Partnership and in its own name as necessary, advisable, convenient or related as deemed by the General Partner in its discretion.

5.2 Any Person dealing with the General Partner or representatives duly appointed by the General Partner may not require the General Partner or such representatives to provide its evidence of authority granted by the Partnership.

5.3 By executing this Agreement, all the Partners shall be deemed to appoint and authorize the General Partner to be the Executive Partner of the Partnership. The Executive Partner may be replaced by the Partnership only upon the withdrawal, removal, or transfer of interests of the General Partner.

The Executive Partner shall be responsible for the day-to-day operation and asset management and control of the Partnership and shall have full power and authority to implement matters necessary for achieving the purposes of the Partnership (except for the process of any Portfolio Investment which shall be subject to the provisions hereof). In addition, all the Limited Partners agree that the Executive Partner shall exercise powers and functions, including, without limitation:

(1) to perform the duties of the General Partner in accordance with this Agreement;

(2) to enter into contracts and other agreements and commitments, manage, maintain and dispose of the Partnership's assets for the Partnership, in the name of the Partnership or in its own name, in addition to fundraising and investment management, as deemed necessary, advisable or convenient at its sole discretion;

(3) to submit investment reports and financial statements (among which the annual financial statements shall be audited) to the Partnership in accordance with this Agreement;

(4) to take all actions required for maintaining the legitimate existence of the Partnership and conducting the business activities of the Partnership;

(5) to open, maintain or cancel the bank accounts of the Partnership, issue invoices and other payment certificates;

(6) to bring or defend legal proceedings or pursue arbitration for the benefit of the Partnership; negotiate and settle with the counterparty to a dispute between the Partnership and a third party for resolution;

(7) to handle tax-related matters of the Partnership in accordance with relevant laws and regulations;

(8) to execute documents (including, without limitation, all documents required for registration with the competent administration for industry and commerce) on behalf of the Partnership;

(9) to change the name, scope of business, Term or principal place of business of the Partnership;

(10) to determine to replace the representatives it appoints to the Partnership;

(11) to take other actions required for achieving the purposes of the Partnership and protect or obtain the legitimate rights and interests of the Partnership;

(12) to engage any Person other than a Partner to serve as a manager of the Partnership, amend this Agreement, execute relevant documents and complete registration procedures;

(13) to exercise other powers and functions of the General Partner under the LPA and determine matters relating to the Partnership other than those required to be approved by the Partners' Meeting or the Investment Decision Committee as provided for herein;

(14) to exercise other powers and functions vested by laws, regulations, regulatory documents and this Agreement.

5.4 In case of bankruptcy, dissolution or other special circumstances of "deemed withdrawal" of the General Partner under the Partnership Enterprise Law (including that the business license of the General Partner is revoked or the General Partner is ordered to close down in accordance with laws), the Partnership shall be dissolved in accordance with Article 17, unless the General Partner transfers all its Partnership Interests in the Partnership and the transferee is admitted as a successor General Partner pursuant to Article 12.2.

5.5 The Executive Partner of the Partnership shall meet the following conditions: (1) it shall be the General Partner of the Partnership and undertake to assume unlimited joint and several liability for the debts of the Partnership; (2) it shall be a corporation or non-corporate enterprise duly incorporated and validly existing under applicable laws; and (3) it shall make Capital Contribution to the Partnership in accordance with this Agreement.

5.6 Appointment of Representatives by the Executive Partner

5.6.1 The Executive Partner shall appoint a representative in writing to be responsible for the execution of partnership affairs.

5.6.2 The Executive Partner may decide to replace the representative appointed by it and complete the relevant procedures for the registration of such change. All the Partners hereby agree that the Executive Partner shall have the authority to execute all relevant legal documents on its own and/or on behalf of the Limited Partners, and the other Partners shall provide necessary assistance as required by the Executive Partner.

5.7 Limitation of Liabilities of the General Partner

In the event that the assets of the Partnership are not sufficient to satisfy all debts of the Partnership, the General Partner shall bear unlimited joint and several liabilities for such debts to the Partnership and other creditors. The newly admitted General Partner shall bear unlimited joint and several liabilities for the debts of the Partnership incurred before its admission. The General Partner withdrawn from the Partnership shall bear unlimited joint and several liabilities for the debts of the Partnership incurred due to reasons occurred prior to its withdrawal.

The liabilities and obligations of the General Partner, representatives appointed by the General Partner, the Fund Manager and its management team, employees and representatives, consultants and other Persons engaged by the Fund Manager not arising out of the performance of their duties to the Partnership or the handling of matters entrusted by the Partnership shall have no legal effect on the Partnership.

5.8 Indemnification by the General Partner

The General Partner, representatives appointed by the General Partner, the Fund Manager and its management team, employees and appointed representatives, consultants and other Persons engaged by the Fund Manager shall act in good faith for the best interests of the Partnership. The General Partner shall be liable for any faults and violation of laws, administrative regulations, rules, this Agreement, rules and regulations of the Partnership and relevant agreements by itself, its management team, Affiliates, representatives, members (and relevant personnel) of the Investment Decision-making Committee and the Investment Advisory Committee, including, without limitation, indemnifying the Partnership and the other Partners of the Partnership for all losses incurred thereby.

5.9 Disclaimer and Indemnification

5.9.1 If the Partnership suffers any losses (including, without limitation, loss of investment returns) even though the General Partner, representatives appointed by the General Partner, the Fund Manager and its management team, employees and representatives, consultants and other Persons engaged by the Fund Manager have exercised due care in the performance of their relevant powers and functions, such General Partner, representatives appointed by the General Partner, the Fund Manager and its management team, employees and representatives, consultants and Persons engaged by the Fund Manager shall be exempted from relevant liabilities for such losses, and the distribution of profits by the Partnership to the General Partner in accordance with this Agreement shall not be affected, nor shall the Partnership, the General Partner and its Affiliates, employees, representatives appointed by the General Partner, the Fund Manager and its management team, employees and representatives, consultants and other Persons engaged by the Fund Manager be required to refund any Capital Contribution made by any Limited Partner, or to guarantee a minimum return on investment for any Limited Partner; all refund of Capital Contribution and return on investment shall be paid out of the Partnership's own assets.

5.9.2 In the absence of any Material Misconduct (as defined below), an Exempted Person (as defined below): (i) shall not be liable for any act or omission of the Partnership, (ii) shall be exempted from and not be liable for any losses and expenses incurred in connection with any actual or potential claims, actions or lawsuits arising from such Exempted Person's participation in the management of the Partnership (including, without limitation, actions incurred by the Exempted Person acting in the capacity as an officer of the Portfolio Companies of the Partnership or as an appointed representative for interests in the Partnership).

For the purpose of this clause, (i) "**Material Misconduct**" means gross negligence, material breach of contracts or agreements, fraud, material breach of a fiduciary duty to the Partnership or any Partner, serious moral errors or violation of applicable laws and regulations then in effect (which shall not include general negligence, provision of information to a Limited Partner, or any act or omission determined as in good-faith based on this Agreement), (ii) "**Exempted Person**" means the General Partner or any of its Affiliates, members (and relevant personnel) of the Investment Decision-making Committee or the Investment Advisory Committee of the Partnership. As reasonably determined by the General Partner, "Exempted Person" may also include the Partnership and its employees and representatives that do not have any Material Misconduct.

5.9.3 The Partnership shall, to the fullest extent permitted by the applicable laws, indemnify and hold harmless the General Partner/the Fund Manager and its Affiliates and their respective executives, directors, shareholders, partners, employees or agents, any Person serving or having served as a member of the Investment Committee or Investment Advisory Committee and any Person acting on behalf of the Partnership upon the request of the General Partner (the "**Indemnitees**") from and against any claim, liability or expense that any Indemnitee suffers or may suffer as a result of such Indemnitee's participation in the affairs, investment or other activities of the Partnership pursuant to this Agreement, unless a court or arbitral body of competent jurisdiction finally determines that such claim, liability or expense is caused by willful or gross negligence of such Indemnitees or willful and material breach of this Agreement or fraud by such Indemnitees. For the avoidance of doubt, the foregoing indemnification provisions shall not apply to the criminal or administrative penalties imposed against any Indemnitee due to its own fault.

Notwithstanding other provisions hereof, if the properties of the Partnership are insufficient to fulfill the foregoing indemnification obligations, the General Partner may require all the Limited Partners to refund sufficient amount of distribution (if any) to the Partnership, or require them to perform the capital contribution obligations within the balance of their respective Capital Commitment, regardless of whether such obligations or responsibilities arise before or after the expiration of the Term or the withdrawal of such Partners from the Partnership. Such refund shall be made by the Limited Partners to the Partnership in proportion to their respective Capital Commitments. The refund by a Limited Partner of the distributions made to it in accordance with this Article shall be deemed cancellation of such distributions by the Partnership rather than the Capital Contribution by such Limited Partner.

5.10 Conflict of Interest and Non-Competition Exemption

5.10.1 The Limited Partners hereby agree and acknowledge that the General Partner/the Fund Manager and/or its Affiliates have sponsored, raised, invested in, established or managed one or more Affiliated Funds, whether before or after the establishment of the Partnership, and the Fund Manager or its Affiliates may establish a new fund with substantially the same investment strategy, investment scope and investment stage as such Affiliated Funds, regardless of whether the Partnership or any of the Affiliated Funds have completed the investments in the amount equal to the capital commitments (including, without limitation, the reasonable reservation for the payment of the Partnership Expenses). The General Partner/the Fund Manager undertakes that it shall use its best efforts in good faith to make a reasonable allocation of Portfolios and investment opportunities among the Partnership and the Affiliated Funds. The Limited Partners hereby acknowledge that the investment activities conducted by the General Partner/the Fund Manager and/or its Affiliates in accordance with the foregoing shall not be considered as engagement in the business in conflict with or competing with the interests of the Partnership or in violation of this Agreement in any respect.

5.10.2 The Limited Partners hereby agree and acknowledge that, with respect to the Portfolios in which the Partnership invests, the General Partner/the Fund Manager and/or its Affiliates and Affiliated Funds may make co-investment in such Portfolios and the specific methods and arrangements of such co-investment shall be determined by the General Partner/the Fund Manager at its sole discretion based on the then actual conditions and the principle of good faith. The Limited Partners hereby acknowledge that the investment activities conducted by the General Partner/the Fund Manager and/or its Affiliates in accordance with the foregoing shall not be considered as engagement in the business in conflict with or competing with the interests of the Partnership or in violation of this Agreement in any respect.

5.10.3 For the avoidance of doubt, the Limited Partners hereby agree and acknowledge that, if the Partnership intends to make co-investment or follow-up investment with any relevant parties in accordance with Articles 5.10.1 and 5.10.2 above, the Fund Manager may decide on each party's share in a Portfolio at its sole discretion by reference to the total capital commitments of the Partnership and such parties, the industry of the Portfolio, approval procedures for the Portfolio Investment, opinions of the portfolio company through comprehensive consideration of the exit mechanism of the Portfolio and other factors.

5.10.4 Unless otherwise provided herein, the General Partner/the Fund Manager shall restrict and minimize the number of the Related Party Transactions conducted by the Partnership; if any Related Party Transaction is necessary, the General Partner/the Fund Manager shall conduct the Related Party Transaction based on the principle of fairness and honesty, and disclose the information (including the process of preparation and implementation) of the Related Party Transaction in accordance with the Guidelines for Filing of Private Investment Funds (2019) and other applicable regulations. In that case, none of the Limited Partners shall have the right to claim for indemnification, compensation, or raise other claims against the General Partner/the Fund Manager or its Affiliates. However, the General Partner shall submit to the Investment Advisory Committee for approval the Related Party Transactions involving the following matters (except for the co-investment in a special purpose vehicle by the Partnership and a Parallel Investment Vehicle (if any) and the relevant transfer arrangements thereunder):

(1) the Partnership's transfer of the equity interest in a Portfolio to its Affiliates, or the Partnership's acquisition of the equity interest in a Portfolio held by its Affiliates;

(2) the Partnership's investment in an enterprise in which its Affiliates hold more than [15]% equity interest in such enterprise.

For the avoidance of doubt, when the Investment Advisory Committee considers and votes on the matters set forth in this Article 5.10.4, any Limited Partner (or a representative appointed by such Limited Partner) who is an Affiliate of the General Partner or the Fund Manager and who is a member of the committee shall abstain from voting, and the resolutions of such matters shall only be adopted by the approval of a simple majority (inclusive) of the remaining members of the Investment Advisory Committee; provided, however, that if the number of the remaining members of the Investment Advisory Committee is less than three (3), such matters shall be temporarily submitted by the Fund Manager to the Investment Decision-making Committee for approval.

5.11 Key Persons

5.11.1 The key persons of the Partnership shall be [LIU Dong], [SUN Shufeng], [FAN Feilong] and [CHEN Rong] (collectively, the "**Key Persons**").

5.11.2 If any of the following circumstances occurs to Mr. LIU Dong, or occurs to any two other Key Persons at the same time: (i) resignation from the General Partner/the Fund Manager, or (ii) failure to provide services to the General Partner/the Fund Manager or the Partnership for more than 90 days in the aggregate due to any other reasons, each of which shall constitute a "Key Person Event".

5.11.3 Upon the occurrence of a Key Person Event during the Investment Period, the Investment Period shall be suspended (if the Investment Advisory Committee otherwise determines that the Investment Period shall not be suspended, such decision of the Investment Advisory Committee shall prevail). During the suspension of the Investment Period, Unused Funds or uninvested capital of the Partnership shall not continue to be used for investment, except for the following circumstances: (i) completing any Portfolio Investment with respect to which the Partnership has signed a letter of intent, memorandum of understanding or similar document before the suspension of the Investment Period, or with respect to which the Partnership has made an investment commitment, or any ongoing Portfolio Investment; (ii) making follow-up investment in any existing Portfolio.

Subject to the foregoing, if a Key Person Event occurs during the Investment Period, the General Partner or the Fund Manager shall notify the Limited Partners of the occurrence of such Key Person Event. The General Partner or the Fund Manager may recommend a replacement to such Key Person to the Partnership, and upon the consent of the Investment Advisory Committee, such person shall become a Key Person of the Partnership and the Investment Period shall be automatically resumed. If no appointment of a replacement Key Person has been determined in accordance with the foregoing within one hundred and eighty (180) calendar days after the occurrence of the Key Person Event, the Investment Period shall be terminated and the Partnership shall automatically enter into the exit period.

5.11.4 If a Key Person Event occurs after the expiration of the Investment Period, the General Partner or the Fund Manager shall notify the Limited Partners of the occurrence of the Key Person Event.

## 6 Partnership Expenses

6.1 **Partnership Expenses**

6.1.1 Expenses relating to the establishment, operation, termination, dissolution, and liquidation of the Partnership shall be directly borne by the Partnership, including the following:

(1) start-up fees, including without limitation, the expenses relating to the formation and establishment of the Partnership, including preparation expenses and legal, accounting, and other professional services fees;

(2) expenses incurred in connection with the audit of the annual financial statements of the Partnership (including, without limitation, travel expenses incurred by the auditors in providing the audit services);

(3) expenses incurred related to the Partnership's financial statements and reports, including, without limitation, production, printing, and delivery costs;

(4) expenses incurred related to holding meetings of the Partners, the Investment Decision-making Committee, and the Investment Advisory Committee (including, without limitation, venue fees);

(5) taxes, fees, and other expenses charged by governmental authorities to the Partnership or related to the proceeds or assets of the Partnership or to the transactions or operation of the Partnership;

(6) administrative expenses, including, without limitation, the rent for the office and premises of the Partnership (if any);

(7) bank charges;

(8) legal fees and relevant travel expenses incurred by advisors in connection with providing services to the Partnership;

(9) administrative expenses incurred due to the Partnership's investments and any Portfolio Interests Disposal, including, without limitation, registration fees, rents for the registered office, registration agency fees, etc.;

(10) custodian fees charged by the Custodian Bank and services fees charged by the supervisory institutions for supervising the special account for the settlement of funds raised;

(11) the Management Fee;

(12) liquidation expenses of the Partnership;

(13) fees, costs, and other expenses incurred in connection with the investment in the Portfolios (including transactions that have not been completed), including, without limitation, the costs and expenses of project investigation, due diligence, travel and entertainment, and intermediaries including legal, tax, consulting, appraisal, etc., incurred in the course of initiating, operating, and exit from the Portfolios;

(14) costs and expenses (if any) incurred by the Partnership in acquiring, holding, maintaining, and disposing of interests in the Portfolios;

(15) litigation costs and arbitration fees; and

(16) other expenses that should be borne by the Partnership but are not included in the daily operating expenses of the General Partner/the Fund Manager.

6.1.2 The General Partner/the Fund Manager shall be responsible for the following expenses of the Limited Partners/the Fund Manager respectively, which shall not be included in the Partnership Expenses: (1) normal and necessary salaries of the employees of the General Partner/the Fund Manager; (2) costs and expenses of administration, offices and facilities, computers, office equipment, software, computer services, utilities and other general administration items of the General Partner/the Fund Manager; (3) travel and entertainment costs incurred in the operation of business by the General Partner/the Fund Manager; (4) insurance premiums of the General Partner/the Fund Manager; (5) telephone and telecommunication fees and other similar fees; (6) postage and courier expenses; (7) newspaper and magazines subscription fees, office supplies expenses, and other similar expenses; and (8) bookkeeping fees and other similar expenses in connection with or ordinary expenses incurred by the operation of the General Partner/the Fund Manager.

