

Autohome Inc.  
Form F-1/A  
November 13, 2014  
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As filed with the Securities and Exchange Commission on November 13, 2014

Registration No. 333-199862

**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

**Amendment No. 1**

**to**

**FORM F-1**

**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**Autohome Inc.**

(Exact name of Registrant as specified in its charter)

**Not Applicable**

(Translation of Registrant's name into English)

<b>Cayman Islands</b> <b>(State or other jurisdiction of</b>	<b>7374</b> <b>(Primary Standard Industrial</b>	<b>Not Applicable</b> <b>(I.R.S. Employer</b>
<b>incorporation or organization)</b>	<b>Classification Code Number)</b> <b>10th Floor Tower B, CEC Plaza</b>	<b>Identification Number)</b>
	<b>3 Dan Ling Street</b>	
	<b>Haidian District, Beijing 100080</b>	
	<b>The People s Republic of China</b>	
	<b>(+86) 10-5985-7001</b>	

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

**Law Debenture Corporate Services Inc.**

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

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

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

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

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

## CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount of shares to be registered <sup>(2)</sup>	Proposed maximum	Proposed maximum	Amount of registration fee <sup>(4)</sup>
		offering price per share <sup>(3)</sup>	aggregate offering price <sup>(2)(3)</sup>	
Class A ordinary shares, par value \$0.01 per share <sup>(1)</sup>	9,775,000	US\$43.31	US\$423,355,250	US\$49,193.88

- (1) American depositary shares issuable upon deposit of the Class A ordinary shares registered hereby have been registered under a separate registration statement on Form F-6 (Registration No. 333-192583). Each American depositary share represents one Class A ordinary share.
- (2) Includes 1,275,000 Class A ordinary shares that are issuable upon the exercise of the underwriters' option to acquire additional shares. Also includes Class A ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the shares are first bona fide offered to the public. These Class A ordinary shares are not being registered for the purpose of sales outside the United States.
- (3) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(c) under the Securities Act of 1933, based on the average of the high and low trading prices on November 12, 2014 of the Registrant's American depositary shares listed on the New York Stock Exchange, each representing one Class A ordinary shares.
- (4) Previously paid.

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

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**The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**PROSPECTUS (Subject to Completion)**

**Issued November 13, 2014**

## **8,500,000 American Depositary Shares**

# **Autohome Inc.**

**Representing 8,500,000 Class A Ordinary Shares**

Autohome Inc. is offering 1,650,000 American Depositary Shares, or ADSs, and the selling shareholders named in this prospectus are offering an aggregate of 6,850,000 ADSs. Each ADS represents one Class A ordinary share, par value US\$0.01 per share. We will not receive any proceeds from the ADSs sold by the selling shareholders.

Our ADSs are listed on the New York Stock Exchange, or the NYSE, under the symbol ATHM. On November 12, 2014, the closing trading price for our ADSs, as reported on the NYSE, was US\$43.00 per ADS.

We are an emerging growth company under applicable U.S. federal securities laws and are eligible for reduced public company reporting requirements.

*Investing in our ADSs involves risks. See Risk Factors beginning on page 15.*

PRICE US\$      PER ADS

Price to      Underwriting      Proceeds to      Proceeds to the  
Discounts and      the Company      Selling Shareholders

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	Public	Commissions <sup>(1)</sup>		
Per ADS	US\$	US\$	US\$	US\$
Total	US\$	US\$	US\$	US\$

(1) See Underwriting for a description of the compensation payable to the underwriters.

We and the selling shareholders have granted the underwriters the right to purchase up to an aggregate of 1,275,000 additional ADSs to cover over-allotments.

*The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.*

The underwriters expect to deliver the ADSs to purchasers on \_\_\_\_\_, 2014.

**Deutsche Bank Securities**

**Goldman Sachs (Asia) L.L.C.**

(in alphabetical order)

, 2014

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

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

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**PROSPECTUS SUMMARY**

*The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in our ADSs discussed under Risk Factors, before deciding whether to buy our ADSs. This prospectus contains information based on data published by iResearch Consulting Group, or iResearch. We refer to this data as the iResearch Public Data. This prospectus also contains information from a report commissioned by us and conducted by iResearch, or the iResearch Commissioned Report.*

**Our Business**

We are the leading online destination for automobile consumers in China. Through our two websites, *autohome.com.cn* and *che168.com*, and our mobile applications, we deliver comprehensive, independent and interactive content to automobile buyers and owners. *Autohome.com.cn* ranked first among China's automotive websites and automotive channels of internet portals in terms of average daily unique visitors, average daily time spent per user and average daily page views in the nine months ended September 30, 2014, based on the iResearch Public Data. In the same period, *autohome.com.cn* accounted for approximately 46% of the total time that China's internet users spent viewing online automotive information, more than three times that of our closest competitor, according to the iResearch Public Data. The number of average daily unique users who access our websites via mobile devices and the number of average daily unique users of our mobile applications amounted to approximately 4.0 million and 2.9 million, respectively, in September 2014. We have developed a strong and well-recognized brand. Our (Autohome) brand has been the most searched automotive-related keyword during substantially the entire period since July 2011 on *Baidu.com*, the leading Chinese language internet search engine.

Our ability to reach a large and engaged user base of automobile consumers has made us a preferred platform for automakers and dealers to conduct their advertising campaigns. We generate substantially all of our revenues from online advertising services and dealer subscription services. We have a high penetration rate in the automaker market, with approximately 80% of over 80 automakers operating in China having advertised on our websites in each of 2011, 2012, 2013 and the nine months ended September 30, 2014. In addition, a large and rapidly growing number of dealers are purchasing our advertising services and subscription services, through which they showcase and market their inventories on our websites.

We believe our focus on user experience, innovation and high-quality content distinguishes us from our competitors and is the foundation for our long-term success. Content we provide to our users includes:

*Professionally produced content.* We have a dedicated editorial team focused on serving consumers throughout the automobile ownership life cycle. We conduct independent and professional evaluations of vehicle models from our users' perspective, rather than relying only on information provided by automakers. In the nine months ended September 30, 2014, we published a daily average of over 500 articles, 1,500 photos and 18 video clips.

*User generated content.* We have the largest and most active online community of automotive consumers in China, with over 11.1 million registered users and over 1,700 user forums as of September 30, 2014, and an average of over 3.5 million daily unique visitors to our user forums in the nine months ended September 30, 2014.

*Automobile library.* We have one of the most comprehensive online automobile libraries in China with over 18,000 vehicle model configurations and over 2.6 million photos as of September 30, 2014. We believe our automobile library covers all passenger car models released in China since 2005.



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*Automobile listing information.* We feature extensive and up-to-date listings of both new and used automobiles on our websites. As of September 30, 2014, we had over 3.3 million new automobile listings and approximately 1.8 million used automobile listings in our database.

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

We develop our business model and technology platforms to provide services for the complete consumer automobile ownership life cycle. We have built a successful online automotive media and transaction platform that captures critical stages of the sales funnel, starting from product awareness, to purchase desire initiation and sales leads generation. We are further developing our business model to include the generation of actual sales. For instance, in June 2014 we launched Autohome Mall, an online transaction platform that we believe will allow us to be a long-term transaction facilitator as we develop our transaction business. We have also been leveraging our comprehensive platform to capture additional revenue opportunities in used car sales and aftermarket services, such as automobile maintenance and replacement.

We have experienced significant revenue growth while maintaining profitability. Our net revenues increased from RMB433.2 million in 2011 to RMB732.5 million in 2012 and RMB1,216.5 million (US\$201.0 million) in 2013, representing a CAGR of 67.6%. Our net revenues increased by 67.8% from RMB830.6 million for the nine months ended September 30, 2013 to RMB1,393.8 million (US\$227.1 million) for the nine months ended September 30, 2014. Our income from continuing operations increased from RMB135.4 million in 2011 to RMB212.9 million in 2012 and RMB456.2 million (US\$75.4 million) in 2013, representing a CAGR of 83.5%. Our net income increased by 49.7% from RMB333.5 million for the nine months ended September 30, 2013 to RMB499.1 million (US\$81.3 million) for the nine months ended September 30, 2014.

## **Our Industry**

The online automotive advertising market in China has achieved rapid growth as a result of the concurrent development of China's automotive and internet industries. China is the world's largest passenger car market as measured by sales volume of new cars in 2013, according to LMC Automotive, a third-party industry research firm. The number of new passenger cars sold in China is expected to grow from 16.6 million units in 2013 to 21.1 million units by 2015, representing a CAGR of 12.7%, according to LMC Automotive. At the same time, China has the largest internet population in the world, which increased from 298.0 million in 2008 to 632.0 million as of June 2014, according to the China Internet Network Information Center, or the CNNIC. China's growing population of automobile consumers increasingly relies on the internet as a source of automotive information. As a result, China's automotive websites and automotive channels of internet portals have experienced rapid user growth. According to the iResearch Public Data, average daily unique visitors to automotive websites and automotive channels of internet portals increased from 5.8 million in December 2008 to 24.8 million in December 2013. The aggregate time spent by internet users in China visiting automotive websites and automotive channels of internet portals increased from 20.9 million hours in December 2008 to 94.9 million hours in December 2013, according to the iResearch Public Data. The number of monthly page views of automotive websites and automobile channels of internet portals in China increased from 1.5 billion in December 2008 to 8.6 billion in December 2013, according to the iResearch Public Data.

Automakers and dealers have therefore increasingly used the internet for brand advertising and product promotions. According to the iResearch Commissioned Report, automakers and their franchise dealers spent

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RMB3,410 million in 2010 on online advertising in China, which increased to RMB7,039 million in 2013, representing a CAGR of 27.3%. This growth outpaced their spending on traditional media, including television, print and radio, which increased at a CAGR of 6.8% during the same period, according to the iResearch Commissioned Report. We expect that spending on online advertising will continue to grow at a more rapid pace than spending on traditional media in the future.

Automotive websites have increased their share of total online automotive advertising spending. Online advertising spending on automotive websites accounted for 39.9% of total online advertising expenditures by automaker and dealer advertisers in 2013, increasing from 32.3% in 2010, according to the iResearch Commissioned Report. We expect that revenue growth of automotive websites will continue to be driven by growth in new and used car sales as well as growth in sales of related products and services.

## **Our Strengths**

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

the leading online destination for automobile consumers in China with strong brand recognition;

user-centric and innovative culture driving a superior user experience;

comprehensive and high-quality content creating strong network effects;

highly effective online automotive media platform; and

professional and proven management team backed by a strong strategic shareholder.

## **Our Strategies**

Our goal is to become China's leading online automotive media and transaction platform. We intend to achieve this goal by implementing the following strategies:

continue to attract and retain automobile consumers;

enhance user engagement;

increase our share of wallet from automakers;

further monetize our dealer network; and

leverage our leading position to support our mobile internet business, develop our transaction business and other opportunities and explore used car services.

## **Our Challenges**

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The successful execution of our strategies is subject to risks and uncertainties related to our business and industry, including those relating to our ability to:

adapt to changes in the rapidly evolving automotive and online advertising industries in China;

respond effectively to competitive pressures;

anticipate user preferences and develop new products and services to attract and retain users and automaker and dealer advertisers;

manage our expansion and new business initiatives and monetize our mobile internet business effectively; and

conduct our marketing activities cost-effectively.

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In addition, we are subject to risks and uncertainties related to our corporate structure and doing business in China, including risks associated with:

our control of our variable interest entities, which is based upon contractual arrangements rather than equity ownership and may be subject to regulatory uncertainties; and

our ability to maintain various operating licenses and permits and to make registrations and filings necessary for us to operate our business, including those associated with providing internet content.

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

## **Corporate History and Structure**

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

Cheerbright International Holdings Limited, or Cheerbright, a British Virgin Islands company that operates *autohome.com.cn*, which was launched in 2005;

Norstar Advertising Media Holdings Limited, or Norstar, a Cayman Islands Company that, among other businesses, operated *che168.com*, which was launched in 2004; and

China Topside Limited, or China Topside, a British Virgin Islands company.

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

To sharpen our business focus on the automotive industry, we completed a corporate reorganization in 2011 by spinning off subsidiaries that were not involved in our core business. In March 2011, we completed the transfer of the *che168.com* business from Norstar to Cheerbright. In June 2011, we contributed our entire equity interests in Norstar and China Topside to Sequel Media Inc., or Sequel Media, our Cayman Islands subsidiary. We then immediately distributed shares of Sequel Media to our shareholders.

PRC laws and regulations currently limit foreign ownership of companies that engage in internet and advertising services. We therefore conduct our operations in China primarily through contractual agreements between our wholly-owned PRC subsidiary, Beijing Cheerbright Technologies Co., Ltd., or Autohome WFOE, and each of the three groups of entities and individuals (i) Beijing Autohome Information Technology Co., Ltd., or Autohome Information, shareholders of Autohome Information and three subsidiaries of Autohome Information: Beijing Shengtuo Hongyuan Information Technology Co., Ltd., or Hongyuan Information, Beijing Shengtuo Chengshi Advertising Co., Ltd., or Chengshi Advertising, and Beijing Shengtuo Autohome Advertising Co., Ltd., or Autohome Advertising, (ii) Shanghai You Che You Jia Advertising Co., Ltd., or Shanghai Advertising, and shareholders of Shanghai Advertising, and (iii) Guangzhou You Che You Jia Advertising Co., Ltd, or Guangzhou Advertising, and shareholders of Guangzhou Advertising.

These contractual arrangements enable us, through Autohome WFOE, to:

exercise effective control over these entities;

receive substantially all of the economic benefits of these entities; and

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have exclusive options to purchase all of the equity interests in these entities when and to the extent permitted under PRC law. As a result of these contractual arrangements, we, through Autohome WFOE, are the primary beneficiary of these three groups of entities and treat them as our variable interest entities, or VIEs, under the generally accepted accounting principles in the United States, or U.S. GAAP. We have consolidated the financial results of the VIEs in our consolidated financial statements in accordance with U.S. GAAP.

There are certain risks associated with conducting our operations through contractual arrangements. For example, if the PRC government determines 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 and advertising 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. Our contractual arrangements with our VIEs may not be as effective in providing operational control as direct ownership. Any failure by our VIEs or their shareholders to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business and financial condition. For a detailed description of the risks associated with our corporate structure and the contractual arrangements underlying our corporate structure, see Risk Factors Risks Related to Our Corporate Structure.

In October 2013, our wholly-owned subsidiary in Hong Kong, Autohome (Hong Kong) Limited, or Autohome HK, acquired Prbrownies Marketing Limited, a Hong Kong advertising and marketing company which we renamed Autohome Media Limited, or Autohome Media, in March 2014. Autohome Media has engaged in advertising business outside the PRC for more than three years, and is therefore qualified to directly invest in a PRC company providing advertising services in accordance with PRC laws. Autohome Media has established subsidiaries in Beijing, Shanghai, Guangzhou and Tianjin. We are gradually migrating our advertising business from our VIEs to Autohome Media and its subsidiaries, a transition we expect to complete in the next two to three years.

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

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The following diagram illustrates our corporate structure as of the date of this prospectus:

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

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### **Corporate Information**

Our principal executive offices are located at 10th Floor Tower B, CEC Plaza, 3 Dan Ling Street, Haidian District, Beijing, 100080, China. Our telephone number at this address is (+86) 10-5985-7001. Our registered office in the Cayman Islands is located at the office of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Investors should submit any inquiries to the address and telephone number of our principal executive offices. Our corporate website is [www.autohome.com.cn](http://www.autohome.com.cn). The information contained on this website is not a part of this prospectus. Our agent for service of process in the United States is Law Debenture Corporate Services Inc. located at 400 Madison Avenue, 4<sup>th</sup> Floor, New York, New York 10017.