6.1.3 During the establishment of the Partnership, any advance payments by the General Partner/the Fund Manager and its Affiliates in connection with the preparation of the Partnership (including, without limitation, expenses incurred for the organization, establishment, change, tax registration, engagement of legal, accounting, and other professional advisors) shall be reimbursed by the Partnership.

All the Partners unanimously agree with the above special arrangements, in which case none of the Limited Partners shall have the right to claim for indemnification or raise any other claim against the General Partner/the Fund Manager/the Co-investment LP and such Persons' Affiliates in connection with such expenses.

6.2 Management Fee

6.2.1 The Fund Manager shall mainly provide services related to fund-raising and management to the Partnership in accordance with this Agreement, and the Partnership shall pay the management fee (the "**Management Fee**") to the Fund Manager in accordance with this Agreement. The Management Fee shall be determined in accordance with the following principles:

(1) During the Investment Period of the Partnership, the Partnership shall pay an annual Management fee in the amount of [***]% of the Total Capital Commitment of all the Limited Partners of the Partnership to the Fund Manager. In the event of any decrease in the Capital Contributions of the Limited Partners due to any distributions by the Partnership to the Limited Partners, the calculation basis of Management Fee shall remain unchanged, and the Management Fee shall be calculated based on the original Capital Commitment of each Limited Partner in accordance with the foregoing. In the event that the Partnership conducts any Subsequent Closings in accordance with Article 3.2.4, with respect to each Subsequent Closing, the Partnership shall, within ten (10) Business Days after the date on which Subsequent Partners participating in such Subsequent Closings make their initial Capital Contributions, pay the Management Fee with respect to such Subsequent Partners to the Fund Manager calculated from the Initial Closing Date to the date on which the initial Capital Contributions of the Subsequent Partners are made, on the basis of the Capital Commitments of such Subsequent Partners in such Subsequent Closings.

(2) During the period from the next day following the expiration of the Investment Period of the Partnership to the eighth (8th) anniversary of the Initial Closing Date, the Management Fee payable by the Partnership to the Fund Manager in each year shall be equal to [***]% of the portion of the Total Capital Contribution of all Limited Partners that have been invested in the ongoing Portfolios and not returned (the "**Total Invested Capital in Ongoing Portfolios**", in which, the "Ongoing Portfolios" shall mean the Portfolios then held by the Partnership, excluding Portfolios fully disposed of, and the "Total Invested Capital" shall refer to the amount of the then Investment Principals in such Portfolios that have not been returned by the Partnership (for the avoidance of doubt, if the Partnership invests in a Portfolio through a special purpose vehicle, the amount of the then Investment Principal that has been returned by the Partnership shall refer to the amount of Investment Principal that has been recovered by such special purpose vehicle with respect to the Portfolio and has distributed to the Partnership), which shall be calculated and determined by the Fund Manager). The Management Fee to be borne by the Partnership pursuant to this Article 6.2.1 (2) shall be reserved based on the Total Invested Capital in Ongoing Portfolios and shall be paid by the Partnership to the Fund Manager prior to the distribution of distributable income by the Partnership.

In accordance with the foregoing, the Parties acknowledge that with respect to each Limited Partner, the Fund Manager shall collect (or reserve) the Management Fee from the Partnership in the amount equal to [***]% of the following amounts: during the Investment Period of the Partnership, such Limited Partner's aggregate Capital Commitments; during the period from the next day following the expiration of the Investment Period of the Partnership to the eighth (8th) anniversary of the Initial Closing Date, the amount of such Limited Partner's aggregate Capital Commitments that have been invested in the ongoing Portfolios and not returned. Upon the reserve or collection of the Management Fee, the Fund Manager shall record the amount of the Management Fee reserved or collected for each Limited Partner respectively, and such amounts shall be identified as the Management Fee to be ultimately borne by such Limited Partner (the "**Final LP Management Fee**"), and shall be reflected in the distribution of proceeds made by the Partnership to such Limited Partner.

The Parties unanimously acknowledge that the Fund Manager may, in its reasonable commercial judgment and after reaching agreement with a Limited Partner, unilaterally adjust the calculation basis, rate, and/or period for the Management Fee to be collected from the Partnership with respect to such Limited Partner. In such case, the amount of the Final LP Management Fee recorded for such Partner shall be adjusted accordingly, without prejudice to the amount of the Final LP Management Fee recorded for other Limited Partners, nor shall other Limited Partners be entitled to any claim against the Fund Manager or the Partnership for such adjustment.

For the avoidance of doubt, the Parties further agree that, if the Term of the Partnership exceeds [eight] years, for the period following expiration of the eight years, the rate and collection of the Management Fee shall be separately determined through a Partners' Meeting. However, the Fund Manager may otherwise determine not to charge the Management Fee after the expiration of the [eight] years without holding a Partners' Meeting.

6.2.2 During the Investment Period of the Partnership, the Management Fee of the Partnership shall be paid by the Partnership and shall accrue monthly and be paid quarterly. The Management Fee in the first billing quarter shall be calculated based on the remaining days of the calendar quarter in which the Initial Closing Date falls, which shall include the Initial Closing Date, and thereafter, the Management Fee shall be calculated on a calendar quarter basis. If the last billing period for the Management Fee is less than a quarter, the Management Fee shall be calculated until the commencement date of the Exit Period (inclusive of such date). After the receipt of any income, the Partnership shall pay the outstanding Management Fee for the preceding quarters in one lump sum and reserve amounts for the Management Fee payable for the upcoming quarters. During the period from the next day following the expiration of the Investment Period of the Partnership to eighth (8th) anniversary of the Initial Closing Date, the Management Fee of the Partnership shall be collected from the Partnership monthly. The Management Fee in the first billing month shall be calculated based on the remaining days of the first calendar month of such period (excluding the first day), and thereafter, the Management Fee shall be calculated on a calendar month basis. If the last billing period is less than a month, the Management Fee shall be calculated until the commencement date of the liquidation of the Partnership (inclusive of such date). The Partnership shall pay the Management Fee outstanding and payable to the Fund Manager prior to the distribution of distributable proceeds.

**During the Investment Period of the Partnership,** the Partnership shall pay the Management Fee for each billing quarter within ten (10) Business Days after the last day of such billing quarter. Except for any adjustment made by the Fund Manager pursuant to Article 6.2.1 the calculation basis, rate and/or period of the Management Fee with respect to the a specific Limited Partner, during each billing quarter, the Management Fee shall accrue with respect to each Limited Partner according to the following formula (a year is defined as 365 days for the purpose of calculating the rate of the Management Fee):
[C =***]
Among which:
C: Aggregate Management Fee chargeable for a billing quarter
[***]

**During the period from the next day following the expiration of the Investment Period of the Partnership to the eighth (8th) anniversary of the Initial Closing Date,** the Partnership shall collect the Management Fee for each billing month following the last day of such billing month, and the Management Fee shall be calculated according to the following formula:
[C =***]
C: Aggregate Management Fee chargeable for a billing month
[***]

The Fund Manager shall withdraw the Management Fee from the Escrow Account and directly transfer to the Fund Manager (or its designated third party) before the distribution of any distributable proceeds by the Partnership. If the payment date is a statutory holiday, the relevant payment date shall be correspondingly postponed to the next business day. For the avoidance of doubt and notwithstanding the foregoing, the Fund Manager may direct the Partnership and/or the Custodian Bank to pay all or part of the Management Fee to a third party designated by the Fund Manager.

6.2.3 Notwithstanding the foregoing, if any resolutions have been adopted at a Partners' Meeting to replace the Fund Manager in accordance with Article 8.1 (5), the Management Fee to be received by the Fund Manager under this Article 6.2 shall be calculated only up to and excluding the date on which such resolutions are adopted (the "**Fund Manager Removal Date**").

6.3 Custodian Fee

The Parties acknowledge and confirm that the Fund Manager will negotiate with the Custodian Bank to set the rate of custodian fee to be [***]% per annum, which is subjected to any adjustment by the Custodian Bank. For the avoidance of doubt, the final amount of the Custodian Fee and relevant payment arrangements shall be subject to the escrow agreement to be entered into by and between the Partnership and the Custodian Bank.

If any arrangement by the Fund Manager in accordance with this Article 6.3 constitutes a Related Party Transaction, the Fund Manager shall carry out the relevant arrangement at the fair market price, and all the Partners acknowledge and hereby consent to the Fund Manager's engagement in any such Related Party Transaction.

## 7 Investment Business

7.1 Investment Objective and Scope

The Partnership will invest in the Portfolios by means of equity investment, acquisition, debt to equity, PIPE investment, and investment in exchangeable debt issued by the shareholders of the listed company in a non-public manner and other similar methods. The scope of investment covers industries including, among others, consumption, health, modern services and technology, high-end manufacturing, environmental protection, etc.

7.2 Use of Unused Funds

All Partners acknowledge and agree that, during the Term of the Partnership and before the filing of the Partnership, the Partnership may, for the purpose of cash management, invest in cash management instruments recognized by the China Securities Regulatory Commission (CSRC) such as current deposits, treasury bonds, central bank bills and monetary market funds; after the filing of the Partnership, without prejudice to the investment business of the Partnership and subject to the provisions of Article 7.4, the Fund Manager may, based on the principle of prudence and to the extent permitted by the laws, regulations and regulatory rules, carry out cash management for the Unused Funds then held by the Partnership, including but not limited to in the form of bank deposits, government bonds, treasury bonds, reverse repurchase of treasury bonds, monetary market funds, central bank bills or other investment methods as reasonably determined by the Fund Manager which are of equivalent risk level as the aforesaid investment methods. If the Fund Manager's use of the Unused Funds in accordance with this Article constitutes a Related Party Transaction, such transaction should be conducted by the Fund Manager at the fair market price, and all the Partners hereby acknowledge and consent to the Fund Manager's engagement in the above Related Party Transaction.

7.3 Reserved Capital

Upon the expiration of the Investment Period of the Partnership, any Unused Funds or uninvested capital held by the Partnership may be reserved by the Fund Manager for future operation expenses (including, without limitation, the Management Fee, the Custodian Fee, and other operation expenses reasonably determined by the Fund Manager). Such reserved capital shall be kept on the Partnership's account and withdrawn at the time and in the manner set forth in this Agreement.

7.4 Restrictions on Investment

The Partnership shall be subject to the following investment restrictions:

(1) The Partnership shall not borrow funds from a third party for investment, except that the Partnership may borrow bridge loans from its Affiliates or other parties or incur temporary debts when the investment portfolio has a tight schedule and making capital calls is not practicable , or when the overseas investment policies have been tightened, the Partnership may borrow offshore bridge loans in the form of overseas loans under domestic guarantees, direct loans from foreign institutions, or loans through other methods to raise capital in time to fund the investment;

(2) The Partnership shall not invest in stocks, futures, non-principal-guaranteed wealth management products (excluding monetary fund products, insurance asset management products on the monetary market, bond funds and fixed-income insurance asset management products), securities investment funds, corporate bonds rated below AAA, insurance plans and financial derivatives that are publicly traded in the secondary market, excluding circumstances that after the Partnership has acquired equity in a portfolio company, such portfolio company subsequently carries out listing or placement, or the shares and corporate bonds received by the Partnership as consideration for any disposal of Portfolio Investment, and participation in private placement of a listed company, acquisition of a listed company for the purpose of privatization, direct or indirect investment in a listed company by means of contractual transfer or other private transactions to the extent permitted by applicable laws and regulations;

(3) The Partnership shall not absorb or absorb in a disguised manner deposits from the public, nor provide loans or guarantees to any Persons, except for the following circumstances: (i) making investment in the manner specified in Article 7.6; (ii) making debt investment within prescribed quote in a Portfolio at the same time of the equity investment, or providing bridge loans to a Portfolio that Partnership has invested or proposes to invest directly or indirectly; and (iii) providing guarantees for the bridge loan borrowed from a third party by a wholly-owned subsidiary established overseas by the Partnership for the purpose of participating in a Portfolio Investment through bridge loans in the form of overseas loans under domestic guarantees, direct loans from foreign institutions, or loans through other methods;

(4) Upon the expiration of the Investment Period, the Partnership's Unused Funds or uninvested capital shall not be used for investment, except for (i) completing any Portfolio Investment with respect to which the Partnership has signed a letter of intent, memorandum of understanding or similar document, or with respect to which the Partnership has made an investment commitment, or any ongoing Portfolio Investment; (ii) making follow-up investment in any existing Portfolio of the Partnership;

(5) The Partnership shall not invest in real estate industry (including the purchase of real estate for its own use);

(6) The Partnership's capital shall not be used for sponsorship or donation purposes;

(7) The Partnership shall not make external investments for which it may assume unlimited joint and several liabilities;

(8) The Partnership shall make portfolio investments, and the amount of investment in a single taget generally shall not exceed 20% of the Total Capital Commitment of the Partnership, unless otherwise approved with affirmative votes by four (4) members of the Investment Decision-making Committee and by two thirds (2/3) or more of members of the Investment Advisory Committee, but such amount shall not exceed 50% of the Total Capital Commitment of the Partnership in any event ;

(9) The total amount of investments made by the Partnership in PIPE and the exchangeable bonds privately issued by the shareholders of listed companies shall not exceed 20% of the Total Capital Commitment of the Partnership;

(10) The Partnership shall not engage in any other activities prohibited by laws, regulations and this Agreement.

7.5 Reinvestment

All or any part of the distributable cash or assets received by the Partnership from the income of the Partnership shall not be reinvested. For the avoidance of doubt, the Target Shares held by the Partnership in accordance with Article 7.12 hereof and any subsequent transfer of the Target Shares by the Partnership to the Parallel Investment Vehicles (if any) shall not be deemed as investment by the Partnership, nor shall the consideration received for the transfer of the Target Shares be deemed as proceeds from the Portfolio Interests Disposal, and the Fund Manager may decide at its sole discretion whether to use such proceeds in other investment in accordance with the terms and conditions of this Agreement.

7.6 Debt-to-equity Investments and Similar Investments

The Partnership may make debt-to-equity investments or other similar investments in accordance with this Agreement.

7.7 Investment Decision-making Committee

7.7.1 The Investment Decision-making Committee shall consist of five (5) members, who shall be selected and appointed by the Fund Manager. Members shall have sufficient experience in investment or the relevant industry, and their term of office shall be consistent with the Term of the Partnership. The Investment Decision-making Committee may otherwise determine that the Partnership shall engage an independent third-party investment expert for providing investment advice to the Investment Decision-making Committee.

7.7.2 The Investment Decision-making Committee shall decide on the following matters for the Partnership: investment in the Portfolios (including, without limitation, the initial investment, increase of investment, conversion of dividends into shares, etc.) and exit from the Portfolios (including, without limitation, the time, price and method of exit, and whether to exercise or adjust any arrangement (if any) reached by the Partnership with respect to the Portfolios before its withdrawal from the Portfolios), amendment to the investment agreements and supplementary agreements thereto and other matters that shall be decided by the Investment Decision-making Committee according to this Agreement.

The Investment Decision-making Committee shall vote on the principle of one person, one vote. Unless otherwise specifically provided in this Agreement, the resolutions of the Investment Decision-making Committee on matters related to the Partnership's investment in or exit from the Portfolios, and the matters relating thereto, shall be passed by at least four (4) affirmative votes in the Investment Decision-making Committee, and the resolutions of the other matters shall be passed by at least three (3) affirmative votes in the Investment Decision-making Committee.

7.7.3 Meetings of the Investment Decision-making Committee and Notice

(1) The Investment Decision-making Committee may hold a meeting at any time when necessary, and the Fund Manager shall be responsible for delivering the meeting notice, materials to be used in the meeting and all related legal documents to all members of the Investment Decision-making Committee five (5) Business Days before the meeting.

(2) The quorum of a meeting of Investment Decision-making Committee shall include all members of the Investment Decision-making Committee who must attend in person (or by proxy). A meeting of the Investment Decision-making Committee may be held by on-site meeting, telephone conference or voting through electronic communications.

7.7.4 Meeting Minutes of the Investment Decision-making Committee Meeting

Meetings of the Investment Decision-making Committee shall be recorded in writing, which shall be signed by all members (or proxies) present at the meetings and the recorder. The members (or proxies) present at the meeting may request to record the speeches they deliver at the meeting into the minutes as explanatory form. The Fund Manager shall keep minutes of the Investment Decision-making Committee's meetings and written resolutions of the committee for a period of no less than ten (10) years following the completion of liquidation of the Partnership.

The minutes of the Investment Decision-making Committee's meetings shall at least contain the following contents:

(1) The date and place of the meeting and the name of the convener;

(2) The method of convening the meeting and the names of the participants;

(3) Meeting agenda;

(4) Key points of members' speeches;

(5) Voting method and results (including affirmative votes and objective votes) for each item;

(6) Other matters that shall be explained and recorded in the meeting minutes.

7.8 Investment Advisory Committee

7.8.1 The Partnership shall establish the Investment Advisory Committee. The Investment Advisory Committee shall consist of three (3) to five (5) Limited Partners (or their representatives), with ultimate number of members to be determined by the Fund Manager based on the aggregate number of all Limited Partners in the Partnership and the Parallel Investment Vehicles, if any, set forth in Article 7.12.1. Specifically:

(1) If the total number of the Limited Partners of the Partnership and the Parallel Investment Vehicles (if any) is less than three (3), the Partnership and the Parallel Investment Vehicles (if any) shall suspend the establishment of the Investment Advisory Committee, and the Fund Manager shall temporarily decide to submit matters within the duties and authorities of the Investment Advisory Committee hereunder to the Investment Decision-making Committee, until the total number of the Limited Partners of the Partnership and the Parallel Investment Vehicles (if any) reaches to three (3);

(2) If the total number of the Limited Partners of the Partnership and the Parallel Investment Vehicles (if any) is three (3) to five (5), each of such Limited Partner shall be entitled to one (1) seat on the Investment Advisory Committee;

(3) If the total number of the Limited Partners of the Partnership and the Parallel Investment Vehicles (if any) exceeds five (5), each of the top five (5) Limited Partners with the highest Capital Commitments to the Partnership and the Parallel Investment Vehicles (if any) shall be entitled to one (1) seat on the Investment Advisory Committee.