### **Our Dual-class Shareholding Structure**

Our authorized share capital consists of (i) 99,931,211,060 Class A ordinary shares with a par value of US\$0.01 each and (ii) 68,788,940 Class B ordinary shares with a par value of US\$0.01 each. As of October 24, 2014, we had 39,335,859 Class A ordinary shares and 68,788,940 Class B ordinary shares issued and outstanding. Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for conversion and voting rights. Each Class B ordinary share is convertible into one Class A ordinary share at any time, while Class A ordinary shares cannot be converted into Class B ordinary shares under any circumstances. Each Class A ordinary share is entitled to one vote. When the total number of ordinary shares held by Telstra Holdings and/or its affiliates, or Telstra, constitutes no less than 51% of all of our issued and outstanding ordinary shares, each Class B ordinary share is entitled to one vote; when the total number of ordinary shares held by Telstra drops below 51% but is no less than 39.3% of all of our issued and outstanding ordinary shares, each Class B ordinary share will carry such number of votes that would result in the total number of ordinary shares held by Telstra carrying, in the aggregate, 51% of the voting rights represented by all of our issued and outstanding ordinary shares; when the total number of ordinary shares held by Telstra drops below 39.3% of all of our issued and outstanding ordinary shares, all Class B ordinary shares will be automatically converted into the same number of Class A ordinary shares.

Telstra Holdings will convert 6,600,000 of its Class B ordinary shares into an equal number of Class A ordinary shares and will sell such Class A ordinary shares represented by ADSs in this offering, assuming that the underwriters do not exercise their option to purchase additional ADSs. Telstra is and is expected to continue to be our controlling shareholder immediately after the completion of this offering and will hold 62,188,940 Class B ordinary shares, which will represent 56.7% of our aggregate voting rights, assuming the underwriters do not exercise their option to purchase additional ADSs. We are, and expect to continue to be immediately after the completion of this offering, a controlled company as defined under the NYSE Listed Company Manual.

### **Conventions that Apply to This Prospectus**

Unless otherwise indicated or the context otherwise requires, references in this prospectus to:

ADSs are to our American depositary shares, each of which represents one Class A ordinary share;

China or the PRC are to the People's Republic of China, excluding, for the purpose of this prospectus only, Hong Kong, Macau and Taiwan;

ordinary shares refer to the Class A and Class B ordinary shares of Autohome Inc., par value US\$0.01 per share;

RMB and Renminbi are to the legal currency of China;

US\$ or U.S. dollars refer to the legal currency of the United States;





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we, us, our company and our are to Autohome Inc., its predecessors, subsidiaries and VIEs;

average daily unique visitors refers to the number of different IP addresses from which a website is visited during each day in a given period, averaged over the days in the period;

average daily unique visitors on mobile applications refers to different IDs visiting any of our mobile applications during each day in a given period, averaged over the days in the period;

average daily time spent per user refers to the aggregate time spent on a website by a user in a period divided by the number of days the user visited that website, and such calculation result is further averaged for all the users that have visited that website in that period. A web page opened for less than three seconds is excluded; time spent on a web page after two hours is treated as inactive time and is excluded from the calculation; and

average daily page views refers to the aggregate number of web pages on a website viewed by all users during a period, divided by the number of days in that period. A web page opened for less than three seconds is excluded from the number of page views.

Unless the context indicates otherwise, all information in this prospectus assumes no exercise by the underwriters of their option to purchase additional ADSs.

### **Implications of Being an Emerging Growth Company**

As a company with less than US\$1.0 billion in revenues for our last fiscal year, we qualify as an emerging growth company pursuant to the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, in the assessment of the emerging growth company's internal control over financial reporting. The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. However, we have elected to opt out of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

We will remain an emerging growth company until the earliest of (a) the last day of our fiscal year during which we have total annual gross revenues of at least US\$1.0 billion; (b) December 31, 2018; (c) the date on which we have, during the previous three-year period, issued more than US\$1.0 billion in non-convertible debt; or (d) the date on which we are deemed to be a large accelerated filer under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which would occur if the market value of our ADSs that are held by non-affiliates exceeds US\$700 million as of the last business day of our most recently completed second fiscal quarter. Once we cease to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act discussed above.

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**The Offering**

Offering price	US\$            per ADS.
ADSs offered by us	1,650,000 ADSs (or 2,275,000 ADSs if the underwriters exercise their option to purchase additional ADSs in full).
ADSs offered by the selling shareholders	6,850,000 ADSs (or 7,500,000 ADSs if the underwriters exercise their option to purchase additional ADSs in full).
Total ADSs offered	8,500,000 ADSs (or 9,775,000 ADSs if the underwriters exercise their option to purchase additional ADSs in full).
ADSs outstanding immediately after this offering	37,177,952 ADSs (or 38,202,952 ADSs if the underwriters exercise their option to purchase additional ADSs in full).
Ordinary shares outstanding immediately after this offering	109,774,799 shares (or 110,399,799 shares if the underwriters exercise their option to purchase additional ADSs in full), par value US\$0.01 per share, comprised of (i) 47,585,859 Class A ordinary shares (or 48,610,859 Class A ordinary shares in total if the underwriters exercise their option to purchase additional ADSs in full) and (ii) 62,188,940 Class B ordinary shares (or 61,788,940 Class B ordinary shares in total if the underwriters exercise their option to purchase additional ADSs in full).
The ADSs	Each ADS represents one Class A ordinary share, par value US\$0.01 per share.
	The depositary will hold the Class A ordinary shares underlying your ADSs. You will have the rights provided in the deposit agreement.
	We do not expect to pay dividends in the foreseeable future. If, however, we declare dividends on our ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our Class A ordinary shares, after deducting its fees and expenses in accordance with the terms set forth in the deposit agreement.
	You may turn in your ADSs to the depositary in exchange for Class A ordinary shares. The depositary will charge you fees for any exchange.
	We may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs, you agree to be bound by the deposit agreement as amended.

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To better understand the terms of the ADSs, you should carefully read the Description of American Depositary Shares section of this

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prospectus. You should also read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.

Option to purchase additional ADSs

We and the selling shareholders have granted to the underwriters an option, exercisable within 30 days from the date of this prospectus, to purchase up to an aggregate of 1,275,000 additional ADSs.

Use of proceeds

We plan to use the net proceeds of this offering primarily for general corporate purposes, which may include investment in our product development including new content and business initiatives, further enhancing our mobile technologies, sales and marketing activities, including efforts to promote our brand, working capital, capital expenditure, and other general and administrative matters. We may also use a portion of these proceeds for the acquisition of, or investment in, businesses, technologies or strategic alliances that complement our business, although we have no present commitments or agreements to enter into any acquisitions or investments.

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

Lock-up

We, our directors, executive officers and the selling shareholders have agreed with the underwriters not to sell, transfer or dispose of any ADSs, ordinary shares or similar securities for a period of 90 days after the date of this prospectus. See [Shares Eligible for Future Sale](#) and [Underwriting](#).

NYSE symbol

ATHM.

Payment and settlement

The underwriters expect to deliver the ADSs against payment therefor through the facilities of the Depository Trust Company on \_\_\_\_\_, 2014.

Depository

Deutsche Bank Trust Company Americas.

Risk Factors

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

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

is based on 39,335,859 Class A ordinary shares and 68,788,940 Class B ordinary shares issued and outstanding as of October 24, 2014;

excludes 4,907,237 Class A ordinary shares issuable upon the exercise of options outstanding as of October 24, 2014, at a weighted average exercise price of US\$2.20 per share; and

excludes 806,000 Class A ordinary shares issuable upon the vesting of restricted shares outstanding as of October 24, 2014.