In the case of any change in the number of the Limited Partners of the Partnership or the Parallel Investment Vehicles (if any) or amount of their Capital Commitments, the Fund Manager shall have the right to adjust the composition of the Investment Advisory Committee directly based on the foregoing principles. The term of office of the members of the Investment Advisory Committee shall be determined by the Fund Manager.

If the Limited Partner that obtains a seat in the Investment Advisory Committee is an individual, he/she should serve as member of the Investment Advisory Committee by himself/herself. If such Limited Partner is an entity, it shall appoint a representative to serve as member of the Investment Advisory Committee. A ten (10)-day prior notice should be provided to the Fund Manager prior to the change of the representative appointed to the Committee.

7.8.2 A member of the Investment Advisory Committee may resign from its position by giving thirty (30) days' prior written notice to the Fund Manager. Any member shall be deemed automatically removed upon the occurrence of any of the following events:

(1) The Limited Partner (or the Limited Partner who appointed a member of the Investment Advisory Committee) becomes a Defaulting Partner under this Agreement or the relevant agreement with any Parallel Investment Vehicle (if any);

(2) The Limited Partner (or the Limited Partner who appointed a member of the Investment Advisory Committee) withdraws from the Partnership or any Parallel Investment Vehicle (if any);

(3) The Limited Partner (or the Limited Partner who appointed a member of the Investment Advisory Committee) no longer meet the requirements under Article 7.8.1 due to reasons such as transfer of its Partnership Interests.

Upon the occurrence of any of the foregoing events, the Fund Manager may, by reference to the principles set forth in Article 7.8.1, designate another Limited Partner of the Partnership or the Parallel Investment Vehicles (if any) to replace such removed member.

7.8.3 The primary responsibility of the Investment Advisory Committee is to provide advisory opinions on specific matters at the request of the Fund Manager, in a manner without interfering with the normal operation and decision-making of the Partnership. In case of any breach of this provision by any member of the Investment Advisory Committee, the Fund Manager shall have the right to remove such member. For the avoidance of doubt, the Parties acknowledge that in no event shall the Fund Manager or its Affiliates be held liable for any acts on part of the members of the Investment Advisory Committee and the members shall be solely responsible for such liabilities (if any) and indemnify the losses, if any, suffered by the General Partner and/or the Fund Manager and/or the Partnership arising from such acts. In the event the Fund Manager removes a member of the Investment Advisory Committee in accordance with this Article, the Fund Manager may, in accordance with the principles set out in Article 7.8.1, designate another Limited Partner to replace the removed member.

7.8.4 Notwithstanding the provisions of Article 7.8.3, the Fund Manager shall submit the following matters to the Investment Advisory Committee for approval:

(1) determination of the Final Closing Date which should be submitted to the Investment Advisory Committee as provided in Article 3.2.4 and arrangements for adjustment or waiver of the Subsequent Closing Compensation;

(2) matters concerning the Related Party Transactions as set forth in Article 5.10.4;

(3) determination of suspension of the Investment Period upon the occurrence of a Key Person Event and replacement of Key Person under Article 5.11;

(4) matters subject to investment restrictions where the investment amount in a single subject by the Partnership exceeds 20% of the Partnership's Total Capital Commitment in accordance with Article 7.4 (8);

(5) engagement of any professional appraisal institution in relation to in-kind distribution and confirmation of the appraisal methodology as set forth in Article 9.1.2;

(6) the General Partner's pledge of its Partnership Interests as set forth in Article 12.3; and

(7) other matters that shall be submitted to the Investment Advisory Committee as set forth in this Agreement.

7.8.5 A meeting of the Investment Advisory Committee may be called at any time for any of the matters set forth in Article 7.8.3. Meetings of the Investment Advisory Committee may be held on site, by telephone conference, video conference, voting though electronic communications or a combination of the foregoing. Subject to Article 5.10.4, any actions by the Investment Advisory Committee shall be approved by affirmative votes of two thirds (2/3) or more of all members of the Investment Advisory Committee. In addition, without the approval of the Investment Advisory Committee, the Fund Manager and/or the General Partner shall not carry out any of the matters that shall be submitted to the Investment Advisory Committee for approval under Article 7.8.4.

7.8.6 Unless otherwise provided herein, upon unanimous approval of the Investment Advisory Committee, the Investment Advisory Committee may determine to adjust the powers and functions delegated to it under Article 7.8.4 and the deliberation procedures specified in Article 7.8.5 and to entrust the Fund Manager or the Investment Decision-making Committee to exercise and perform such powers and functions.

7.8.7 Members of the Investment Advisory Committee shall not receive any remuneration for their participation in the work of the Investment Advisory Committee.

7.9 Observers

The Fund Manager may (but shall not be obligated to) invite certain Limited Partners of the Partnership to each appoint an observer to the Investment Decision-making Committee (the "**Observer**"). Such Observers may receive all meeting notices of and all proposals submitted to the Investment Decision-making Committee, and present all meetings of the Investment Decision-making Committee in the manner agreed by the Fund Manager, without being entitled to any voting right or power. A Limited Partners shall notify the Fund Manager in writing of the information of its Observer and shall give a ten (10) Business Days' prior written notice to the Fund Manager if it intends to replace such Observer. Such replacement shall become legally effective to the Fund Manager and the Partnership from the date on which the Fund Manager receives the written notice. An Observer shall not interfere with the normal operation and decision-making of the Investment Decision-making Committee, and any Observer in breach of this provision may be removed by the Fund Manager. For the avoidance of doubt, the Parties acknowledge that in no event shall the Fund Manager or its Affiliates be held liable for any acts of the Observers. The Observers and the appointing Limited Partners shall be solely responsible for the liabilities arising from such Observers' acts (if any).

7.10 Supervision and Escrow of Funds

7.10.1 Special Account for Fund Settlement

Upon or after the execution of this Agreement, the Partnership shall open a special account for the settlement of funds raised with a supervisory institution, for use of the collection and settlement of funds raised by the Partnership (i.e., the Capital Contributions and other amounts paid by the Partners, if any), distribution of proceeds to the Partners, refund of the property share in the Partnership and distribution of the remaining assets after liquidation of the Partnership. Upon completion of Capital Contributions by the Partners in accordance with this Agreement, the relevant supervisory institution will transfer such payment to the Escrow Account of the Partnership. The Escrow Account shall not be used for any other purposes except for those conducted in accordance with laws and regulations.

The Partnership shall pay account supervisory fees to the supervisory institution in accordance with the agreement for the supervision of the special account for the settlement of funds raised (name of which shall be subject to final version signed by the parties, and the same applies to below), and such fees shall be included in the Partnership Expenses. In principle, the supervisory institution shall charge a supervisory fee for the special account for the settlement of funds raised at a rate of [***] %, provided that the amount of the supervisory fee and the payment arrangements shall be subject to the terms of the relevant agreement for the supervision of such account.

7.10.2 Subject to Article 6.3, the Partnership shall pay fees to the Custodian Bank in accordance with the escrow agreement entered into between the Partnership and the Custodian Bank.

7.11 Co-investment Arrangement

7.11.1 With respect to any Portfolio to be invested by the Partnership, if the Fund Manager, at its sole discretion, determines that it is advisable for the Partnership to make joint investment together with a specific Limited Partner or a co-investment fund designated by such Limited Partner (collectively, the "**Co-investment LPs**") into such Portfolio, the Fund Manager may notify such Co-investment LPs in writing and, within twenty Business days after the date on which such notice is given (the "**Co-investment Negotiation Period**"), negotiate with the Co-investment LPs in connection with the co-investment plan (including the form, amount, proportion and other investment terms and conditions of such investment), and the Co-investment LPs shall invest in the Portfolio together with the Partnership based on the investment plan agreed upon by the Fund Manager and the Co-investment LPs. For the avoidance of doubt, the Partnership and the Co-investment LPs shall be deemed to make investment in the Portfolio separately but not jointly, and the Partnership shall not be held liable jointly for any investment made by the Co-investment LPs.

7.11.2 The Parties acknowledge that the above co-investment arrangement between the Partnership and any Co-investment LP shall in no way affect the Partnership's proposed investment in a Portfolio that has been approved by the Investment Decision-making Committee. After the expiration of the Co-investment Negotiation Period, the Partnership may make independent investment in such Portfolio at any time as approved by the Investment Decision-making Committee, regardless of whether the Partnership and the Co-investment LPs have agreed upon the investment plan for joint investment in such Portfolio, and whether the Co-investment LPs have completed the co-investment in such Portfolio according to the agreed plan.

7.11.3 All the Partners unanimously hereby consent to the above special arrangements, and acknowledge that such arrangements shall not constitute Related Party Transactions nor result in conflicts of interests as set forth herein and the Fund Manager may decide to implement such arrangements according to the principle of fairness and good faith. In such case, none of the Limited Partners shall have the right to claim for any damages or other liabilities against the General Partner, the Fund Manager and the Co-investment LPs or their Affiliates.

7.12 Parallel Investment Vehicle

7.12.1 If the Fund Manager determines, at its sole discretion, that certain investors shall not be admitted into the Partnership as the Limited Partners or continue to serve as the Limited Partners due to legal, tax or regulatory factors, or in order to meet special requirements of certain investors in fundraising stage and future investment stage, the Fund Manager may establish one or more investment entities apart from the Partnership (the "**Parallel Investment Vehicles**"), to admit such investors into the Parallel Investment Vehicles as the limited partners, shareholders or similar equity holders, and procure such Parallel Investment Vehicles to make co-investment with the Partnership. The investment ratio between the Partnership and any Parallel Investment Vehicle in the Portfolios shall be determined on the Final Closing Date in proportion to their respective total capital commitments as of the Final Closing Date to the sum of total capital commitments of the Partnership and the Parallel Investment Vehicles as of the Final Closing Date (the "**Parallel Investment Ratio**"). For the avoidance of doubt, upon occurrence of any excluded investments as specified in Article 7.15 to the Partnership or the Parallel Investment Vehicles, with respect to any Portfolio to be added or with respect to which the investment amount is to be increased after the occurrence of such excluded investments, the Parallel Investment Ratio between the Partnership and a Parallel Investment Vehicle shall be adjusted based on their respective capital commitments after the exclusion of relevant investments according to foregoing calculation method; if the Partnership or any Parallel Investment Vehicle is required to reduce the Capital Commitment of a Defaulting Partner in accordance with Article 3.3.1 (4), the remaining investable capital of the Partnership or the Parallel Investment Vehicles shall be adjusted to the amount of the difference between the Total Capital Commitment of the Partnership or the Parallel Investment Vehicles after such reduction and the total investment cost of the Portfolios that the Partnership has invested as of such reduction. With respect to any Portfolio to be added or with respect to which the investment amount is to be increased after such reduction, the Parallel Investment Ratio between the Partnership and the Parallel Investment Vehicles shall be determined based on the ratio of their respective remaining investable capital after such reduction to the sum of total remaining investable capital of the Partnership and the Parallel Investment Vehicles after such reduction. The constitutional documents of any Parallel Investment Vehicle, such as the articles of association/partnership agreement, shall contain commercial and legal terms substantially the same as this Agreement, except for those changes that the Fund Manager determines necessary to achieve the purpose of such Parallel Investment Vehicle.

7.12.2 After the Fund Manager establishes any Parallel Investment Vehicle in accordance with Article 7.12.1, unless otherwise provided in this Agreement, if Investment Decision-making Committee or the Investment Advisory Committee (if any) passes resolutions with respect to any matter requiring their consent or determination according to this Agreement (unless the relevant matter, as the Fund Manager determines at its sole discretion in accordance with this Agreement, only involves a single Parallel Investment Vehicle), the relevant resolutions shall become valid and enforceable upon approval of the investment decision-making committee or the investment advisory committee (if any) of all the Parallel Investment Vehicles.

7.12.3 In terms of Portfolios to be co-invested by the Partnership and the Parallel Investment Vehicles, the Fund Manager shall have the right to determine, at its sole discretion, based on actual conditions at the time, that the Partnership and the Parallel Investment Vehicles should first inject the investment amount into the special purpose vehicle identified by the Fund Manager based on their respective Parallel Investment Ratio and then such special purpose vehicle shall invest the investment amount in the Portfolio. Matters to be settled between the Partnership and any Parallel Investment Vehicle in connection with the Subsequent Closing Compensation to be paid by the Subsequent Partners to the Partnership and the Parallel Investment Vehicles in accordance with Article 3.2.4 (3), and the liabilities for breach of this Agreement to be borne by the Defaulting Partners to the Partnership and the Parallel Investment Vehicles in accordance with Article 3.3.1 (7) for failure of payment of the Subsequent Closing Compensation in accordance with this Agreement, shall be separately specified in the agreement on investment in the special purpose vehicle. The Partnership and the Parallel Investment Vehicles shall make settlement with their respective relevant partners after the relevant settlement has been completed at the level of the special purpose vehicle.

7.12.4 If any Parallel Investment Vehicle fails to co-invest with the Partnership in any Portfolio due to failure in establishment, fundraising or any other reasons, one or more investors (the "**Earlier Investors**") that prepared to make investments may invest in the Portfolio directly or through such special purpose vehicle in the amount determined by the Earlier Investors at their sole discretion in accordance with their internal decision-making procedures. After the Final Closing Date, the Partnership and the Parallel Investment Vehicles shall adjust their respective investment ratio in the Portfolio based on the Parallel Investment Ratio.

Any Parallel Investment Vehicle that has not make co-investment in the Portfolio with Partnership shall immediately request the Earlier Investors to transfer to it the corresponding investment shares in the Portfolio (the "**Target Shares**"), directly or indirectly through the special purpose vehicle. The amount of the Target Shares to be transferred shall be the difference between the investment share in the Portfolio that the Parallel Investment Vehicles should have been entitled based on its Parallel Investment Ratio and the investment share in the Portfolio that is already in the possession of Parallel Investment Vehicle directly or through the special purpose vehicle. Any other parties acquiring the Target Shares shall pay the Earlier Investors a consideration equal to the relevant investment cost of the Portfolio related to the Target Shares. If the Portfolio generates revenues from the Portfolio Interests Disposal and/or distribution of dividends at the time of the transfer of Target Shares or due to any reasons, such income that shall be distributed to the Target Shares on a pro rata basis may be used to offset the consideration payable by the party acquiring the Target Shares. For the avoidance of doubt, the foregoing provisions shall not exclude the right of the Earlier Investors to request any Parallel Investment Vehicle that has not invested in the Portfolio to acquire the Target Shares.

Such other parties acquiring the Target Shares shall become the legitimate owner of the Target Shares and be entitled to all rights and interests thereto upon the payment of the aforesaid consideration in full to the Earlier Investors, and the transfer of the Target Shares shall be deemed as completed. Prior to the completion of the transfer of the Target Shares, the Earlier Investors shall be entitled to all rights and interests of the Target Shares, unless as otherwise decided by the relevant parties with the consent of their respective investment decision-making committees and investment advisory committees (if any). For the avoidance of doubt, after the completion of the transfer of the Target Shares, the Target Shares to which each of the other parties has acquired shall still be subject to the provisions with respect to the Subsequent Partners under Article 3.2.4 (3) hereof, including the allocation of the investment costs in connection with any part of the Portfolio Interests Disposal (regardless of whether the proceeds received from such disposal have been actually settled and distributed) that have been completed by the Partnership or the Parallel Investment Vehicles (if any), and the allocation of profits or losses derived from any disposal or distribution of profits of such Portfolios before the Subsequent Partners cease to participate in the Subsequent Closings.

For the avoidance of doubt, the Parties further agree that, if an Earlier Investor is subject to additional taxes than the relevant amount based on the transfer consideration calculated as set forth above due to the increase in the value of such Target Shares at the time of transfer as the Target Shares to be transferred by the Earlier Investor involve the equity interest, capital contribution or other interests in the underlying portfolio company, or for any other reasons, such additional taxes shall be solely assumed by the transferee of the Target Shares.

7.12.5 If any of the Parallel Investment Vehicles and the Partnership intend to reduce their investment share in a Portfolio or withdraw from a Portfolio directly or indirectly through a special purpose vehicle, unless otherwise approved by the investment decision-making committee and investment advisory committee (if any) of the Parallel Investment Vehicles and the Partnership respectively, the Parallel Investment Vehicles and the Partnership shall determine the respective percentage of reduction or withdrawal based on their respective Parallel Investment Ratio, and shall effect such reduction or withdrawal from the Portfolio simultaneously.