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The following table presents the summary consolidated financial information for our company. Our summary consolidated statements of comprehensive income data presented below for 2011, 2012 and 2013 and our summary consolidated balance sheet data as of December 31, 2012 and 2013 have been derived from our audited consolidated financial statements, which are included elsewhere in this prospectus. Our summary consolidated balance sheet data as of December 31, 2009, 2010 and 2011 and the summary consolidated statement of comprehensive income data for 2009 and 2010 presented below have been derived from our audited consolidated financial statements not included in this prospectus. Our summary consolidated statements of comprehensive income data presented below for the nine months ended September 30, 2013 and 2014 and our balance sheet data as of September 30, 2014 have been derived from our unaudited interim consolidated financial statements included elsewhere in this prospectus. Our historical results for any period are not necessarily indicative of results to be expected for any future period. You should read the following summary financial information in conjunction with the consolidated financial statements and related notes and the information under Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus. Our audited consolidated financial statements are prepared and presented in accordance with U.S. GAAP.

	For the Year Ended December 31,					For the Nine Months Ended September 30,			
	2009	2010	2011	2012	2013	2013	2014	2014	2014
	RMB	RMB	RMB	RMB	RMB	US\$	RMB	RMB	US\$
	(in thousands, except for number of shares and per share data)								
							(unaudited)	(unaudited)	(unaudited)
<b>Summary Consolidated Statement of Comprehensive Income Data:</b>									
<b>Net revenues</b>									
Advertising services	138,988	235,415	379,666	592,622	894,937	147,833	617,963	977,805	159,304
Dealer subscription services	9,221	17,519	53,523	139,898	321,611	53,126	212,589	416,030	67,779
<b>Total net revenues</b>	<b>148,209</b>	<b>252,934</b>	<b>433,189</b>	<b>732,520</b>	<b>1,216,548</b>	<b>200,959</b>	<b>830,552</b>	<b>1,393,835</b>	<b>227,083</b>
Cost of revenues <sup>(1)</sup>	(61,084)	(83,897)	(130,565)	(178,240)	(252,236)	(41,666)	(164,418)	(258,563)	(42,125)
<b>Gross profit</b>	<b>87,125</b>	<b>169,037</b>	<b>302,624</b>	<b>554,280</b>	<b>964,312</b>	<b>159,293</b>	<b>666,134</b>	<b>1,135,272</b>	<b>184,958</b>
<b>Operating expenses</b>									
Sales and marketing expenses <sup>(1)</sup>	(31,204)	(48,712)	(67,500)	(129,796)	(245,228)	(40,509)	(148,997)	(338,743)	(55,188)
General and administrative expenses <sup>(1)</sup>	(9,059)	(17,951)	(46,547)	(83,153)	(82,529)	(13,633)	(53,788)	(86,825)	(14,145)
Product development expenses <sup>(1)</sup>	(3,678)	(6,205)	(16,459)	(42,865)	(81,651)	(13,488)	(57,944)	(106,523)	(17,355)
<b>Operating profit</b>	<b>43,184</b>	<b>96,169</b>	<b>172,118</b>	<b>298,466</b>	<b>554,904</b>	<b>91,663</b>	<b>405,405</b>	<b>603,181</b>	<b>98,270</b>
Interest income	44	159	1,167	5,093	11,082	1,831	8,556	24,221	3,946
Interest expense					(414)	(68)	(12)		
Other income (expense)	10	(49)	509	310	2,884	476	2,476	871	142
<b>Income from continuing operations before income taxes</b>	<b>43,238</b>	<b>96,279</b>	<b>173,794</b>	<b>303,869</b>	<b>568,456</b>	<b>93,902</b>	<b>416,425</b>	<b>628,273</b>	<b>102,358</b>
Income tax expense	(7,803)	(15,853)	(38,348)	(90,988)	(112,294)	(18,550)	(82,940)	(129,150)	(21,041)
<b>Income from continuing operations</b>	<b>35,435</b>	<b>80,426</b>	<b>135,446</b>	<b>212,881</b>	<b>456,162</b>	<b>75,352</b>	<b>333,485</b>	<b>499,123</b>	<b>81,317</b>
Income/(loss) from discontinued operations	(2,204)	7,612	(4,182)						
<b>Net income</b>	<b>33,231</b>	<b>88,038</b>	<b>131,264</b>	<b>212,881</b>	<b>456,162</b>	<b>75,352</b>	<b>333,485</b>	<b>499,123</b>	<b>81,317</b>
<b>Other comprehensive income, net of tax of nil</b>									

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Foreign currency translation adjustments				583	1,403	232	581	6,306	1,027
<b>Comprehensive income</b>									
	33,231	88,038	131,264	213,464	457,565	75,584	334,066	505,429	82,344
<b>Earnings per share for ordinary shares Basic</b>									
Net income from continuing operations	0.35	0.80	1.35	2.13	4.57	0.75	3.33	4.71	0.77
Income/(loss) from discontinued operations	(0.02)	0.08	(0.04)						
Net income	0.33	0.88	1.31	2.13	4.57	0.75	3.33	4.71	0.77



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	2009 RMB	2010 RMB	For the Year Ended December 31,				For the Nine Months Ended September 30,		
			2011 RMB	2012 RMB	2013 RMB	2013 US\$	2013 RMB	2014 RMB	2014 US\$
	(in thousands, except for number of shares and per share data)								
				(unaudited)			(unaudited)		
<b>Earnings per share for ordinary shares Diluted</b>									
Net income from continuing operations			1.35	2.12	4.37	0.72	3.29	4.44	0.72
Loss from discontinued operations			(0.04)						
Net income			1.31	2.12	4.37	0.72	3.29	4.44	0.72
<b>Shares used in earnings per share computation<sup>(2)</sup></b>									
Ordinary shares:									
Basic	100,000,000	100,000,000	100,000,000	100,000,000			100,000,000		
Diluted			100,189,928	100,650,652			101,322,763		
Class A Ordinary shares:									
Basic					31,109,214	31,109,214		37,147,194	37,147,194
Diluted					104,329,226	104,329,226		112,509,229	112,509,229
Class B Ordinary shares:									
Basic					68,788,940	68,788,940		68,788,940	68,788,940
Diluted					68,788,940	68,788,940		68,788,940	68,788,940
Dividend per share <sup>(3)</sup>									

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

	For the Year Ended December 31,					For the Nine Months Ended September 30,			
	2009	2010	2011	2012	2013	2013	2014		
	RMB	RMB	RMB	RMB	RMB	US\$	RMB	RMB	US\$
					(in thousands)		(unaudited)	(unaudited)	(unaudited)
<b>Allocation of Share-based Compensation Expenses</b>									
Cost of revenues			3,247	6,553	6,534	1,079	4,887	5,752	937
Sales and marketing expenses			1,138	4,177	4,375	723	3,236	8,212	1,338
General and administrative expenses			8,049	15,734	11,738	1,939	6,795	15,437	2,515
Product development expenses			541	2,678	2,961	489	2,166	8,455	1,377
Total share-based compensation expenses			12,975	29,142	25,608	4,230	17,084	37,856	6,167

(2) Earnings per share for Class A and Class B ordinary shares (Diluted) for each period were computed after taking into account the dilutive effect of the shares underlying our employees' share-based awards.

(3) Dividends distributed to our shareholders in 2012 and 2013 were one-time distributions due to special circumstances.