7.13 Alternative Investment Vehicles

7.13.1 If, at any time, the Fund Manager determines that, based on legal, tax, regulatory, facilitation of investment or other considerations, some or all of the Partners may participate in any proposed or existing Portfolio Investment only through one or more Alternative Investment Vehicles or it determines that it is in the better interests of the Partnership or the Limited Partners to participate in any proposed or existing Portfolio Investment through an Alternative Investment Vehicle, or it determines that it is inappropriate for the Partnership to continue to act as the investment entity to make Portfolio Investment due to any change in the laws and regulations of the PRC or policies of the place of its incorporation, the Fund Manager may adjust its investment strategy based on the actual investment needs, make such investment through other partnerships, contractual funds or other forms of investment entities (the "**Alternative Investment Vehicle**s"), and deliver the equity interests and other beneficial rights, if any, it has already obtained due to participation in Portfolio Investments to the new investment entity in the form permitted by the law, and may make arrangement with respect to all or any portion of such investment according to the following method:

(1) in the case of a proposed Portfolio Investment by the Partnership, the Partnership shall require all or some Partners to be admitted as the limited partners or investors of an Alternative Investment Vehicle with respect to such proposed Portfolio Investment and to make capital contributions directly to such Alternative Investment Vehicle (if a Partner has made Capital Contributions to the Partnership, the Partnership may refund such Capital Contributions to the relevant Partner and make capital contributions or provide financing to the Alternative Investment Vehicle on behalf of the relevant Partner);

(2) in the case of an existing Portfolio Investment, the Partnership shall transfer such Portfolio Investment to an Alternative Investment Vehicle; and

(3) in the case of a proposed Portfolio Investment or an existing Portfolio Investment, the Partnership shall establish an Alternative Investment Vehicle and allocate its interests to certain or all the Partners that are admitted to such Alternative Investment Vehicle as the limited partners or investors.

7.13.2 Each of such Alternative Investment Vehicles shall be controlled or managed by the Fund Manager or its Affiliates, and shall make investments in parallel with, or in place of the Partnership with respect to the relevant Portfolio Investment, and the members, partners or shareholders (or similar equity investors) of such Alternative Investment Vehicle shall only be served by the Partners of the Partnership or their Affiliates. The constitutional documents of such Alternative Investment Vehicle shall provide that the investors holding its interest shall bear limited liability in the entity.

7.13.3 For each Partner that is admitted to and makes investment through the Alternative Investment Vehicle, such Partner's capital contributions to such Alternative Investment Vehicle shall offset such Partner's outstanding Capital Commitment to the Partnership. Any management fee or similar amount shared by or paid by any Partner in connection with the fund manager of the Alternative Investment Vehicle shall offset the Management Fee to be shared by such Partner to the Partnership.

7.13.4 For the purposes of making distribution by the Partnership and the Alternative Investment Vehicles, the investment returns of the Alternative Investment Vehicles and the Partnership shall be calculated on combined basis, unless the Fund Manager determines that such calculation arrangement will cause adverse effect to the Partnership or the Partners such as increase in tax, legal or regulatory risks, contractual risks or transnational risks and takes other methods.

7.13.5 In terms of the above transaction arrangements, the Limited Partners hereby acknowledge and approves any Related Party Transactions that may arise therefrom, and agree to execute relevant documents upon request of the Fund Manager when necessary.

7.14 Restrictions on Loans

The Partnership shall not borrow funds from any third party without the unanimous consent of all the Partners. Notwithstanding the foregoing, subject to the decision of the Fund Manager, the Partnership may borrow bridge loans from its Affiliates or other parties or incur temporary debts for the purpose of funding a Portfolio Investment when the investment portfolio has a tight schedule and making capital calls is not practicable; or when the overseas investment policies have been tightened, the Partnership may borrow offshore bridge loans in the form of overseas loans under domestic guarantees, direct loans from foreign institutions, or loans through other methods to raise capital in time to fund the investment. The Limited Partners hereby acknowledge and approves any Related Party Transactions that may arise therefrom.

7.15 Excluded Investments

7.15.1 Before the Partnership makes a determination with respect to any proposed Portfolio Investment in accordance with this Agreement, the Fund Manager may prevent any Limited Partner from participating in any Portfolio, in whole or in part, if : (1) the Fund Manager determines, in its reasonable judgment, that the participation of a Limited Partner in such Portfolio will have material adverse effect on the Partnership, or will cause the Partnership to be unable to participate in such Portfolio, or will significantly increase the risks or costs of the Partnership in respect of investment in such Portfolio, or may impose additional material burdens whether in legal, tax, regulatory or other aspects over the Partnership, the General Partner/the Fund Manager, any Partner or its Affiliate, or (2) upon proposal by such Limited Partner and approval by the Fund Manager, or (3) the Portfolio expressly excludes the participation of a specific Limited Partner, unless otherwise agreed upon by the Fund Manager and such Limited Partners.

7.15.2 The Limited Partners who propose not to participate in or are excluded from a Portfolio pursuant to Article 7.15.1 above (collectively, the "**Excluded Investors**") shall not share the costs and losses and the Partnership Expenses relating to such Portfolio nor be entitled to any distribution of proceeds derived from such Portfolio. For the avoidance of doubt, in the case of any additional investments in an existing Portfolio, any Excluded Investor with respect to the Portfolio shall not be entitled to participate in such additional investment even if the reasons for investment exclusion no longer exist. For an investor who is partially excluded from the Portfolio, it can participate in such additional investment to the extent not exceed its investment cost sharing percentage in such Portfolio prior to such additional investment.

7.15.3 Upon the occurrence of any Excluded Investments as set forth in this Article 7.15, the successor Limited Partner to which the Excluded Investor transfers its Partnership Interests in accordance herewith shall, with respect to the investments made prior to such transfer, be deemed as an Excluded Investor partially or wholly according to status of the transferee.

7.15.4 If any Limited Partner who proposes not to participate in or is excluded from participating in a Portfolio in accordance with this Article, the Fund Manager may (1) calculate the capital contribution of each Limited Partner for such Portfolio in proportion to the outstanding Capital Commitments of all the Limited Partners (other than the Excluded Investors), and such capital contributions shall be subject to their respective outstanding Capital Commitments, within the capital contribution otherwise payable by such Limited Partner for such Portfolio (the "**Excluded Amount**"), and/or (2) provide the Limited Partners (other than the Excluded Investor) or third parties with co-investment opportunities with respect to the Portfolio within the scope of such Excluded Amount. For the avoidance of doubt, this Article shall not discharge any Excluded Investor from the obligations to make Capital Contribution to the Partnership in respective of investment costs for any future Portfolio Investments and Partnership Expenses, which shall be limited to the Excluded Investor's outstanding Capital Commitment.

7.16 Portfolio Exit

The Fund Manager will use reasonable efforts to cause the Partnership to exit the Portfolio in an appropriate manner. The details of the exit plan shall be approved by the Investment Decision-making Committee in accordance with this Agreement before implementation.

## 8 Partners' Meeting

8.1 The Partners' Meeting shall consist of all the Partners and serve as the deliberative institution of the Partnership. Unless otherwise provided herein, the Partners' Meeting shall be convened and presided over by the General Partner. Upon (1) proposal by the General Partner, or (2) proposal by the Limited Partners representing more than half (1/2) of the voting rights, an interim Partners' Meeting shall be held. The Partners' Meeting shall exercise its functions and powers in accordance with law, including:

(1) to review the Partnership's annual report, the content of which shall include the investment operation report and audited annual financial statements of the Partnership for the preceding year;

(2) to determine, based on the proposal submitted by the General Partner, the early termination of the Partnership, except where the Partnership shall be terminated in accordance with Article 2.8.4 hereof;

(3) to determine, based on the proposal submitted by the General Partner, the extension of the Term of the Partnership which is subject to the approval of the Partners' Meeting as provided herein or the rate and collection arrangements of the Management Fee following the expiration of the Term (eight (8) years) (the Fund Manager may decide not to charge the Management Fee following the expiration of the Term of the Partnership at its sole discretion without holding a Partners' Meeting);

(4) to determine, based on the proposal submitted by the General Partner, amendments and supplements to the terms of this Agreement which are subject to the approval of the Partners' Meeting as provided herein;

(5) to review the proposal for replacement of the Fund Manager as the Fund Manager becomes disqualified to serve as a private equity fund manager under the AMAC, is dissolved, is revoked by law, becomes bankrupt or loses the ability to continue to manage the Partnership due to any other objective reasons. Before the replacement is completed, the Partnership shall not make any new investment, and the Fund Manager or the General Partner shall continue to maintain the normal operation of the Partnership and safeguard the property of the Partnership;

(6) to consider other matters requiring the consent or approval of the Partners' Meeting as expressly provided herein.

If a proposal submitted by the General Partner fails to be adopted at the Partners' Meeting, the General Partner shall be solely responsible for amending such proposal or formulating a new proposal and re-submit such proposal to the Partners' Meeting for approval.

All the Partners further agree that the Partners' Meeting may be held by video conference, on-site meeting, telephone conference, circulation of written report or a combination of the foregoing subject to the determination of the General Partner convening the meeting. If the annual Partners' Meeting is held through written report, the Fund Manager shall circulate the annual report for the preceding year to all the Partners, and report to all the Partners in writing on investment activities of the Partnership.

Except for the meetings above, the General Partner may determine at its sole discretion whether to hold an annual Partners' Meeting to brief all the Partners on the operation of the Partnership in the preceding year.

8.2 Unless otherwise expressly provided herein, matters subject to consent or approval of the Partners' Meeting shall be approved by the Partners (which shall include the General Partner) representing more than two- thirds (2/3) of the voting rights present at the meeting.

Unless otherwise provided herein, each Partner shall exercise its voting rights in proportion to its Capital Contributions to the Partnership (the "**Voting Right**").

Any Partner who breaches any provision hereunder shall not exercise its Voting Right before such breach has been fully cured, and it shall be excluded from the calculation of the total Voting Rights of all the Partners.

8.3 The meeting notice sent by the Partner convening the Partners' Meeting in accordance with this Agreement shall at least contain the following information:

(1) Time and place of the meeting;

(2) Method of holding the meeting;

(3) Agenda of the meeting;

(4) Meeting materials to be reviewed by the Partners; and

(5) Contact person and contact information.

8.4 A Partner may delegate another Partner as proxy to attend the Partners' Meeting and/or exercise Voting Right by signing a written power of attorney, which shall be submitted to the meeting convener prior to the Partners' Meeting.

8.5 All the Partners shall attend the Partners' Meeting at the time and place specified in the meeting notice. If a Partner is unable to attend the Partners' Meeting, it may a delegate another Partner as proxy to attend the Partners' Meeting and/or exercise Voting Right by signing a written power of attorney, which shall be submitted to the meeting convener prior to the Partners' Meeting.

8.6 A Partners' Meeting is duly constituted if the Partners present the meeting representing more than one-third (1/3) of the Voting Rights of all the Partners (which shall include the General Partner). After such quorum has been obtained, any Partner who fails to attend the Partners' Meeting and/or exercise its Voting Right at the time specified in the meeting notice, either in person or by proxy, shall be deemed to have automatically waived its right to attend the Partners' Meeting and/or exercise its Voting Rights. The Voting Right of such abstaining Partner shall be excluded from the calculation of the total Voting Rights of all the Partners. In such case, the resolutions passed by the Partners present the Partners' Meeting shall be valid.

8.7 Resolutions of the Partners' Meeting may be made through written documents (including, without limitation, by facsimile and letter) without holding a meeting, and such resolutions shall be deemed to be valid after it is executed by all the Partners representing number of Voting Rights required for the adoption of such resolutions according to this Agreement. Such resolutions shall become effective on the date when all the Partners constituting the required number of Voting Rights for such resolutions have affixed their signature.

8.8 If any Partner fails to reply in writing to indicate its agreement or disagreement with any proposal submitted to the Partners' Meeting for approval within ten (10) Business Days after the General Partner has submitted the proposal to the Partners' Meeting and a meeting has been validly held (or after all the Partners have received such proposal, in case of resolutions though written documents), such Partner shall be deemed to have waived its Voting Right with respect to such proposal, and Voting Rights represented by such abstaining Partner shall be excluded from the calculation of the total Voting Rights of all the Partners.

8.9 The convener of the Partners' Meeting shall be responsible for arranging for preparing meeting minutes, preparing meeting summaries, archiving meeting documents, and promptly delivering such minutes, summaries and documents to the Executive Partner for record-keeping, which shall be kept for no less than ten (10) years following the liquidation of the Partnership.

## 9 Distributions and Losses Allocation

9.1 Partnership Income

The Partnership shall operate independently, make profits to the extent legally permissible, and seek to maximize investment returns for the Partners.

9.1.1 Composition of the Partnership Income (collectively, the "**Partnership Income**");

(1) dividends, distribution of proceeds or liquidated assets received by the Partnership in respect of any Portfolio;

(2) income received by the Partnership at the time of Portfolio exit via transfer of assets, equity interests or other interests (including decrease in shareholding after listing according to law) or purchase of the Partnership's investments by a third party;

(3) income arising from the utilization of the Unused Funds; and

(4) other income received by the Partnership (including, without limitation, the remaining part of financial consulting fees, governmental incentives, financial rebates and liquidated damages paid by the Defaulting Partners to the Partnership after offsetting the losses of the Partnership, if any. However, the Overdue Capital Contribution Interests, the Overdue Fines, the Liquidated Damages and other compensation in connection with liabilities for breach of contract on part of a Defaulting Partner shall not be included in the income of the Partnership that are distributable to such Defaulting Partner).

For the avoidance of doubt, the Partnership Income in principle shall consist of items mentioned above but the Partnership Income actually received by the Partnership shall be subject to the actual conditions of the operation.

9.1.2 Realization of Investment

Unless otherwise provided in this Agreement, prior to the liquidation of the Partnership, the Fund Manager shall monetize the investments of the Partnership and avoid making in-kind distributions. Notwithstanding the foregoing, if such monetization is impossible or an in-kind distribution, as determined by the Fund Manager at its sole discretion, is in the best interests of all the Partners, the Fund Manager may decide to make in-kind distributions at the fair market value, provided that the in-kind distribution plan shall be determined by the Investment Advisory Committee (including, without limitation, pricing mechanism of such in-kind distributions, appointment of appraisal firm and determination of appraisal method).

In the case of an in-kind distribution by the Partnership, the Fund Manager shall be responsible to assist each Partner in completing registration procedures in respect of receipt of the assets transfer and assist each Partner in performing information disclosure obligations in connection with such assets transfer in accordance with relevant laws and regulations; the Limited Partners receiving the in-kind distribution may entrust the Fund Manager to dispose of the in-kind assets received by them on their behalf and according to their instructions, the details of such arrangements shall be determined in writing by the Fund Manager and the relevant Limited Partners through consultation separately at that time.

9.2 Distribution of the Partnership Income

Except for the relevant proceeds for making in-kind distributions and/or re-investments as determined by the Fund Manager in accordance with Article 7.5, after the Partnership receives any income, the Fund Manager shall establish a distribution plan within the reasonable time period determined by itself, and distribute the distributable proceeds (after deducting the relevant expenses and making reasonable reservations for future expenses) in the order of distribution set forth below.

During the term of the Partnership, the distributable proceeds received by the Partnership shall be distributed according to the following order and in accordance with the distribution plan made from time to time pursuant to Article 9.4:

(1) **Return of Capital Contributions to all the Partners**. First, to the General Partner and all the Limited Partners (as a whole) in proportion to their Capital Contributions to the Partnership (the distributions among Limited Partners shall be conducted in accordance with Paragraph (6) below), until each Partner has received distributions equal to its Total Capital Contribution to the Partnership.

(2) **Preferred Return to all the Partners with respect to their Capital Contributions to the Partnership**. Second, to the General Partner and all the Limited Partners (the distributions among all Limited Partners shall be conducted in accordance with Paragraph (6) below), until the return rate of each Partner with respect to its Capital Contributions to the Partnership equal to the preferred return rate (the "**Preferred Return Rate**"), and the proceeds received hereunder shall be the "**Preferred Return**". The Preferred Return Rate shall be a simple interest rate of [***]% per annum (calculated based on a year of 365 days). The Preferred Return shall be calculated from the date on which the Capital Contributions are paid by the General Partner or the Limited Partners (or, if there are inconsistencies among the date on which the Capital Contributions are paid, the Initial Closing Date and the expiration date of the Investment Cooling-Off Period, whichever is later shall apply). Where the Capital Contributions are paid in installments, the Preferred Return Rate shall be calculated separately for each installment. If the General Partner and the Limited Partners withdraw their Capital Contributions in installments during the above distribution process, the Preferred Return with respect to such Capital Contributions withdrawn in each installment shall be calculated until the date on which such installment of Capital Contribution has been actually withdrawn by the General Partner or the Limited Partner.

(3) **Catch-Up**. Thirdly, to the Fund Manager, until the amount received by the Fund Manager under this Paragraph (3) reaches to [***]% of the aggregate Preferred Return received by all the Partners under Paragraph (2) above.

(4) **Special Return**. If there is any remaining after completion of distributions in the above Paragraphs, [***]% of the remaining shall be distributed to the General Partner and all the Limited Partners in proportion to their respective Capital Contributions to the Partnership (the distributions among the Limited Partners shall be conducted in accordance with Paragraph (6) below, and the [***]% shall be distributed to the Fund Manager.

(5) The Parties acknowledge that, before the distribution of Capital Contributions made by any Subsequent Partner to the Partnership in accordance with Paragraph (1) of this Article, if such Subsequent Partner has not paid the Subsequent Closing Compensation in accordance with Article 3.2.4, the Partnership shall be entitled to deduct and withhold an equivalent amount of the Subsequent Closing Compensation payable by such Subsequent Partner under Article 3.2.4 from the amounts to be distributed to such Subsequent Partner in accordance with Paragraph (1). Such Subsequent Closing Compensation shall be distributed by the Partnership among all the Prior Partners (other than the Defaulting Partners) of the Partnership and the corresponding Parallel Investment Vehicle (if any) with respect to such Subsequent Partner as set forth in Article 7.12.1 based on their then Parallel Capital Contribution Ratio. If any Subsequent Partner fails to pay the Subsequent Closing Compensation in accordance with Article 3.2.4 (3), the Overdue Capital Contribution Interest, the Overdue Fines, the Liquidated Damages and other compensations required for the liabilities for such breach of the Defaulting Partner shall be allocated among all non-Defaulting Partners of the Partnership and the Parallel Investment Vehicles, if any, as set forth in Article 7.12.1 (excluding the Partners against whom the Overdue Capital Contribution Interest, the Overdue Fines, or the Liquidated Damages have been waived by the Fund Manager) in proportion to their respective Parallel Capital Contribution Ratio.

(6) In particular, when any distributions are to be made to the Limited Partners pursuant to Paragraphs (1) to (5) above, the distributions shall be made among the Limited Partners according to the following order:

(i) First, add the total amount of the distributions to all Limited Partners and all “Final LP Management Fees” recorded by the Fund Manager as of the date immediately prior to the distribution, the result of which shall be the “Total Estimated Distribution Amount”;

(ii) The “Estimated Distribution Amount” for each Limited Partner shall be calculated based on the “Total LP Distribution Amount” in proportion to the Capital Contributions of each Limited Partner in terms of any Portfolio that generates such income;

(iii) The amount of the “Estimated Distribution Amount” with respect to each Limited Partner, after deducting the “Final LP Management Fee” recorded by the Fund Manager with respect to such Limited Partner immediately prior to the distribution, shall be the actual distribution amount payable by the Partnership to such Limited Partner.

For the avoidance of doubt, any “Final LP Management Fee”, after being deducted in making distributions according to Paragraph (iii) above, shall not be deducted again when calculating the “Total Estimated Distribution Amount” for purpose of distributions made under other Paragraphs, nor shall such amount be deducted again in the calculation of the actual distribution amount payable by the Partnership to such Limited Partner pursuant to this Paragraph (iii).

(7) The Parties acknowledge that, if (1) the distributions of proceeds of the Partnership shall be made during the Investment Period of the Partnership, (2) any decision with respect to any Partner to be excluded from participating in Portfolio investment shall be made pursuant to Article 7.15, or (3) in the event any Partner has not paid all of its Capital Commitment when conducting the distributions, any proceeds generated from any Portfolio, including proceeds generated from the Portfolio Interests Disposal, and/or dividends received from such Portfolio, as part of the distributable proceeds of the Partnership, shall be distributed among the Partners in proportion to their respective Capital Contributions in such Portfolio.

Notwithstanding the foregoing, the Partnership shall make income distributions to the Defaulting Partners subject to the relevant provisions of Article 3.3.1. Furthermore, if resolutions have been made at the Partners' Meeting to replace the Fund Manager in accordance with this Agreement, the Distribution Proceeds to be received by the Fund Manager pursuant to this Article 9.2 (for the avoidance of doubt, the distributions received by the Fund Manager under Articles 9.2 (3) and 9.2 (4), shall be referred to as the Fund Manager's "**Distribution Proceeds**") shall be limited to the distributions actually occurred and have been completed as of the Fund Manager Removal Date (excluding such date).

All the Partners unanimously acknowledge and agree that the Fund Manager may determine to waive or adjust the amount/percentage of the Preferred Return and/or Catch-Up and/or Special Return under Article 9.2 of a specific Partner. The Fund Manager may designate the Partnership to pay a portion or all of the Catch-Up and/or Special Return directly to other Persons designated by the Fund Manager.

9.3 Distribution of Proceeds upon Liquidation

If the Partnership enters into liquidation procedures upon the expiration of the Term of the Partnership in accordance with relevant provisions hereof, or upon the early termination of the Partnership with the approval of the Partners' Meeting, within three (3) months after the completion of liquidation audit by an audit firm, any remaining cash proceeds of the Partnership after deduction of the expenses under Paragraphs (1) to (5) of Article 17.3.1 shall be distributed in accordance with the order set forth in Article 9.2 above. All the Partners acknowledge that the distribution made according to Article 9.2 above shall only serve as a pre-distribution of cash assets during the Term of the Partnership, and upon the liquidation of the Partnership, after a comprehensive accounting of the income generated by the Partnership during the Term, if the amount that has already been distributed to any Partner exceeds the amount it is entitled to, the excess amount shall be returned to the Partnership for re-distribution to make the overall income distribution of the Partnership tin accordance with this Agreement. However, such excessive distribution returned by each Partner to the Partnership shall be subject to the balance of such distribution amount net of any taxes payable thereon.

9.4 Formulation and Implementation of Distribution Plan

The Fund Manager shall, based on the income distribution arrangements of the Partnership under Article 9.2, formulate and implement each pre-distribution and/or distribution plan of the Partnership (the "**Distribution Plan**") in accordance with the formal audited report issued by the auditor or, if reasonable withholding of expenses have been made, the unaudited financial reports of the Partnership.

During the Term of the Partnership, the Fund Manager may determine to make distributions from time to time at its own discretion. All the Partners hereby acknowledge and agree that the Fund Manager shall have the right to decide on the amount and timing of any distributions.

9.5 Taxes

9.5.1 The taxes (including but not limited to income tax, value-added tax and surcharge, stamp duty, and deed tax) incurred by the Partnership and/or the Portfolios of the Partnership shall be declared and paid in accordance with the tax laws and regulations of the PRC and shall be deducted prior to the distribution of proceeds.

9.5.2 Pursuant to the Partnership Enterprise Law and other relevant provisions, the Partnership is not an income tax subject, and each Partner shall be liable to declare and pay income tax with respect to the production and business income and other income of the Partnership in accordance with the relevant provisions. If the Partnership is subject to taxes withholding obligations according to the laws and regulations, normative documents of the relevant authorities or tax collection and administration policies, the Partnership shall withhold taxes in accordance with the laws and regulations and notify the Partners accordingly.

9.5.3 After the completion of distribution (including distribution in cash and distribution in kind) by the Partnership in accordance with the relevant provisions of this Article 9, if the Partnership is required to pay any additional taxes and/or withhold any additional taxes for the relevant Partners by the then effective laws and regulations or the competent tax authorities, the relevant Partners shall return the relevant amount to the Partnership within the time limit designated by the General Partner so as to satisfy the foregoing requirements of the laws and regulations and the competent tax authorities. If the Partnership is required to pay additional taxes by the tax authorities after the liquidation of the Partnership, the General Partner may claim indemnification for such amount against the Partners.

9.6 Allocation of Losses and Liabilities

9.6.1 The losses and liabilities of the Partnership shall be allocated among the Partners in proportion to their respective Capital Contributions.

9.6.2 The liability of each Limited Partner for the debts of the Partnership shall be limited to the amount of its Capital Committment, while the General Partner shall be jointly and severally liable for the debts of the Partnership to an unlimited extent.

## 10 Representations and Warranties

10.1 Representations and Warranties of the Limited Partner

Each of the Limited Partner hereby represents and warrants that:

(1) it has carefully read this Agreement and understood the exact meaning of the terms of this Agreement;

(2) the RMB capital contributions paid to the Partnership are lawful and its own funds. The Limited Partner has not raised or issued any financial products with collective fundraising purpose in any form, directly or indirectly, by using its subscribed Partnership Interests or its right to income as the investment target; has not transferred or split for transfer its subscribed Partnership Interests or the income right thereto, or otherwise circumvented the criteria of qualified investors[1]; and has not, through any structured arrangement or agreement, enabled a third party to have control or other rights over the funds used by the Limited Partner for capital contribution or the Partnership Interests of the Limited Partner or otherwise affiliated in any form. Notwithstanding the foregoing, to the extent permitted by laws and regulations and with the consent of the General Partner (which shall be decided in its sole discretion), the sources of funds used by Limited Partner for capital contribution may not be subject to the foregoing restrictions, including but not limited to that the sources of such funds can be private equity funds (such as contractual funds);

(3) for a non-individual Limited Partner, it has adopted valid resolutions and is duly authorized to sign this Agreement in accordance with its internal procedures, and the person signing this Agreement on its behalf is its legal and duly authorized representative; the execution of this Agreement by it will not constitute breach of its articles of association, partnership agreement or other charter documents or any provisions legally binding on it or its obligations under other agreements;

(4) for an individual Limited Partner, he/she has the full capacity to sign this Agreement under applicable laws;

(5) before signing this Agreement, it has carefully read this Agreement and consulted its professional consultant (if any), understood the exact meaning of the contents of this Agreement, the characteristics of investment of the Partnership, fully considered its own risk tolerance ability, and will bear all risks in the investments by itself. At the same time, it understands that the past performance of the Executive Partner shall not implicate its future performance;

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1 Qualified investors of private equity funds refer to entities and individuals with appropriate risk identification ability and risk tolerance ability, with an investment of no less than RMB 1 million in a single private equity fund and meeting the following relevant standards: (1) in case of an entity, with net assets of no less than RMB 10 million; (2) in case of an individual, with financial assets no less than RMB 3 million or average annual income in the last three years no less than RMB 500,000. The financial assets mentioned in the preceding paragraph include but not limited to bank deposits, stocks, bonds, fund shares, asset management schemes, bank financial products, trust schemes, insurance products, and rights and interests in futures.

(6) it holds the Partnership Interests for its own interests, and such Partnership Interests are not held by other Persons authorized or entrusted by it, or on its behalf, except for cases explicitly disclosed by the Limited Partner in advance and accepted by the General Partner; in such circumstances, any information disclosed and accepted by the General Partner shall not change without the General Partner's prior consent;

(7) for an individual Limited Partner, it shall be and remain a Chinese national during the Term of the Partnership; for a non-individual Limited Partner, it shall be and always be a non-foreign-invested enterprise entity established in China in accordance with Chinese laws during the Term of the Partnership;

(8) if any Portfolio invested by the Partnership believes that the direct or indirect investment by the Limited Partner, its direct or indirect shareholders, partners, ultimate investors, *de facto* controllers and/or ultimate beneficiaries in the Partnership causes or will cause major or material obstacles to the listing of the Portfolio; or if the supervisory institutions believe that the direct or indirect investment by the Limited Partner, its direct or indirect shareholders, partners, ultimate investors, *de facto* controllers and/or ultimate beneficiaries in the Partnership causes or will cause major or material obstacles to the filing of the Partnership with the supervisory institutions and/or the liquidation and dissolution of the Partnership, then the General Partner may require such Limited Partner to rectify or withdraw from the Partnership within a reasonable time before the Portfolio applies for listing or the Partnership applies for filing or liquidation/dissolution, or within a reasonable period suggested by the General Partner (which shall be no later than the time limit required in writing by the Portfolio or the intermediaries employed by the Partnership), provided that the rectification plan or exit strategy shall not affect the application for listing of the Portfolio or the completion of filing or liquidation/dissolution of the Partnership at that time subject to the requirements of the General Partner;

(9) if any Limited Partner fails to meet the above conditions during the Term of the Partnership, the Limited Partner shall promptly notify the General Partner and transfer its Partnership Interests in accordance with the provisions of this Agreement.

10.2 Representations and Warranties of the General Partner

The General Partner hereby represents and warrants that:

(1) it has carefully read this Agreement and understood the exact meaning of the terns of this Agreement;

(2) the RMB capital contribution paid to the Partnership is lawful;

(3) it has adopted valid resolutions and has been duly authorized to sign this Agreement in accordance with its internal procedures, and the person signing this Agreement on its behalf is its legal and duly authorized representative; the execution of this Agreement by it will not constitute breach of its articles of association, any provisions legally binding on it or its obligations under other agreements;

(4) it holds the Partnership Interests for its own interests, and such Partnership Interests are not held by other Persons authorized or entrusted by it, or on its behalf.

## 11 Accounting, Reporting, Accounts and Valuation

11.1 Fiscal Year

The General Partner shall, within the legal period, maintain accounting books that comply with the provisions of relevant laws and reflect the transaction items of the Partnership as the basis for submitting financial statements to the Limited Partner. The Partnership shall not establish any accounting books other than the statutory accounting books.

The fiscal year of the Partnership commences from January 1 to December 31 of the calendar year, but the first fiscal year commences from the date of establishment of the Partnership to December 31 of the current year, and the last fiscal year commences from January 1 of the current year to the date of de-registration of the business license of the Partnership.

11.2 Audit and Financial Reports

11.2.1 The General Partner shall, within the legal period, maintain accounting books that comply with relevant laws and regulations and reflect the transaction items of the Partnership and prepare financial statements.

11.2.2 The financial statements of the Partnership shall be audited by a qualified independent audit institution after the end of each fiscal year.

11.2.3 The General Partner shall provide the accounting firm with authentic and complete accounting certificates, accounting books, financial and accounting reports and other accounting materials, and shall not refuse to provide, hide the foregoing or make false reports.

11.2.4 The General Partner shall submit the audited financial report to the Limited Partner within four months after the end of the fiscal year, including but not limited to:

(1) balance sheet, income statement and cash flow statement;

(2) the capital account balance of each Partner in the Partnership and the changes thereto in that fiscal year.

11.3 Annual Report, Semi-annual Report and Quarterly Report

As of the establishment of the Partnership, the Fund Manager shall: (1) submit an annual report to all Limited Partners before the end of June each year, including the summary of investment activities of the previous year, the capital custody report and the audited financial statements of the Partnership; (2) submit the semi-annual operation report, the fund custody report and the unaudited semi-annual financial report of the Partnership before the end of September each year; and (3) prepare the quarterly report of the Partnership and submit it to the Limited Partners after being reviewed by the Custodian Bank within forty-five (45) days after the end of each calendar quarter,.

The above reports shall include without limitation information related to the investments of the Partnership, the operation of the Portfolios, the bank custody report, the Capital Contributions of the Partners, the valuation of the Partnership and the income distributions of the Partnership.

11.4 Inspect the Financial and Accounting Books

The Limited Partner may inspect and copy the accounting books of the Partnership in person or by proxy within a reasonable time limit during normal working hours for proper matters related to its Partnership Interests, provided that it shall deliver a written notice to the General Partner at least five (5) Business Days in advance and the inspection shall be no more than two (2) times a year. In exercising the inspection rights under this Article, the Limited Partner shall comply with the confidentiality procedures and rules formulated or updated by the Partnership and/or the General Partner from time to time.

11.5 Notwithstanding Article 11 of this Agreement, based on the consideration of industry practices and trade secrets and the confidentiality requirements of some information, the Partnership may disclose the information after certain technical treatment. In particular, due to the information confidentiality requirements of the Portfolios and/or portfolio companies, some project information shall be disclosed after certain technical treatment in the periodic report of the Partnership, and all the Partners may not understand all details of the Portfolios invested by the Partnership. The Partners hereby confirm and agree that the General Partner shall have the right to conduct certain technical treatment on the information disclosed in the report based on the above requirements.

11.6 Reporting to the AMAC and Information Back up

All Partners agree that the Fund Manager or other information disclosure obligors shall back up the information disclosed by the Partnership in accordance with the provisions of the AMAC. The Fund Manager and the Custodian Bank shall perform the obligations of information reporting in accordance with laws and regulations and the requirements of the CSRC and the AMAC.

All Partners agree that the Fund Manager and other partnership share registration obligors shall handle the backup of partnership share registration data (of all the Partners) of the Partnership in accordance with the provisions of the AMAC.

11.7 Information Disclosure and Notification Method

11.7.1 The Fund Manager may publish the periodic reports and the *ad hoc* reports of the Partnership and deliver any notice under this Agreement to the Limited Partners through various means such as email and/or fax and/or mobile phone messages, website and/or designated client-end announcement, unless otherwise explicitly provided by the applicable laws and regulations at that time.

11.7.2 For the information backed up by the Fund Manager with the AMAC in accordance with the *Administrative Measures for Information Disclosure by Private Investment Funds* and the *Guidelines No. 2 for the Content and Format of Information Disclosure by Private Investment Funds - Applicable to Private Equity (including Venture Capital) Investment Funds*, the Partners can access such information via the private investment funds information disclosure backup system of the AMAC (available at https://pfid.amac.org.cn, hereinafter referred to as the “information disclosure backup system”; for the specific requirements and operation methods of the system, the Partners may check the website of the AMAC); however, sensitive information such as the list of investors and the investment details of the Partnership, as well as custodian reports, fund manager reports, audited financial reports of the Partnership, information disclosure reports signed and sealed by the Fund Manager and other schedules, will not be available in the information disclosure backup system. The Fund Manager shall be responsible for the maintenance and management of the investor inquiry account of the Partnership, including the opening, activation, modification and closing of the investor inquiry account, according to the regulatory requirements as of the filing date of the Partnership.

11.8 Valuation

11.8.1 Valuation purpose

The purpose of valuation of the Partnership’s property is to objectively and accurately reflect the value thereof.

11.8.2 Valuation time

The Fund Manager and the Custodian Bank shall value the Partnership’s property on each valuation day, which shall be the last day of each quarter of the calendar year and the date of product termination (in case falling under holidays, the next Business Day).

11.8.3 Valuation basis

The valuation shall comply with the provisions of this Agreement and relevant laws and regulations. In the absence of relevant provisions in laws and regulations, the valuation shall be handled with reference to the common practices in the industry of private investment funds.

11.8.4 Valuation targets

The valuation targets include the Portfolios’ equity (stock, fund shares), loan under entrustment, principal and interest of bank deposits, as well as other assets and liabilities owned by the Partnership.

11.8.5 Valuation methods

The valuation shall be conducted through the cost approach or other approaches permitted by laws and regulations, which shall be subject to the custody agreement of the Partnership.

11.8.6 Valuation procedures

The Fund Manager shall conduct the valuation according to the valuation time, check the net value of the fund on the valuation date on the T + 10 th Business Days and reconcile with the Custodian Bank.