**Summary Consolidated Balance Sheet Data**

	As of December 31,					As of September 30,			
	2009	2010	2011	2012	2013	2013	2014		
	RMB	RMB	RMB	RMB	RMB	US\$	RMB	US\$	
					(in thousands)		(unaudited)	(unaudited)	
<b>Summary Consolidated Balance Sheet Data:</b>									
Cash and cash equivalents	84,434	174,342	213,705	420,576	1,138,613	188,085	798,155	130,035	
Restricted cash					245,000	40,471			
Term deposits							911,989	148,581	
Accounts receivable, net	147,936	212,349	203,102	326,071	465,712	76,930	610,542	99,469	
Total current assets	272,188	487,405	451,823	786,192	1,899,265	313,736	2,375,796	387,064	
Total assets	2,184,531	2,357,368	2,043,005	2,379,673	3,512,950	580,298	4,001,261	651,884	
Deferred revenue	19,215	31,650	41,461	94,392	215,580	35,611	260,747	42,481	
Total current liabilities	145,962	238,710	203,805	336,292	789,818	130,469	678,466	110,536	
Total liabilities	731,764	816,563	682,726	821,698	1,300,586	214,842	1,206,517	196,565	
Total shareholders' equity	1,452,767	1,540,805	1,360,279	1,557,975	2,212,364	365,456	2,794,744	455,319	

**Non-GAAP Financial Measures**

To supplement net income from continuing operations presented in accordance with U.S. GAAP, we present adjusted net income and adjusted EBITDA, which are non-GAAP financial measures. We define adjusted net income as income from continuing operations excluding share-based compensation expenses and amortization expenses of intangible assets related to acquisitions. We define adjusted EBITDA as income from continuing operations before income tax expense (benefit), depreciation expenses of property and equipment and amortization expenses of intangible assets and interest expense, excluding share-based compensation expenses. We present these non-GAAP financial measures because they are used by our management to evaluate our operating performance, in addition to net income from continuing operations prepared in accordance with U.S. GAAP.

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Adjusted net income and adjusted EBITDA have material limitations as analytical tools. One of the limitations of using these non-GAAP financial measures is that they do not include share-based compensation expenses, which are and will continue to be a recurring expense in our business. Furthermore, because adjusted EBITDA and adjusted net income are not calculated in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies. In light of the foregoing limitations, you should not consider adjusted net income or adjusted EBITDA as a substitute for or superior to income from continuing operations prepared in accordance with U.S. GAAP. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

We compensate for these limitations by relying primarily on our U.S. GAAP results and using adjusted net income and adjusted EBITDA only as supplemental measures. Our adjusted net income and adjusted EBITDA are calculated as follows for the periods presented:

	For the Year Ended December 31,					For the Nine Months Ended September 30,			
	2009 RMB	2010 RMB	2011 RMB	2012 RMB	2013 RMB (in thousands)	US\$	2013 RMB (unaudited)	2014 RMB (unaudited)	US\$ (unaudited)
Income from continuing operations	35,435	80,426	135,446	212,881	456,162	75,352	333,485	499,123	81,317
Plus: amortization of acquired intangible assets of Cheerbright, China Topside and Norstar	17,114	15,113	13,114	9,739	5,459	902	4,320	3,415	556
Plus: share-based compensation expenses			12,975	29,142	25,608	4,230	17,084	37,856	6,167
<b>Adjusted net income</b>	<b>52,549</b>	<b>95,539</b>	<b>161,535</b>	<b>251,762</b>	<b>487,229</b>	<b>80,484</b>	<b>354,889</b>	<b>540,394</b>	<b>88,040</b>
Income from continuing operations	35,435	80,426	135,446	212,881	456,162	75,352	333,485	499,123	81,317
Plus: income tax expense	7,803	15,853	38,348	90,988	112,294	18,550	82,940	129,150	21,041
Plus: depreciation of property and equipment	783	1,875	6,347	14,301	25,548	4,220	17,647	25,350	4,130
Plus: amortization of intangible assets	17,114	15,238	13,768	10,203	6,250	1,032	4,670	4,576	746
Plus: interest expense					414	68	12		
EBITDA	61,135	113,392	193,909	328,373	600,668	99,222	438,754	658,199	107,234
Plus: share-based compensation expenses			12,975	29,142	25,608	4,230	17,084	37,856	6,167
<b>Adjusted EBITDA</b>	<b>61,135</b>	<b>113,392</b>	<b>206,884</b>	<b>357,515</b>	<b>626,276</b>	<b>103,452</b>	<b>455,838</b>	<b>696,055</b>	<b>113,401</b>

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**RISK FACTORS**

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

**Risks Related to Our Business and Industry**

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

We rely on China's automotive industry for substantially all of our revenues and future growth. We have greatly benefited from the rapid growth of China's automotive industry during the past few years. However, the prospects of China's automotive industry are subject to many uncertainties, including those relating to general economic conditions in China, the urbanization rate of China's population and the cost of new automobiles. In addition, governmental policies may have a considerable impact on the growth of the automotive industry in China. For example, in an effort to alleviate traffic congestion and improve air quality, the Beijing municipal government issued a regulation in December 2010 to limit the number of new passenger car plates issued in Beijing each year to 240,000 commencing in 2011. There are similar policies that restrict the issuance of new passenger car plates in Shanghai, Guangzhou, Tianjin and Hangzhou. In September 2013, the PRC government released a plan for the prevention and remediation of air pollution, which requires large cities such as Beijing, Shanghai and Guangzhou to further restrict the ownership of motor vehicles. In October 2013, the Beijing municipal government issued an additional regulation to limit the total number of vehicles in Beijing to no more than six million by the end of 2017, compared to approximately 5.2 million vehicles in operation by the end of 2013. Beginning from late 2011, the National Development and Reform Commission, one of China's antitrust regulatory authorities, initiated a series of investigations into the pricing practices of foreign automobile companies in China in connection with allegations of the lack of fair competition. These investigations may lead to price reductions due to enhanced competition. Such regulatory developments, as well as other uncertainties, may adversely affect the growth prospects of China's automotive industry, and in turn reduce demand for automobiles. If automakers and 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. We face competition from China's automotive websites, such as *pcauto.com.cn* and *bitauto.com*, and from the automotive channels of major internet portals, such as Sina and Sohu. In addition, we also face competition from other used-automobile websites, such as *51auto.com*, *taoche.com* and *youxinpai.com*. We may also face competition from other websites engaged in the online automobile transaction business, such as *bitauto.com* and *tmall.com*, as we develop our transaction platform. Competition with these and other websites is primarily centered on increasing user reach, user engagement and brand recognition, and attracting and retaining advertisers, among other factors.

Some of our competitors or potential competitors have longer operating histories and may have greater financial, management, technological, development, sales, marketing and other resources than we do. They may use their experience and resources to compete with us in a variety of ways, including by competing more heavily for users, advertisers and dealers, investing more heavily in research and development and making acquisitions. Some of our competitors have entered or may enter into business cooperation agreements with search engines, which may impact our ability to obtain additional user traffic from the same sources. Our competitors may be acquired and consolidated by 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.

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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.

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

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

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

We plan to continue to expand our mobile internet services and explore monetization strategies for our mobile internet services. We have made significant efforts in recent years to optimize the mobile version of our websites to display our content and develop new mobile applications to capture a greater number of users that access our services through mobile devices. For example, the number of our average daily unique users who access our websites via mobile devices and the number of our average daily unique users of our mobile applications amounted to approximately 4.0 million and 2.9 million, respectively, in September 2014. However, if we are unable to attract and retain a substantial number of mobile device users, or if we do not keep up with our competitors in developing attractive services that are adapted for such mobile devices, we may fail to capture a significant share of an increasingly important portion of the mobile internet market for our services or lose existing users.

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

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

A limited number of automaker advertisers have accounted for, and are expected to continue to account for, a significant portion of our revenues. Our top five advertisers, all of whom were automakers, contributed 19.5%, 20.0%, 15.0% and 11.4% of our net revenues in 2011, 2012, 2013 and the nine months ended September 30, 2014, respectively. In each of 2011, 2012, 2013 and the nine months ended September 30, 2014, approximately 80% of over 80 automakers operating in China used our advertising services. These automakers include independent Chinese automobile manufacturers, joint ventures between Chinese and international automobile manufacturers and international automobile manufacturers that sell cars made outside of China. We believe that our future revenue growth will be focused on deepening our existing commercial relationships with automakers to increase our share of each automaker's advertising budget. If we fail to do so, our growth prospects could be harmed.