11.8.7 Handling of valuation errors

If the Fund Manager or the Custodian Bank finds that the valuation of fund assets violates the valuation methods and procedures stipulated in this Agreement and relevant laws and regulations, or fails to fully safeguard the interests of the Partners, such Person shall immediately notify the other to jointly work out the reasons and solve the problem through negotiation.

If the valuation deviation of the fund assets reaches 5% of the net asset value of the Partnership, the Fund Manager and the Custodian Bank shall immediately correct it and report it to the Partners in the periodic report. If the net asset value of the Partnership calculated by the Fund Manager has been reviewed and confirmed by the Custodian Bank, but the Partners have suffered from losses due to asset valuation errors, the Fund Manager and the Custodian Bank shall bear corresponding responsibilities according to their Management Fees and Custodian Fees respectively.

If the information provided by one party is not correct, and the other party cannot identify such errors after taking necessary and reasonable measures, such disclosing party shall be liable for the indemnification of any losses incurred by the Partners due to any calculation errors caused by such information in the valuation of the net asset value of the Partnership, as well as any losses to the Partners due to the subsequent calculation errors in the net asset value of the Partnership on the subsequent trading day.

If the Fund Manager and the Custodian Bank have taken necessary, appropriate and reasonable measures to check but failed to find errors in any information due to the wrong data sent by the manager of a underlying investment target or the stock exchange and its registry, or other force majeure events, the Fund Manager and the Custodian Bank may be exempted from indemnification liabilities for the errors in the valuation of fund assets caused thereby. However, the Fund Manager and the Custodian Bank shall actively take necessary measures to eliminate the impact caused by such valuation errors.

11.8.8 The valuation shall be suspended where:

(1) the stock exchange related to the Partnership’s investments is suspended from business due to legal holidays or other reasons;

(2) the Fund Manager and the Custodian Bank are unable to accurately evaluate the fund assets due to force majeure events or other circumstances;

(3) there is a significant change in the valuation of investment varieties accounting for a considerable proportion of the Partnership’s investments, and the Fund Manager decides to postpone the valuation in order to protect the interests of investors;

(4) other circumstances recognized by the CSRC.

11.8.9 Determination of the net asset value

The net asset value of the Partnership refers to the product of the total asset value minus the liabilities. The Fund Manager shall be responsible for the calculation of the net asset value of the Partnership, the result of which shall be reviewed by the Custodian Bank.

## 12 Equity Transfer

12.1 Transfer of the Partnership Interests Held by the Limited Partner

12.1.1 Except for the transfer expressly provided by this Agreement, without the prior consent of the General Partner, the Limited Partner shall not transfer part or all of its Partnership Interests (including but not limited to the rights with respect to Capital Contributions, income and receiving distributions) in any way in any event (including but not limited to the situation where the General Partner neither agrees to the above transfer nor agrees to acquire such interests), including transfer to other Limited Partners or a third party other than the Partners of the Partnership.

12.1.2 If a Limited Partner intends to transfer the Partnership Interests to its Affiliates, it shall notify the General Partner in writing and obtain the consent of the General Partner. The written notice shall specify the Partnership Interests to be transferred and the proposed transfer price. The General Partner may decide whether to approve such written application without the consent of other Partners.

If a Limited Partner transfers the Partnership Interests to its immediate family members (including spouse, parents, children, brothers and sisters, if applicable, the same shall apply to below), it shall submit a written application to the General Partner (together with a notarized proof of kinship), specifying the part of the Partnership Interests to be transferred and the proposed transfer price. The General Partner may decide whether to approve such written application.

12.1.3 If a Limited Partner transfers the Partnership Interests to the General Partner, the General Partner may decide whether to accept such transfer without the consent of other Partners. If the General Partner accepts the transfer, it shall inform all the Partners of such transfer ten (10) days in advance by a written notice.

12.1.4 For the transfer of the Partnership Interests other than those described in Articles 12.1.2 and 12.1.3, if a Limited Partner (the "**Transferor**") intends to transfer the Partnership Interests to Persons outside the Partnership, it shall make a "valid application" fulfilling all the following conditions:

(1) The Transferor shall notify the General Partner and other Limited Partners thirty (30) days in advance and send a transfer request to the General Partner.

(2) The Transferor shall attach a binding quotation and conditions of the Partnership Interests to be transferred to the General Partner to the transfer request.

(3) The proposed transferee (the "**Proposed Transferee**") shall have submitted to the General Partner a letter of commitment indicating its consent to be bound by this Agreement and to take all obligations of the Transferor, as well as other documents, certificates and information deemed appropriate by the General Partner.

(4) The Transferor and the Proposed Transferee shall have confirmed in writing that the transfer of the Partnership Interests will not make the Partnership in breach of any provisions of the Partnership Enterprise Law or other relevant laws and regulations, or cause the Partnership to be subject to additional restrictions regarding its business activities; the Transferor or the Proposed Transferee shall have made a written commitment to bear all expenses incurred by the Partnership and the General Partner arising from the transfer.

Notwithstanding the foregoing, the General Partner may, at its sole discretion, waive one or more of the conditions listed in items (1)—(4) above, which shall not affect the General Partner's determination of such transfer of the Partnership Interests as a "valid application".

With respect to a valid application concerning transfer of the Partnership Interests, the General Partner shall first decide whether to give consent to such transfer of the Partnership Interests by the Transferor within ten (10) days after receiving the "valid application" from the Transferor. The General Partner may decide whether to approve such transfer without further consent of other Partners.

12.1.5 If the Partnership Interests held by any Limited Partner may be enforced by a court according to laws, the Limited Partner shall notify the General Partner and other Limited Partners within 24 hours after its knowledge of the possible occurrence of such case, and shall ensure that the General Partner and/or its designated third party and other Limited Partners have the right of first refusal under the same conditions.

12.1.6 When the Partnership Interests are being transferred under Articles 12.1.2 to 12.1.5 of this Agreement, all Limited Partners agree that the General Partner shall have the right to enter into a written document agreeing to the relevant transfer of the Partnership Interests with the Proposed Transferee and go through the relevant procedures for the registration of industrial and commercial changes. Other Partners shall provide necessary assistance according to the requirements of the General Partner.

12.2 Transfer of the Partnership Interests Held by the General Partner

12.2.1 Except for the transfers in accordance with the provisions of this Agreement, the General Partner shall not transfer its Partnership Interests in any way in any event. In case of bankruptcy, dissolution or other special circumstances of "deemed withdrawal" under the Partnership Enterprise Law (including the General Partner's business license being revoked, is ordered to close down, etc.) occurred to the General Partner and transfer of the General Partner's Partnership Interests becomes necessary, and the transferee undertakes to take all the responsibilities and obligations of the General Partner, then the transfer will be allowed upon the unanimous consent of all Limited Partners. Otherwise, the Partnership shall be dissolved and enter the liquidation procedure.

12.2.2 Notwithstanding the provisions of article 12.2.1 above, the General Partner may independently decide to transfer its Partnership Interests to its Affiliates.

12.3 Pledge of the Partnership Interests

Without the prior written consent of the General Partner, any Limited Partner shall not pledge any of its Partnership Interests. Without the consent of the Investment Advisory Committee, the General Partner shall not pledge any of its Partnership Interests.

## 13 Withdraw from the Partnership

13.1 The Limited Partners' Withdrawal from the Partnership

13.1.1 A Limited Partner may withdraw from the Partnership by transferring its Partnership Interests to Affiliates with the written consent of the General Partner in accordance with this Agreement. Except for the foregoing, a Limited Partner shall not propose to withdraw from the Partnership or recover its Capital Contributions in advance.

13.1.2 The General Partner may compel any Limited Partner who fails to make capital contributions as agreed or to fulfill the cooperation obligations under Article 4.2 to withdraw from the Partnership in accordance with this Agreement. If the General Partner requests the Limited Partner who fails to make capital contributions as agreed or to fulfill the cooperation obligation under Article 4.2 to withdraw from the Partnership, the Partners' Meeting shall approve such request.

13.1.3 A Limited Partner shall be deemed to have withdrawn from the Partnership upon the occurrence of any of the following circumstances:

(1) the Limited Partner's business license is revoked, or the Limited Partner is ordered to close down or declared bankrupt according to law;

(2) all the Partnership Interests held by the Limited Partner have been executed by the court;

(3) the Limited Partner, in case of an individual, deceases or is declared deceased according to law;

(4) other circumstances of deemed withdrawal under the provisions of the Partnership Enterprise Law.

When any Limited Partner withdraws from the Partnership in accordance with the above provisions, the Partnership shall not be dissolved as a result. Other Limited Partners and the General Partner shall be entitled to and exercise the right of first refusal with reference to Article 12.1.5 of this Agreement; if other Limited Partners and the General Partner waive the right of first refusal, the Fund Manager may distribute the Partnership Interests of the Partner deemed withdrawn among other Partners according to the proportion of their Capital Contributions, or admit a new Limited Partner to take the Partnership Interests of such Partner, or reduce the Total Capital Commitment of the Partnership accordingly.

If the General Partner decides to reduce the Total Capital Commitment of the Partnership accordingly, the returned property share shall be calculated based on: the net value of the Partnership at the time of withdrawal in proportion to the Capital Contributions of the Limited Partner withdrawn, among which the net value of the Portfolios not monetized by the Partnership shall be calculated according to the costs at the time of the investment.

13.1.4 If the General Partner believes that the monetization of the investments of the Partnership will cause losses including anticipated interests to other Partners of the Partnership, the General Partner may refuse to monetize the investments of the Partnership and postpone distributions until monetization.

13.1.5 If the Partnership suffers from any investment or withdrawal restrictions, losses, expenses, liabilities or claims arising out of any Limited Partner's breach of the representations and warranties under Article 10.1, the General Partner may require the Limited Partner to transfer its Partnership Interests to the qualified investors designated by the Limited Partner or to the qualified investors designated by the General Partner at a reasonable price accepted by the General Partner. In the absence of such qualified investors, the General Partner may decide that the Partnership shall return the property to the Limited Partner in cash according to the lower of the following, and the Limited Partner shall withdraw from the Limited Partnership: (1) the sum of the unused part of the Capital Contributions of the Limited Partner and the Investment Principal apportioned by the Limited Partner for the Portfolio Investment that have been invested but not returned; or (2) the value of the Partnership Interests held by it evaluated and confirmed by a third-party evaluation agency. For the purpose of this Article, qualified investors refer to investors who meet the representations and warranties under Article 10.1 and whose acquisition of the Partnership Interests will not make the Partnership in breach of the Partnership Enterprise Law or other applicable laws and regulations.

13.1.6 If the withdrawn Partner is liable for any breach of this Agreement or indemnification to the Partnership and/or other Partners, the General Partner may deduct the indemnification amount payable by the withdrawn Partner from the property to be turned to it.

13.2 The General Partner's Withdrawal from the Partnership

13.2.1 The General Partner hereby undertakes that, unless otherwise expressly agreed in this Agreement, the General Partner shall always perform its duties hereunder until the dissolution or liquidation of the Partnership in accordance with this Agreement; the Parties further agree that, with the unanimous consent of all the Partners, the General Partner may transfer its Partnership Interests to a third party designated by it and then withdraw from the Partnership. After withdrawal from the Partnership, the general partner of the Partnership shall be assumed by the substitute general partner without further approval by the Partners' Meeting.

All Partners of the Partnership agree to such arrangements by signing this Agreement. In case of transfer of the Partnership Interests and/or withdrawal from the Partnership by the General Partner, each Partner undertakes to unconditionally cooperate with the signing of relevant documents for the changes and the handling of relevant industrial and commercial change registration procedures (if necessary).

13.2.2 The General Partner shall be deemed to have withdrawn from the Partnership in case any of the following circumstances:

(1) the General Partner's business license is revoked, or the General Partner is ordered to close down or declared bankrupt according to law;

(2) the Partnership Interests held by it are executed by the court;

(3) other circumstances of deemed withdrawal under the provisions of the Partnership Enterprise Law.

If the General Partner is subject to the "deemed withdrawal" in accordance with the above provisions, unless the Partnership immediately accepts a new general partner and appoints such Person as the Executive Partner of the Partnership, the Partnership shall enter into liquidation procedures in accordance with the law.

13.3 Removal and Replacement of the Executive Partner

13.3.1 If the Partnership suffers from material damages due to intentional act or gross negligence of the Executive Partner (the term "material damages" refers to the losses exceeding 50% of the Total Capital Commitment of the Partnership, except for the normal business risks and losses of the Portfolios invested by the Partnership), or the Executive Partner fails to fulfill the obligation of capital contribution, or the Partnership is unable to pay or settle material debts and liabilities due to the Executive Partner's misconduct in the execution of partnership affairs, the Partnership may remove the Executive Partner. The removed Executive Partner shall still be jointly and severally liable for the losses and debts of the Partnership caused by it during its tenure as the Executive Partner.

13.3.2 The removal of the Executive Partner shall be subject to all the following procedures:

(1) a Limited Partner proposes the removal of the Executive Partner and submits to the Partnership sufficient evidence proving that the Executive Partner falls under the situations described in Article 13.3.1. For the avoidance of doubt, if the Limited Partner is unable to submit sufficient evidence, such removal proposal shall be invalid; and

(2) the Partnership may make a resolution to remove the Executive Partner with the unanimous consent of all Limited Partners; and

(3) in case of any dispute between the General Partner and the Limited Partner on the removal of the Executive Partner, it shall be handled in accordance with the dispute resolution mechanism specified in Article 16.2 of this Agreement.

13.3.3 If the Partnership fails to make a resolution for the admission of a new Executive Partner on or prior to the removal of the Executive Partner, the Partnership shall enter into the liquidation procedures.

13.3.4 As of the date of completion of the procedures described in Articles 13.3.2 and 13.3.3, the Executive Partner shall withdraw from the Partnership, stop the execution of partnership affairs, and hand over its work to the new Executive Partner approved by the Partners' Meeting.

## 14 Inheritance or Succession

14.1 If any Limited Partner, in case of an individual, deceases, is declared deceased according to law, or if any Limited Partner, in case of a legal person or other organization, is terminated, with the approval of the General Partner, its inheritor or successor may obtain the position of the Limited Partner in the Partnership according to law. However, if there are two or more inheritors or successors, such inheritors or successors shall determine one of them to act as the Limited Partner of the Partnership through negotiation or other means. Without such determination, no inheritor or successor shall become a Limited Partner of the Partnership. If the Partnership distributes income in the absence of such determination, the rights and interests of the former Limited Partner shall be deposited in the account designated by the General Partner, and the payment shall be made after the inheritor or successor of the Limited Partner is determined.

14.2 The Partnership shall return the property share of a Limited Partner to its inheritor or successor under any of the following circumstances:

(1) Where the inheritor is unwilling to become a Limited Partner of the Partnership.

(2) Where the inheritor is a person without or with limited civil capacity.

(3) Other circumstances where the inheritor cannot serve as a Limited Partner of the Partnership as provided in this Agreement.

The calculation of the returned property share shall be based on the provisions of Article 13.1.3 and subject to the provisions of Articles 13.1.4 and 13.1.5.

In case of a merger or division of a Limited Partner of the Partnership, the inheritance of its share of the Partnership and the corresponding rights and obligations under this Agreement shall be handled in accordance with the *Company Law of the People's Republic of China* and other relevant laws and regulations.

14.3 In case of any circumstance in Articles 14.1 and 14.2, all Limited Partners agree that the General Partner shall have the authority to sign relevant legal documents and/or on behalf of the Limited Partners to handle industrial and commercial registration and other procedures for changes for the Partnership, and other Partners shall provide necessary assistance according to the requirements of the General Partner.

## 15 Liabilities

15.1 With respect to any breach of this Agreement by any Partner, it shall be responsible for the relevant liabilities for such breach according to law or in accordance with this Agreement. For the avoidance of doubt, if the General Partner breaches any obligations under this Agreement in the execution of the Partnership's affairs, or take the interests that belong to the Partnership as its own, or misappropriates the Partnership's property by other means, the General Partner shall return the interests and property to the Partnership and pay royalties, and shall be liable for such breach for the Limited Partners in accordance with this Agreement; if losses are caused to the Partnership or other Partners, it shall also compensate all relevant losses and additional expenses incurred by the Partnership or other Partners.

15.2 If a Partner fails to make capital contribution within the agreed time limit, it shall be held liable in accordance with Article 3.3 of this Agreement.

15.3 If this Agreement cannot be performed or fully performed due to one party's breach of this Agreement, the breaching party shall be responsible for such breach; in case of breach of this Agreement by several parties, each party shall bear its own liability for breach of this Agreement according to the actual situation.

## 16 Governing Law and Dispute Resolution

16.1 Governing Law

This Agreement shall be governed by the laws of the PRC.

16.2 Dispute Resolution

All disputes arising from and in connection with this Agreement shall be first settled through negotiation between the Parties in good faith. If the disputes cannot be resolved through negotiation, the Parties shall submit the disputes to the Shenzhen Court of International Arbitration (Shenzhen Arbitration Commission) for arbitration in Shenzhen in accordance with its arbitration rules then in force. The arbitral proceedings shall be conducted in Chinese language. The arbitral tribunal shall be composed of three arbitrators. The applicant and the respondent shall each appoint one arbitrator, and the third arbitrator shall be appointed by the arbitration institution and serve as the chief arbitrator. All arbitration costs (including but not limited to arbitration fees, arbitrators' fees and legal fees and expenses) shall be borne by the losing party, unless otherwise determined by the arbitral tribunal. The arbitral award shall be final and binding on the relevant parties.