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

contract reduction, delay or cancellation by one or more significant advertisers and our failure to identify and acquire additional or replacement advertisers;

a substantial reduction by one or more of our significant advertisers in the price they are willing to pay for our services; and

financial difficulty of one or more of our significant advertisers who become unable to make timely payment for the advertisements placed on our websites.

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

We had local sales and service representatives covering 149 cities across China as of September 30, 2014. We intend to increase our penetration in existing dealer advertising and subscription services markets and expand into new geographic markets. China is a large and diverse country and business practices and demands may vary significantly by region. Our experience in the markets in which we currently operate may not be applicable in other parts of China. We may not be able to leverage our experience to expand into new geographic markets in China. As a result, our expansion and monetization strategies, including sales and marketing efforts designed to attract dealer advertisers and maximize the conversion of registered dealers using our free basic listing service into dealer subscribers, may be unsuccessful. Furthermore, expanding into new geographical markets will require us to hire additional employees to cover these markets. We will incur additional compensation and benefit costs, office rental expenses and other costs, as well as additional strain on our managerial resources. In addition, we intend to further monetize our existing dealer network by converting dealers that currently use our free listing service into dealer subscribers. If we are unable to successfully expand and monetize our dealer network and to generate sufficient revenues to cover our increased costs and expenses, our business and results of operations may be materially and adversely affected.

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

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

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

We have incurred expenses on a variety of different marketing and brand promotion efforts designed to enhance our brand recognition and increase sales of our products. Our marketing and promotional activities may not be well received by customers and may not result in the levels of product sales that we anticipate. We incurred RMB67.5 million, RMB129.8 million, RMB245.2 million (US\$40.5 million) and RMB338.7 million (US\$55.2 million) in sales and marketing expenses in 2011, 2012, 2013 and the nine months ended September 30, 2014, respectively, representing 15.6%, 17.7%, 20.2% and 24.3%, respectively, of total net revenues in the corresponding periods. 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 customer preferences, which may not be as

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cost-effective as our marketing activities in the past and may lead to significantly higher marketing expenses in the future. We conducted various sales and marketing initiatives to promote our brands through search engines, mobile platforms and navigation sites. For example, we have entered into an arrangement with Baidu for a 12-month period starting from July 1, 2014, for enhanced automotive-related content search results on PCs powered by Aladdin, Baidu's open platform initiative. We may not be able to continue or conduct these activities efficiently, and our marketing activities may not yield satisfactory results. Failure to refine our existing marketing approaches or to introduce new effective marketing approaches in a cost-effective manner could impact our net revenues and profitability.

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

Our automobile listings and promotional information are provided and continuously updated by our dealer customers. Users interested in particular automobile models can conveniently search for up-to-date information on such models without having to visit the local showrooms of relevant dealers. If such listings and promotional information provided by our dealer customers is frequently inaccurate or not reliable, our users may lose faith in our websites, resulting in reduced user traffic to our websites and diminished value to advertisers, which could adversely affect our business and financial performance.

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

We have experienced rapid growth in our business in recent years. The number of our employees has grown rapidly from 547 as of December 31, 2011, 912 as of December 31, 2012, 1,191 as of December 31, 2013 and 1,654 as of September 30, 2014. Our net revenues increased from RMB433.2 million in 2011 to RMB732.5 million in 2012 and RMB1,216.5 million (US\$201.0 million) in 2013, representing a CAGR of 67.6%. Our total net revenue increased by 67.8% from RMB830.6 million for the nine months ended September 30, 2013 to RMB1,393.8 million (US\$227.1 million) for the nine months ended September 30, 2014. We expect to continue to grow our user base and our business operations.

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

For example, in June 2014, we launched Autohome Mall, an online transaction platform that we believe will allow us to be a long-term transaction facilitator as we develop our transaction business. The success of our transaction business depends, in part, on third parties and factors over which we have limited control. We will need to react quickly to changing consumer preferences and buying trends relating to our transaction business. We will also face competition from other websites engaged in the online automobile transaction business. In addition, we must keep up to date with competitive technology trends, including the use of new or improved technology, creative user interfaces and other transaction marketing tools such as paid search and mobile applications, among others, which may increase our costs and which may not succeed in increasing sales or attracting customers. Developing the transaction business may require significant investment in product development, sales and marketing and working capital, and we may not be able to get the expected return on our investment. Furthermore, developing the transaction business may take up our management's time and allow them less time to focus on our existing core business. Our failure to successfully mitigate these risks and

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uncertainties might adversely affect the sales or margins in our transaction business, as well as damage our reputation and brand.

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

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

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

Although we consider automakers and dealers to be our end-customers, we sell our advertising services and solutions primarily to third-party advertising agencies that represent the automakers and dealers, as is customary in China. Our top ten advertising agencies accounted for 55.4%, 51.7%, 44.0% and 35.0% of our total net revenues in 2011, 2012, 2013 and the nine months ended September 30, 2014, respectively. In 2011, 2012, 2013 and the nine months ended September 30, 2014, our largest agency accounted for 10.0%, 9.0%, 6.7% and 6.0% of our total net revenues, respectively. We do not have long-term cooperation agreements or exclusive arrangements with these agencies and they may elect to direct business to other advertising service providers, including our competitors. If we fail to retain and enhance our business relationships with third-party advertising agencies, we may suffer from a loss of advertisers and our business, financial condition, results of operations and prospects may be materially and adversely affected. In our agreements with certain major advertising agencies, we undertake to provide them with most favored price terms. Such most favored price terms may hinder our ability to acquire new customers using special price terms.

In addition, we rely on third-party advertising agencies for the collection of payment from our advertisers. As a result, the financial soundness of our advertising agencies may affect our collection of accounts receivables. We make a credit assessment of the advertising agency to evaluate the collectibility 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.

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

The use of the internet as a marketing medium is still developing in China. As of December 2013, the internet penetration rate in China was only 45.8% according to the CNNIC, compared to 85.4% in the United States as of the same date, according to the World Bank forecast. The expansion of China's internet population may be limited by a number of factors, including limitations on network infrastructure and social and political uncertainties, among others.

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

difficulties associated with developing a larger user base with demographic characteristics attractive to advertisers;



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increased competition and potential downward pressure on online advertising prices;

difficulties in acquiring and retaining advertisers or dealer subscribers;

failure to develop an independent and reliable means of verifying online traffic; and

decreased use of the internet or online marketing in China.

If the internet does not become more widely accepted as a media platform for advertising and marketing, our business, financial position and results of operations could be materially and adversely affected.

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

Historically, we have delivered content related to new and used automobiles through both *autohome.com.cn* and *che168.com* websites whose user bases overlap to some extent. We redesigned our *che168.com* website in October 2011 to focus on used automobile information and content. Through this website, we offer used automobile listing services to dealers and individual car owners through a user interface that allows potential used car buyers to identify listings that meet their specific requirements and contact the dealer or individual selling the selected car. Revenue from *che168.com* currently contributes an immaterial portion of our total revenues.

We may not be able to successfully grow our used automobile-related business through our repositioned *che168.com* website. 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 *che168.com* business may benefit from such growth. We may not be able to attract a broad user base to the *che168.com* website. Even if we are able to grow our user base, we may not be able to establish a business model that allows us to successfully monetize the user traffic. In such a case, we may not be able to achieve our expected business growth and our results of operations may be adversely affected.

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

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

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

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

Our ability to provide our users with a high quality online experience depends on the continuing operation and scalability of our network infrastructure and information technology systems. Our systems are potentially

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

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

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

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

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

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

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

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conduct of our business and the manner in which we interact with our customers. Any failure to comply with applicable regulations could also result in regulatory enforcement actions against us.