## 17 Dissolution and Liquidation

17.1 Dissolution

The Partnership shall be dissolved under any of the following circumstances:

(1) Where the Term of the Partnership expires and will not be extended;

(2) Where the number of Partners fails to reach the mandatory quorum for thirty (30) days;

(3) Where the Executive Partner withdraws from the Partnership or is removed, and the Partnership has not accept a new Executive Partner;

(4) Where the Fund Manager decides to terminate the Partnership in advance according to this Agreement, or the General Partner proposes the same which is passed by all the Partners;

(5) Where the business license of the Partnership is revoked;

(6) Where the Partnership will not make any investment according to this Agreement, and disposals of all Portfolio Investments have been completed; or

(7) Other circumstances for dissolution stipulated in the Partnership Enterprise Law and this Agreement.

17.2 Liquidation

17.2.1 If the Partnership is dissolved, liquidation shall be started within thirty (30) days from the date of dissolution, and the liquidator shall notify all the Partners in writing of the liquidation date, etc.

17.2.2 The liquidator shall be the General Partner, unless otherwise required by the Partners representing more than two-thirds (2/3) of the voting rights, and such other person so appointed shall be qualified to serve as the liquidator.

After determining the liquidator, all unrealized investments of the Partnership shall be managed by the liquidator. However, if the liquidator is not the General Partner, the General Partner shall be obliged to help the liquidator monetize the un unrealized returned investments, and the Partnership shall no longer pay Management Fees during the liquidation period.

17.2.3 During the liquidation of the Partnership, if the General Partner acts as the liquidator, the General Partner shall try its best to monetize the investments of the Partnership and cause the Partnership to distribute its remaining assets to the Limited Partners only in cash. For the avoidance of doubt, the General Partner shall not undertake the obligation of repurchase or cash compensation for the unrealized investments of the Partnership under any circumstances.

17.3 Distribution Order at Liquidation

17.3.1 When the Partnership expires or terminates for liquidation, the Partnership’s properties shall be liquidated and distributed in the following order:

(1) Paying liquidation expenses;

(2) Paying employees’ wages, social insurance premiums and statutory compensation;

(3) Paying taxes payable;

(4) Paying off the debts of the Partnership;

(5) Paying the Partnership Expenses specified in Article 6.1.1;

(6) Making distributions in accordance with the provisions of Articles 9.2 and 9.3.

17.3.2 If the properties of the Partnership are insufficient to pay off the debts of the Partnership, the General Partner shall bear unlimited joint and several liability to the creditors. Within thirty (30) Business Days after the liquidation, the General Partner shall assist the liquidator in preparing the liquidation report. The liquidator shall submit a liquidation report to the Partnership's registration authority according to law and apply for the de-registration of the Partnership.

## 18 Miscellaneous

18.1 Notice

18.1.1 Any notice, request or information under this Agreement shall be in writing, delivered by hand or express delivery, registered mail, airmail, email, fax or publicized on the official website of the Fund Manager, or sent to the addresses listed in Schedule II to this Agreement. Any Limited Partner may change its contact information at any time by giving written notice to the Partnership and the General Partner. Any Partner may change its address at any time by giving ten (10) days' notice to the Partnership and other Partners, and such change shall not constitute an amendment to this Agreement.

18.1.2 Unless there is evidence that any notice has been received in advance, :

(1) in case of delivery by hand or express (through SF Express or EMS only), the notice shall be deemed to have been delivered when it is delivered to the address mentioned in Article 18.1.1 and accepted;

(2) in case of delivery by registered mail with postage prepaid, the notice shall be deemed to have been delivered when it is mailed to the address mentioned in Article 18.1.1 and accepted;

(3) In case of delivery by airmail (for cross-border delivery only), the notice shall be deemed to have been delivered when it is mailed to the address mentioned in Article 18.1.1 and accepted;

(4) In case of delivery by fax, the notice shall be deemed to have been delivered when it is sent to the recipient's fax number mentioned in Article 18.1.1 and the sender's fax machine records the transmission confirmation;

(5) In case of delivery by email, the notice shall be deemed to have been delivered when the email reaches the other party's server;

(6) In case of delivery by short message, website and/or designated client-end announcement, the notice shall be deemed to have been delivered when the Fund Manager sends it successfully or posts it on the Internet.

18.2 Force Majeure

18.2.1 The term "force majeure" refers to all events occurring after the signing of this Agreement, unforeseeable at the time of signing this Agreement, whose occurrence or consequences cannot be avoided or overcome, and preventing either party from performing all or part of this Agreement. The above events include earthquakes, typhoons, floods, fires, wars, international or national transportation interruptions, acts of governments or public institutions (including major law changes or policy adjustments), epidemics, civil unrest, strikes, and other events recognized as force majeure by general international business practices. A party's lack of funds shall not be a force majeure event.

18.2.2 If a force majeure event occurs and affects a party's performance of its obligations under this Agreement, the performance shall be suspended within the postponed period caused by the force majeure event and such postponed performance shall not be deemed as a breach of this Agreement. The party claiming the occurrence of any force majeure event shall promptly notify the other party in writing and provide sufficient evidence to prove the occurrence and continuation of force majeure event within fifteen (15) days thereafter.

18.2.3 In case of a force majeure event, the Partners shall immediately negotiate with each other for a fair solution, and shall make all reasonable efforts to minimize the consequences thereof.

18.3 Schedules

As an integral part of this Agreement, the Schedules to this Agreement shall have the same legal effect as this Agreement.

18.4 Headings

The headings of each part of this Agreement are only for the convenience of indexing, and shall not constitute a definition, limitation or expansion of this Agreement and the terms hereof.

18.5 Short Version

The Parties agree that for the purpose of handling industrial and commercial registration and/or other relevant regulatory registration/filing procedures, the Parties may sign a short version of this Agreement (the "short version") at the same time of, before or after the signing of this Agreement, which shall be submitted for industrial and commercial registration in accordance with the provisions of relevant laws and regulations and the requirements of the administrative department for industry and commerce. If such short version is inconsistent with any provisions of this Agreement, this Agreement filed with the AMAC shall prevail, but the amount and proportion of the Partners' Capital Contributions and relevant facts in the short version shall be consistent with the actual Capital Contributions to the Partnership at that time. The Parties also agree that the Partnership may disclose relevant information in the above short version as appropriate, but no Partner shall refuse to perform its obligations under this Agreement or claim any rights other than those specified in this Agreement to the Partnership and other Partners.

For the avoidance of doubt, the Parties agree that the short version shall be only used for the industrial and commercial registration and/or other relevant regulatory registration/filing procedures, and shall not be the basis for claiming any rights or interests for any party.

18.6 Severability and Amendment

If any provision of this Agreement or its application to any person or situation is found invalid, the validity of the remaining provisions or their application to other persons or situations shall not be affected.

All Partners acknowledge and agree that the General Partner can amend this Agreement in the following ways:

(1) When the amendment has a material adverse impact on the economic or legal rights of a Limited Partner or a type of Limited Partners, the consent of such Limited Partners shall be obtained;

(2) When the amendment does not have a material adverse impact on the economic or legal rights of the Limited Partners (including but not limited to the adjustment to Management Fees borne by and performance bonus of some Partners), the General Partner can make the amendment at its discretion.

All Limited Partners further acknowledge and agree that for the amendment of matters agreed in this Agreement that the General Partner may decide at its discretion, as well as all enterprise registration/change registration documents of the Partnership, the General Partner may directly sign the relevant documents on behalf of all Limited Partners to the extent permitted by laws and regulations, and the methods for amendment include but are not limited to modifying the relevant terms of this Agreement, entering into supplementary agreements or other similar legal documents with relevant Partners. The execution of this Agreement by all Limited Partners represents their recognition of such amendments and will cooperate with the arrangements or requirements by the General Partner under this Article; for any amendment of this Agreement related to matters that shall be approved by the Partners, the General Partner may sign on behalf of all Limited Partners based on the evidence showing the relevant voting results of the Partners, and the Limited Partners shall cooperate therewith; for any amendment of this Agreement that shall be approved by one Limited Partner or a group of certain Limited Partners to the extent permitted by laws and regulations, the General Partner may sign on behalf of all the Partners with the prior written consent of such Limited Partners, and all the Partners shall cooperate therewith.

18.7 Confidentiality

The “Confidential Information” in this Agreement shall include the fact that the Parties are negotiating any transaction related to this Agreement, the terms and conditions provided by any party on this transaction, the information contained in or related to this Agreement, any intellectual property rights, operation information, business information and other information marked with “confidential” or other similar warning words by either party or its Affiliates in the schedule or preface, and any other information expressly notified by either party or its Affiliates to the other party of the confidential nature thereof; however, the Confidential Information shall not include (1) the information independently obtained by the receiving party without violating any laws and regulations or any rights of the other party before the party receives the Confidential Information (the “receiving party”) from the party disclosing the Confidential Information (the “disclosing party”) in accordance with the terms of this Agreement; (2) the information obtained by the receiving party before it learns from the disclosing party in accordance with the terms of this Agreement and, to the knowledge of the receiving party, it is not subject to other confidentiality obligations; (3) the information known to the public not due to the fault of the receiving party after the signing of this Agreement; or (4) information obtained by the receiving party from a third party in a manner that does not violate the confidentiality obligation. During the period when the Parties have a dispute over the nature of a certain information, the Parties shall treat such information as Confidential Information.

The receiving party shall take measures to keep confidential the Confidential Information. The degree of confidentiality of such measures shall neither be lower than that of the measures taken by the receiving party to protect its own Confidential Information, nor lower than the reasonable degree of confidentiality in the market at any time. Without the prior written consent of the disclosing party, the receiving party shall not disclose any Confidential Information to any third party (including any Affiliate). However, this Article does not prohibit the receiving party from disclosing the Confidential Information under the following circumstances:

(1) Where the disclosure of Confidential Information is required by laws, regulations, rules of stock exchanges, tax authorities, government authorities, courts or arbitration institutions;

(2) Where the disclosure is made to other legally qualified legal, asset evaluation and/or tax advisors for the performance of this Agreement, provided that such professional consultants shall bear the confidentiality obligations at a standard not lower than the confidentiality obligations imposed on the receiving party by this Article;

(3) Where the General Partner agrees to disclose the Confidential Information to the subject designated by the Limited Partners.

18.8 Risk Tolerance

Before signing this Agreement, the Parties hereto have consulted their professional consultants on the investment nature and commercial risks of the Partnership, and have fully understood all kinds of risks of the Partnership and the terms of this Agreement (especially, but not limited to, Article 9 hereof).

All Limited Partners hereby acknowledge and agree that neither the General Partner/the Fund Manager nor the Partnership is obligated to guarantee fixed returns and/or guaranteed minimum returns from the investment in the Partnership to the Limited Partner. Moreover, no provision in this Agreement shall stipulate or promise that a Limited Partner can obtain fixed or guaranteed minimum returns on the amount and time of its actual investment in the Partnership.

18.9 Waiver

The failure or delay of any Partner in exercising any right, power or privilege under this Agreement shall not be deemed to be a waiver of such right, power or privilege, and any individual or partial exercise of any right, power or privilege shall not exclude any other or further exercise of such right, power or privilege or any other right, power or privilege. The rights and remedies provided in this Agreement are cumulative and shall not exclude any other rights and remedies provided by law.

18.10 Counterparts

This Agreement is executed in a number of counterparts, including one (1) copy for each Partner, with the rest filed with the Partnership and kept by the General Partner, and all copies are equally authentic.

18.11 Entry into Force

Upon the recognition by the Fund Manager of any Limited Partner’s execution of this Agreement, this Agreement shall be binding upon such Limited Partner; all subjects signing this Agreement shall be deemed to have joined this Agreement and be bound by this Agreement when this Agreement is signed by the first Limited Partner. At the same time, the Limited Partners shall effectively sign this Agreement, the subscription agreement and other documents (if any) required by the Fund Manager in accordance with the requirements of the Fund Manager. The above documents as a whole shall constitute legally binding documents for the Partners.

No party hereto shall change and/or rescind this Agreement without consensus or under the circumstances specified in laws and regulations and this Agreement. Any change and/or rescission of this Agreement must be made in writing by the Parties. For the avoidance of doubt, Article 5.9 (*Disclaimer and Indemnification*), Article 15 (*Liabilities*), Article 16 (*Governing Law and Dispute Resolution*) and Article 18.7 (*Confidentiality*) of this Agreement shall survive the termination of this Agreement and the dissolution/liquidation of the Partnership.

If any Limited Partner fails to sign this Agreement, other Limited Partners signed this Agreement which is recognized by the Fund Manager hereby authorize the General Partner to modify the terms and contents closely related to this Agreement (including but not limited to the Total Capital Commitment to the Partnership and the percentage of Capital Contributions of each Partner).

This Agreement sets a 24-hour investment cooling off period for each Limited Partner, commencing from the date of signing this Agreement by the Limited Partner. Upon expiry of the investment cooling off period, the General Partner shall pay a return visit to the Limited Partner for confirmation (the term "return visit" refers to the behavior that the fundraising institution instructs its personnel other than those engaged in the fund sales and promotion business to re-visit the investors who have signed this Agreement by recording telephone, email, letter and other appropriate means upon expiry of the investment cooling off period). The contents of the return visit shall be subject to those specified in the relevant provisions then in force issued by the AMAC. The investors may rescind this Agreement prior to the completion of return visit. For the avoidance of doubt, **before the AMAC announces the official application of the return visit system, the Fund Manager of the Partnership shall not conduct the return visit procedure, and the provisions on return visit agreed in this Agreement shall not be applicable. During the Term of the Partnership, if the AMAC announces the official application of the return visit system, before the application of the terms related to the return visit hereunder according to the requirements of the AMAC (the specific application time, conditions, circumstances and other relevant matters shall be subject to the notice of the AMAC), a Limited Partner may rescind this Agreement and cease to be a Limited Partner of the Partnership.**

18.12 Consistency

In case of any conflict between this Agreement and other agreements or documents reached between the Parties, this Agreement shall prevail. If there are multiple versions of this Agreement and the contents thereof conflict with each other, the version filed with the AMAC shall prevail.

18.13 Anti-commercial Bribery

The parties signing the contract with the General Partner/the Fund Manager shall carefully read this Article and agree to sign with the General Partner/the Fund Manager and abide by the following anti-commercial bribery clause:

(1) The Parties understand and are willing to strictly abide by the laws and regulations of the PRC on anti-commercial bribery. The Parties understand that bribery and corruption in any form will violate and be severely punished by law.

(2) No party shall solicit, receive, provide or offer any benefits other than those stipulated in the contract from the other party or the handling personnel of the other party or other relevant personnel, including but not limited to explicit kickbacks, implicit kickbacks, cash, shopping cards, physical objects, securities, touring or other non-physical benefits; however, if such benefits are of an industry or common practice nature, they must be explicitly provided in the contract.

(3) The General Partner/the Fund Manager strictly prohibits any commercial bribery of its personnel. Any of the acts listed in paragraph (2) of this Article committed by the personnel of the General Partner/the Fund Manager shall be a violation of the company system and will be punished by the company system and the national laws.

(4) The General Partner/the Fund Manager solemnly reminds that: the General Partner/the Fund Manager prohibits any party or the personnel of any party from committing any of the acts listed in paragraph (2) of this Article with any third party for the purpose of this Agreement. Such acts violate and will be punished by laws.

(5) If one party or the personnel of one party breaches any provisions of the above paragraphs (2), (3), and (4), which causes losses to the other party, such defaulting party shall be liable for damages.

(6) The expression “other relevant personnel” mentioned in this Article refers to persons who have direct or indirect interests in a contract other than the personnel of each party, including but not limited to the relatives and friends of the personnel.

18.14 Anti-false Advertising

The Parties understand and are willing to strictly abide by the provisions of the Copyright Law, the Trademark Law, the Patent Law, the Anti-unfair Competition Law, the Civil Code, the Advertising Law and other relevant laws of the PRC. The Parties have the right to use or advertise the matters agreed in this Agreement in a fact-based and reasonable manner within the agreed scope, provided however that, it shall not involve the Confidential Information. To avoid the risks of trademark infringement and improper advertising, the Parties agree that it must obtain the prior written approval of the other party before using the other party’s trademark, brand and enterprise name for advertising. The Parties hereby undertake to actively respond to the other party’s application for reasonable use or advertising in respect of cooperation matters. The Parties acknowledge that the use of trademark, brand and enterprise name of the other party for commercial advertising without the prior written consent of the other party, the fabrication of cooperation matters, the exaggeration of the scope, content, effect, scale and degree of cooperation, etc. is a violation of this Agreement and may constitute unfair competition due to false advertising. The non-breaching party or the infringed party will reserve the right to hold the breaching party legally liable.

***(Intentionally left blank; Signature pages and Schedules of this Agreement to follow)***

**(Signature page of the Limited Partnership Agreement of Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership))**

**General Partner/Executive Partner: Ping An Capital Co., Ltd. (Official Seal)**

Legal/Authorized Representative (Signature): /s/Authorized Representative

**Notes:**

In case of an individual, please write your full name neatly and sign.

In case of a non-individual, please write the name neatly, affix the official seal, and sign by the legal or authorized representative.

Signing Date:

**(Signature page of the Limited Partnership Agreement of Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership))**

**Limited Partner: (signature in case of an individual or signature and seal in case of an entity)** Tianjin Autohome Software Co., Ltd.

Legal/Authorized Representative (Signature): /s/ Authorized Representative

**Notes:**

In case of an individual, please write your full name neatly and sign.

In case of a non-individual, please write the name neatly, affix the official seal, and sign by the legal or authorized representative.

Signing Date: January 4, 2022

***[Signature pages for other limited partners omitted]***

## Schedule I Partners and Capital Commitments

| General Partner Name | Unified Social Credit Code | Domicile | Capital Commitment (RMB'0000) |
|---|---|---|---|
| Ping An Capital Co., Ltd. | 91310000MA1FL3AE3W | Room 302H6, No. 99, Huangpu Road, Hongkou District, Shanghai | 100 |

| Limited Partner Name | Unified Social Credit Code | Domicile | Capital Commitment (RMB'0000) |
|---|---|---|---|
| Tianjin Autohome Software Co., Ltd. | 91120116MA06FHKD45 | Room 209, Floor 2, Area C, Animation Building, No. 126, Animation Middle Road, Tianjin Eco City (Trusteeship No. 979, Tianjin Haobang Business Secretary Co., Ltd.) | 40,000 |
| [***] | [***] | [***] | [***] |
| **Total** | | | [***] |

**Schedule II Notice Information of the Partnership, the Partners and the Fund Manager**

**Limited Partnership Agreement of Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership)**
**Supplementary Agreement**
(January 4, 2022)

This Supplementary Agreement to the Limited Partnership Agreement of Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership) (January 4, 2022) (hereinafter this "**Agreement**") is entered into by and among the following Parties on January 4, 2022 (hereinafter the "**Signing Date**"):

(1) **Ping An Capital Co., Ltd. (hereinafter the "General Partner" and the "Fund Manager"), a limited liability company established and validly existing under the laws of China, with its domicile at Room 302H6, No. 99 Huangpu Road, Hongkou District, Shanghai;**

(2) **Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership) (hereinafter the "Partnership"), a limited partnership established and validly existing under the laws of China, with its domicile at No. 068, Room 206, Building 3, No. 62, Dayong Road, Nansha District, Guangzhou (for office use only);**

(3) **Tianjin Autohome Software Co., Ltd. (hereinafter the "Investor"), a limited liability company established and validly existing under the laws of China, with its domicile at Room 209, Floor 2, Area C, Animation Building, No. 126, Animation Middle Road, Tianjin Eco City (Trusteeship No. 979, Tianjin Haobang Business Secretary Co., Ltd.).**

**Whereas:**

(A) The Investor (as a limited partner) signed the Limited Partnership Agreement of Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership) (hereinafter the "**Partnership Agreement**") and supporting documents on or before the Signing Date of this Agreement, and has subscribed a capital contribution of RMB 400 million to the Partnership;

(B) According to the Partnership Agreement, Ping An Capital Co., Ltd. shall act as the General Partner and Fund Manager of the Partnership and charge management fees and other agreed fees;

(C) The parties intend to make further supplementary agreements and explanations on matters related to the Investor under the Partnership.

**NOW, THEREFORE, through friendly negotiation, the Parties hereby agree as follows:**

I. **Capital Contribution**

Pursuant to Article 3.3.1 (2) of the Partnership Agreement, the Parties agree that the Fund Manager may issue a Drawdown Notice at its sole discretion, and the Investor shall make capital contribution according to the amount and date specified in the Drawdown Notice; the drawdown date shall be subject to the Drawdown Notice issued by the Fund Manager; the Drawdown Notice shall be sent by the Fund Manager to the Investor at least ten (10) Business Days before the drawdown date specified in the Drawdown Notice. The Investor undertakes that the first paid-in capital contribution shall be [*******]% of the subscribed contribution.

II. **Term.**

Notwithstanding Article 2.8.3 of the Partnership Agreement, if the Fund Manager intends to further extend the Term of the Partnership further upon the extension, it shall obtain the prior written consent of the Investor before submitting it to the Partners' Meeting for deliberation.

III. **Subsequent Closing.**

Notwithstanding Article 3.2.4 of the Partnership Agreement, if the Fund Manager exempts or reduces the Subsequent Closing Compensation of a specific Subsequent Partner, it shall obtain the prior written consent of the Investor before submitting such matters to the Investment Advisory Committee for deliberation.

The General Partner agrees that the Investor has the right to participate in the Subsequent Closing of the Partnership and increase the Capital Commitment to the Partnership to RMB[*******]. The General Partner agrees to exempt and shall try its best to procure the Investment Advisory Committee to exempt the Subsequent Closing Compensation payable by the Investor for

participating in the Subsequent Closing. In consideration of the Investor's arrangement of capital contribution, the General Partner shall negotiate with the Investor three (3) months in advance on its Subsequent Closing and increase of Capital Commitment.

IV. **Capital Contribution Payment.**

Notwithstanding Article 3.3.1 of the Partnership Agreement, the Fund Manager may only require the Investor to pay the Overdue Capital Contribution Interests and the Overdue Payment at the rate of [***]% per day, and the Investor shall not be subject to the liquidated damages agreed in Article 3.3.1 (b).

Notwithstanding Article 3.3.3 of the Partnership Agreement, if the Fund Manager reduces the Total Capital Commitment of the Partnership or the Total Capital Commitment of a specific Limited Partner, resulting in the proportion of Capital Commitment of the Investor in the Partnership being higher than [***]%, it shall obtain the prior written consent of the Investor.

V. **Investment Advisory Committee.**

The Fund Manager agrees that the Investor has the right to appoint a member to the Investment Advisory Committee.

The Fund Manager shall not replace or remove the member of the Investment Advisory Committee appointed by the Investor; if the member of the Investment Advisory Committee resigns or otherwise ceases to serve as a member thereof, the Investor has the right to appoint another candidate to serve as a member of the Investment Advisory Committee.

VI. **Observer of the Investment Decision-making Committee.**

The Fund Manager agrees that the Investor has the right to appoint an Observer of the Investment Decision-making Committee (hereinafter the "**Investor Observer**") in accordance with Article 7.9 of the Partnership Agreement. The Fund Manager shall not replace or remove the Investor Observer. If the Investor Observer resigns or ceases to be an affiliate of the Investor, or otherwise ceases to serve as an Investor Observer, the Investor has the right to appoint another candidate to serve as an Investor Observer.

VII. **Management Fee.**

The Fund Manager agrees that, notwithstanding Article 6.2.1 of the Partnership Agreement, the management fee to be borne by the Investor each year is [***]% of its Capital Commitment.

VIII. **Investment Exclusion.**

Notwithstanding Article 7.15 of the Partnership Agreement, if the Fund Manager decides to apply the Investment Exclusion to the Investor, it shall obtain the prior written consent of the Investor.

IX. **Realization of Investment.**

Notwithstanding Article 9.1.2 of the Partnership Agreement, the Fund Manager's non-cash distribution plan shall be subject to the prior written consent of the Investor before being submitted to the Investment Advisory Committee for deliberation.

X. **Income Distribution**

The Fund Manager undertakes that the income distribution order of all Partners shall be subject to Article 9.2 of the Partnership Agreement, and no Partner has the right to distribution in preference to other Partners.

XI. **WFOE Structure Disclosure.**

The Fund Manager is fully aware of and acknowledges that the Investor is a foreign-invested enterprise, and such circumstances of the Investor do not constitute a breach of any representations and warranties under Article 10.1 of the Partnership Agreement.

The Fund Manager hereby agrees to exempt the Investor from any liability that may arise under the above provisions or similar provisions. If the Investor is subject to the obligation of disclosure as agreed in the Partnership Agreement, the Investor only needs to disclose the information of the Investor's equity holders specified in the industrial and commercial registration, and such disclosure shall not be deemed as a breach of the relevant provisions of the Partnership Agreement, unless otherwise explicitly required by the laws and regulations, regulatory provisions and securities trading rules then in force and with reasonable proof provided by the Fund Manager.

XII. **Rectification Period.**

Notwithstanding Article 10.1 (8) of the Partnership Agreement, the General Partner agrees that if the General Partner, in accordance with the written opinion (the "written opinion") issued by the regulatory authority, the securities company acting as the sponsor/investment adviser of the target company or the law firm hired by the target company based on laws, regulations and regulatory guidance, has reasonable grounds to believe that the Investor falls under the situation (the "rectification situation") agreed in Article 10.1 (8) of the Partnership Agreement, the General Partner shall first send a written rectification notice to the Investor (such notice shall explain the reasons, with the written opinion attached), requiring the Investor to make rectification. In principle, after receiving the rectification notice, the Investor shall make rectification according to the plan agreed by the General Partner and the Investor within a reasonable period suggested by the General Partner, but the rectification period shall not be less than ninety (90) days in any case. If the rectification plan is that the Investor transfers its Partnership Interests to a third party designated by the Investor, the General Partner shall ensure that the General Partner and other Limited Partners do not have the right of first refusal, provided that the third party designated by the Investor shall meet the requirements of the CSRC, the AMAC and other regulatory authorities on qualified investors. For avoidance of doubt, the General Partner will not take the initiative to require the Investor to exit the Partnership.

XIII. **Transfer of the Partnership Interests.**

Notwithstanding Article 12.1.2 of the Partnership Agreement, the Investor may transfer part or all of the Partnership Interests held by it to its Affiliates, without being subject to the satisfaction of the conditions of "Effective Application" agreed in Article 12.1.4 of the Partnership Agreement. On the premise that the proposed transferee meets the requirements of the CSRC, the AMAC and other regulatory authorities on qualified investors, the General Partner shall give its consent to the transfer, and the transferee shall enjoy all rights and obligations of the Investor under this Agreement.

Notwithstanding Article 12.1.1 of the Partnership Agreement, when the Investor transfers part or all of the Partnership Interests held by it to a third party in accordance with Articles 12.1.1 and 12.1.4 of the Partnership Agreement, the General Partner and/or other third parties designated by the General Partner and other Limited Partners shall not have the right of first refusal. On the premise that the proposed transferee meets the requirements of the CSRC, the AMAC and other regulatory authorities on qualified investors, the General Partner shall give its consent to the transfer, and the transferee shall enjoy all rights and obligations of the Investor under this Agreement.

Notwithstanding Article 13.1.5 of the Partnership Agreement, the General Partner undertakes that it will not take the initiative to require the Investor to exit the Partnership. If the Investor voluntarily requests to exit the Partnership, it shall be implemented in accordance with the transfer process of Partnership Interests agreed in Article 12.1 of the Partnership Agreement.

XIV. **Information Disclosure.**

Notwithstanding Article 11.7 of the Partnership Agreement, the General Partner agrees to provide the Investor with the balance sheet, income statement, statement of change in equity and other financial information required by the Investor as of the end of the previous quarter before 6 p.m. on the second (2nd) day of the first month of each quarter after the establishment of the Partnership.

XV. **Confidentiality.** Without the prior written consent of other parties, each party shall strictly keep confidential the existence of this Agreement and any information related hereto and shall not disclose the same to any third party. If either party makes disclosure to any third party in violation of this Article, it shall compensate the other party for any losses arising therefrom.

XVI. **Governing Law and Dispute Resolution.** This Agreement shall be governed by the laws of the people's Republic of China. All disputes arising from and in connection with this Agreement shall be preferably settled through friendly negotiation between the Parties. If the negotiation fails, the Parties shall submit the dispute to Shenzhen Court of International Arbitration (Shenzhen Arbitration Commission) for arbitration in Shenzhen in accordance with its arbitration rules then in force. The arbitration proceedings shall be conducted in Chinese language. The arbitration tribunal shall be composed of three arbitrators. The applicant and the respondent shall each appoint one arbitrator, and the third arbitrator shall be appointed by the arbitration institution and serve as the chief arbitrator. All arbitration costs (including but not limited to arbitration fees, arbitrators' fees and legal fees and expenses) shall be borne by the losing party, unless otherwise determined by the arbitration tribunal. The arbitral award shall be final and binding on the Parties concerned.

XVII. **Definitions.** Unless otherwise expressly agreed in this Agreement, the words and expressions used in this Agreement shall have meanings of the same words and expressions in the Partnership Agreement.

XVIII. **Miscellaneous.** The parties acknowledge that if this Agreement is inconsistent with the Partnership Agreement and the Risk Disclosure, this Agreement shall prevail among the Parties hereto. In the absence of pertinent provisions in this Agreement, the Partnership Agreement and other relevant documents signed at the time of subscription to the Partnership Interests of the Partnership by the Investor.

XIX. **Effectiveness.** This Agreement shall be binding on the assignees, inheritors, successors and permitted trustees of the Parties hereto. For avoidance of doubt, if the Investor transfers the Partnership Interest in accordance with the relevant provisions of the Partnership Agreement and this Agreement, unless otherwise agreed by the relevant parties, the transferee has the right to fully inherit the rights and obligations of the Investor under this Agreement.

XX. **Entry into Force and Counterparts.** This Agreement shall come into force as of the date of seal by the parties and signature by their legal/authorized representatives and the representative appointed by the Executive Partner. This Agreement is signed in three (3) originals, with each party holding one (1) copy, and all copies are equally authentic.

***(Intentionally left blank; the signature page follows)***

***[Signature page of the Supplementary Agreement to the Limited Partnership Agreement of Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership) (January 4, 2022)]***

**Ping An Capital Co., Ltd. (Official Seal)**

Signature of Legal /Authorized Representative: /s/ Authorized Representative

**Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership) (Official Seal)**

Signature of Authorized Representative of the Executive Partner: /s/ Authorized Representative

***[Signature page of the Supplementary Agreement to the Limited Partnership Agreement of Guangzhou Ping An Consumption Equity Investment Partnership (Limited Partnership) (January 4, 2022)]***

**Tianjin Autohome Software Co., Ltd. (Official Seal)**

Signature of Legal /Authorized Representative: /s/ Authorized Representative

**Exhibit 8.1**

**Principal Subsidiaries and VIEs of Autohome Inc.**

**Subsidiaries:**

Cheerbright International Holdings Limited, a British Virgin Islands company
Autohome Link Inc., a Cayman Islands company
Autohome (Hong Kong) Limited, a Hong Kong company
Autohome Media Limited, a Hong Kong company
Autohome Link Hong Kong Limited, a Hong Kong company
Fetchauto Limited, an Irish company
FetchAuto GmbH, a German company
Fetchauto Limited, a UK company
Beijing Cheerbright Technologies Co., Ltd., a PRC company
Autohome Shanghai Advertising Co., Ltd., a PRC company
Beijing Prbrownies Software Co., Ltd., a PRC company
Beijing Autohome Technologies Co., Ltd., a PRC company
Beijing Autohome Advertising Co., Ltd., a PRC company
Beijing Chezhiying Technology Co., Ltd., a PRC company
Guangzhou Chezhihuitong Advertising Co., Ltd., a PRC company
Shanghai Chezhitong Information Technology Co., Ltd., a PRC company
Guangzhou Autohome Advertising Co., Ltd., a PRC company
Hainan Chezhiyitong Information Technology Co., Ltd., a PRC company
Tianjin Autohome Software Co., Ltd., a PRC company
Autohome Zhejiang Advertising Co., Ltd., a PRC company
TTP Car Inc., a Cayman Islands company
Auto Pai Ltd., a British Virgin Islands company
TTP Car (HK) Limited, a Hong Kong company
Shanghai Jinpai E-commerce 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
Shanghai Jinwu Auto Technology Consultant Co., Ltd., a PRC company
Shanghai Tianhe Insurance Brokerage Co., Ltd.

**Exhibit 12.1**

**Certification by the Principal Executive Officer**

**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Quan Long, certify that:

1. I have reviewed this annual report on Form 20-F of Autohome Inc.;

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 company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(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 functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 25, 2022

By: /s/ Quan Long
Name: Quan Long
Title: Chairman of the Board and Chief Executive Officer

**Exhibit 12.2**

**Certification by the Principal Financial Officer**

**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Quan Long, certify that:

1. I have reviewed this annual report on Form 20-F of Autohome Inc.;

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 company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(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 functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 25, 2022

By: /s/ Quan Long
Name: Quan Long
Title: Chairman of the Board and Chief Executive Officer
(Principal Financial Officer)

**Exhibit 13.1**

**Certification by the Principal Executive Officer**

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Autohome Inc. (the "Company") on Form 20-F for the year ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Quan Long, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 25, 2022

By: /s/ Quan Long
Name: Quan Long
Title: Chairman of the Board and Chief Executive Officer

**Exhibit 13.2**

**Certification by the Principal Financial Officer**

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Autohome Inc. (the "Company") on Form 20-F for the year ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Quan Long, Chief Executive Officer (Principal Financial Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 25, 2022

By: /s/ Quan Long
Name: Quan Long
Title: Chairman of the Board and Chief Executive Officer
(Principal Financial Officer)

**Exhibit 15.1**

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-196006 and No. 333-219032) of Autohome Inc. of our report dated April 25, 2022 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers Zhong Tian LLP
PricewaterhouseCoopers Zhong Tian LLP
Beijing, the People's Republic of China
April 25, 2022

**Exhibit 15.2**

通商律師事務所
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April 25, 2022

Autohome Inc.
18th Floor Tower B, CEC Plaza
3 Dan Ling Street
Haidian District, Beijing
The People's Republic of China

Dear Sir/Madam:

We consent to the reference to our firm under the captions of "Item 3.D—Risk Factors" and "Item 4B—Business Overview" in Autohome Inc.'s annual report on Form 20-F for the year ended December 31, 2021, which will be filed with the Securities and Exchange Commission in the month of April 2022, and further consent to the incorporation by reference of the summaries of our opinions under these captions into Autohome Inc.'s registration statements on Form S-8 (File No. 333-196006 and 333-219032) that was filed on May 16, 2014 and June 29, 2017, respectively.

Yours faithfully,

/s/ Commerce & Finance Law Offices
**Commerce & Finance Law Offices**