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

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

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

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 for qualified employees is intense, and if competition in these industries further intensifies, it may be more difficult for us to hire, motivate and retain highly skilled personnel. If we do not succeed in attracting additional highly skilled personnel or retaining or motivating our existing personnel, we may be unable to grow effectively or at all.

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

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

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business. If we are unable to adequately protect our intellectual property rights in the future, our business may suffer.

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

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

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

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

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

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

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

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

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

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

Immediately after completion of this offering, Telstra will own 56.7% of the total voting rights in our company, assuming the underwriters do not exercise their option to purchase additional ADSs, and we are, and expect to continue to be immediately after the completion of this offering, a controlled company under Section 303A of the NYSE Listed Company Manual. As a controlled company, we rely on certain exemptions that are available to controlled companies from the NYSE corporate governance requirements, including the requirements that:

a majority of our board of directors consists of independent directors;

our compensation committee be composed entirely of independent directors; and

our corporate governance and nominating committee be composed entirely of independent directors.

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

In addition, because Telstra will own 56.7% of the voting rights in our company immediately after completion of this offering, it has, and is expected to continue to have immediately after completion of this offering, decisive influence in determining the outcome of any corporate transaction or other matter submitted to the shareholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions. Without the consent of Telstra, we may be prevented from entering into transactions that could be beneficial to us. The interests of Telstra may differ from the interests of our other shareholders.

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

We are not currently required to comply with Section 404 and applicable rules and regulations thereunder, and are therefore not required to make a formal assessment of the effectiveness of our internal controls over

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financial reporting for purposes of identifying and reporting material weaknesses and other deficiencies in our internal control over financial reporting. In connection with the audit of our consolidated financial statements for the year ended and as of December 31, 2011, we and our independent registered public accounting firm identified a material weakness in our internal control over financial reporting, as defined in the standards established by the United States Public Company Accounting Oversight Board, or PCAOB. Pursuant to PCAOB standards, a material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented on a timely basis. The material weakness identified was that our company did not have sufficient U.S. GAAP and SEC financial reporting expertise nor sufficient oversight and review of the financial statement closing process. Since the second half of 2011, we have implemented several measures to remediate the above-mentioned material weakness.

In 2012 and 2013, we performed a limited review of our internal control over financial reporting as part of our annual risk management assessment process, and no material weakness was noted. It is possible that, had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional internal control deficiencies may have been identified. We are a public company in the United States and are subject to Section 404 and applicable rules and regulations thereunder. Section 404 requires that we include a report of management on our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report for the year ending December 31, 2014. In addition, once we cease to be an emerging growth company, as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. Our management may conclude that our internal control over financial reporting is not effective when they are required to include such a report. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may conclude that our internal controls are not effective if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operating or reviewed, or if it interprets the relevant requirements differently from us. If we fail to timely achieve and maintain the adequacy of our internal controls, we may not be able to conclude that we have effective internal control over financial reporting. As a result, our failure to achieve and maintain effective internal control over financial reporting could result in the loss of investor confidence in the reliability of our financial statements, which in turn could harm our business and negatively impact the market price of our ADSs.

***We have limited business insurance coverage.***

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

***We face risks related to health epidemics and natural disasters.***

Our business could be adversely affected by the effects of H1N1 flu, avian flu, Severe Acute Respiratory Syndrome, or SARS, or another epidemic. China reported a number of cases of SARS in 2003, which resulted in the closure of many businesses by the PRC government to prevent the transmission of SARS. In recent years, there have been reports of occurrences of avian flu in various parts of China, including a few confirmed human cases and deaths. In 2009, the global spread of H1N1 flu resulted in several confirmed infections and deaths in China. Restrictions on travel resulting from any prolonged outbreak of H1N1 flu, avian flu, SARS or another epidemic could adversely affect our ability to market our services to users, automakers and dealers throughout

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China. Our business operations could be disrupted if one of our employees is suspected of having H1N1 flu, avian flu, SARS or another epidemic, which could require that a certain number of our employees be quarantined and/or our offices be disinfected. In addition, our results of operations could be adversely affected to the extent that H1N1 flu, avian flu, SARS or another outbreak harms the Chinese economy in general.

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

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

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

Current PRC laws and regulations place certain restrictions on foreign ownership of companies that provide internet content services in China. Specifically, foreign ownership of internet service providers or other value-added telecommunication service providers may not exceed 50%. In addition, according to the Several Opinions on the Introduction of Foreign Investment in the Cultural Industry promulgated by the Ministry of Culture, the State Administration of Radio, Film and Television, or the SARFT, the General Administration of Press and Publication, or the GAPP, the National Development and Reform Commission and the Ministry of Commerce in June 2005, foreign investors are prohibited from investing in or operating internet cultural activities. Furthermore, PRC laws and regulations do not allow foreign entities with less than two years of direct experience operating an advertising business outside of China to invest in an advertising business in China. Before we acquired Autohome Media Limited, or Autohome Media, which was previously known as Prbrownies Marketing Limited in October 2013, we had no direct experience operating an advertising business outside of China and were not allowed to invest directly in a PRC entity that provides advertising services in China. We are a Cayman Islands company and foreign legal person under PRC laws. Accordingly, neither we nor our wholly foreign-invested PRC subsidiaries are currently eligible to apply for the required licenses for providing internet content services in China.

As such, we conduct our business through contractual arrangements in China. In particular, we operate our internet content business through Autohome Information and Hongyuan Information, a wholly-owned subsidiary of Autohome Information. We operate our internet advertising business through two wholly-owned subsidiaries of Autohome Information: Chengshi Advertising and Autohome Advertising. These entities hold licenses and permits required to operate our internet content business and internet advertising business. Autohome Information is currently owned by individual shareholders who are PRC citizens and hold the requisite licenses or permits to provide internet content and advertising services in China. We mainly do not have an equity interest in Autohome Information or its subsidiaries but substantially control their operations and receive the economic benefits through a series of contractual arrangements. We have been and are expected to continue to be dependent upon Autohome Information and its subsidiaries to operate our businesses in the near future. In December 2011 and May 2012, we established two new VIEs, Shanghai Advertising and Guangzhou Advertising, respectively. Autohome WFOE entered into a series of contractual arrangements with Shanghai

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Advertising and its shareholders and Guangzhou Advertising and its shareholders with terms and conditions substantially similar to the contractual arrangements among Autohome WFOE, Autohome Information and its shareholders. We provide advertising services through Shanghai Advertising and Guangzhou Advertising to automotive industry customers around the Shanghai and Guangzhou areas, respectively. In October 2013, Autohome HK acquired Autohome Media, a Hong Kong advertising and marketing company. Autohome Media has engaged in advertising business outside the PRC for more than three years, and is therefore qualified to directly invest in a PRC company providing advertising services in accordance with PRC laws. We are gradually migrating our advertising business from our VIEs to Autohome Media and its subsidiaries, a transition we expect to complete in the next two to three years. For more information regarding these contractual arrangements, see Corporate History and Structure Contractual Arrangements.

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

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

Any of these actions could cause significant disruption to our business operations and severely damage our reputation, which would in turn materially and adversely affect our business and results of operations. In addition, if the imposition of any of these penalties causes us to lose the rights to direct the activities of the VIEs or our right to receive their economic benefits, we would no longer be able to consolidate the VIEs. The VIEs contributed substantially all of our consolidated net revenues since 2009.

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

We have relied and expect to continue to rely on contractual arrangements with Autohome Information and its subsidiaries, Shanghai Advertising, Guangzhou Advertising and their shareholders to operate our business. For a description of these contractual arrangements, see Corporate History and Structure Contractual Arrangements. These contractual arrangements may not be as effective in providing us with control over our VIEs as direct ownership. If we had direct ownership of these entities, we would be able to exercise our rights as a shareholder to effect changes in the board of directors, which in turn could effect changes, subject to any applicable fiduciary obligations, at the management level. However, under the current contractual arrangements, we rely on the performance by these entities and their shareholders of their contractual obligations to exercise control over our VIEs. Therefore, our contractual arrangements with our VIEs may not be as effective in ensuring our control over our China operations as direct ownership would be.



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

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

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

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

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

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

The shareholders of our VIEs are James Zhi Qin, our director and chief executive officer, Xiang Li, our director and president, and Zheng Fan, our vice president. Each of these three individuals is also a beneficial owner of our company and a PRC citizen. They hold 8%, 68% and 24%, respectively, of the equity interests in each of our VIEs. Conflicts of interest may arise between their roles as directors, officers and/or beneficial owners of our holding company and as shareholders of our VIEs. In addition, the controlling shareholders of our company are substantially different from that of the VIEs, which may heighten any conflicts of interest that could arise between the two groups of shareholders. We cannot assure you that when conflicts of interest arise, any or

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all of these equity holders will act in the best interests of our company or such conflicts will be resolved in our favor. Currently, we do not have any arrangements to address potential conflicts of interest between these equity holders and our company. We rely on these three individuals to comply with the laws of China, which protect contracts, provide that directors and executive officers owe a duty of loyalty and a duty of diligence to our company and require them to avoid conflicts of interest and not to take advantage of their positions for personal gain. We also rely on the laws of Cayman Islands, which provide that directors owe a duty of care and a duty of loyalty to our company. However, the legal frameworks of China and the Cayman Islands do not provide guidance on resolving conflicts in the event of a conflict with another corporate governance regime. If we cannot resolve any conflict of interest or dispute between us and the shareholders of our VIEs, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

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

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

Under PRC laws and regulations, our PRC subsidiaries, as wholly foreign-owned enterprises in the PRC, may pay dividends only out of their accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, wholly foreign-owned enterprises are required to set aside at least 10% of their accumulated after-tax profits, if any, each year to fund certain statutory reserve funds, until the aggregate amount of such funds reaches 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 this offering to make loans to our PRC subsidiaries and VIEs or to make additional capital contributions to our PRC subsidiaries, which may materially and adversely affect our liquidity and our ability to fund and expand our business.***

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

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On August 29, 2008, SAFE promulgated the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or SAFE Circular 142, regulating the conversion by a foreign-invested enterprise of foreign currency registered capital into RMB by restricting how the converted RMB may be used. SAFE Circular 142 provides that the RMB capital converted from foreign currency registered capital of a foreign-invested enterprise may only be used for purposes within the business scope approved by the applicable governmental authority and may not be used for equity investments within the PRC. In addition, SAFE strengthened its oversight of the flow and use of the RMB capital converted from foreign currency registered capital of a foreign-invested company. The use of such RMB capital may not be altered without SAFE approval, and such RMB capital may not in any case be used to repay RMB loans if the proceeds of such loans have not been used. Violations of SAFE Circular 142 could result in severe monetary or other penalties. Furthermore, SAFE promulgated a circular on November 19, 2010, or Circular No. 59, which tightens the examination on the authenticity of settlement of net proceeds from an offering and requires that the settlement of net proceeds shall be in accordance with the description in its prospectus. On July 15, 2014, SAFE issued SAFE Circular 36 that launched the pilot reform of administration regarding conversion of foreign currency registered capitals of foreign-invested enterprises in 16 pilot areas. According to SAFE Circular 36, an ordinary foreign-invested enterprise in the pilot areas is permitted to use Renminbi converted from its foreign-currency registered capital to make equity investments in the PRC, subject to certain registration and settlement procedure as set forth in SAFE Circular 36. As this circular is relatively new, there remains uncertainty as to its interpretation and application and any other future foreign exchange related rules.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, including SAFE Circular 142, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans by us to our PRC subsidiaries or VIEs or with respect to future capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds from this offering 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 substantially all of our assets, which could reduce the size of our operations and materially and adversely affect our business, ability to generate revenues and the market price of our ADSs.***

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

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

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

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

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

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

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

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

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

We only have contractual control over our websites. We do not own the websites due to the restriction on foreign investment in businesses providing value-added telecommunication services in China, including internet content provision services.

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There are uncertainties relating to the regulation of the internet industry in China, including evolving licensing requirements. This means that permits, licenses or operations at some of our companies may be subject to challenge, or we may fail to obtain permits or licenses that applicable regulators may deem necessary for our operations or we may not be able to obtain or renew permits or licenses. Both Autohome Information and Hongyuan Information may be required to obtain additional licenses, including internet publishing licenses and internet news information service licenses, if the release of articles and information or the broadcast of videos on the websites *autohome.com.cn* and *che168.com* is deemed by the PRC regulatory authorities as the provision of internet publishing service, internet news information service, or internet culture operating service. See Regulations Regulations on Online Cultural Services, Regulations Regulations on Internet Publishing and Regulations 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 May 2011, the State Council announced the establishment of a new department, the State Internet Information Office. The primary role of this new agency is to facilitate policy-making and legislative development in the internet industry, to direct and coordinate with relevant departments in connection with online content administration and to deal with cross-ministry regulatory matters in relation to the internet industry.

New laws and regulations may be promulgated to regulate internet activities, including online advertising businesses. As such, additional licenses may be required for our operations. If our operations do not comply with these new regulations at the time they become effective, or if we fail to obtain any licenses required under these new laws and regulations, we could be subject to penalties. On July 13, 2006, the MIIT, the predecessor of which was the Ministry of Information Industry, issued the Notice of the Ministry of Information Industry on Intensifying the Administration of Foreign Investment in Value-added Telecommunications Services. This notice prohibits domestic telecommunication service providers from leasing, transferring or selling telecommunications business operating licenses to any foreign investor in any form, or providing any resources, sites or facilities to any foreign investor for their illegal operation of a telecommunications business in China. According to this notice, either the holder of a value-added telecommunication services operation permit or its shareholders must directly own the domain names and trademarks used by such license holders in their provision of value-added telecommunication services. The notice also requires each license holder to have the necessary facilities, including servers, for its approved business operations and to maintain such facilities in the regions covered by its license. Currently, Autohome Information and Hongyuan Information, two of our VIEs, own the related domain names and trademarks and hold the internet content provider licenses, or ICP licenses, necessary to conduct our operations for websites in China.

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

***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 Renminbi into foreign currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The PRC government allowed the Renminbi to appreciate by more than 20% against the U.S. dollar between July 2005 and

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July 2008. Between July 2008 and June 2010, this appreciation was halted and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. As a consequence, the RMB fluctuated significantly during that period against other freely traded currencies, in tandem with the U.S. dollar. From June 2010 until the start of 2014, and since mid-2014, the PRC government again allowed the Renminbi to appreciate slowly against the U.S. dollar. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

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

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

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

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues in RMB. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. Therefore, Autohome WFOE is 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.

***The approval of the China Securities Regulatory Commission may be required in connection with this offering under a regulation adopted in August 2006, and, if required, we cannot assure you that we will be able to obtain such approval.***

On August 8, 2006, six PRC regulatory agencies, including the CSRC, promulgated the Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, or the M&A Rules, which became effective on September 8, 2006 and was amended on June 22, 2009. This regulation, among other things, requires offshore special purpose vehicles, or SPVs, formed for the purpose of an overseas listing and controlled by PRC companies or individuals, to obtain CSRC approval prior to listing their securities on an overseas stock exchange. The application of this regulation remains unclear. Our PRC counsel, TransAsia Lawyers, has advised us that,

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based on their understanding of the current PRC laws, rules and regulations, we are not required to submit an application to the CSRC for its approval of the listing and trading of our ADSs on the NYSE on the grounds that:

the CSRC currently has not issued any definitive rule or interpretation concerning whether offerings like ours under this prospectus are subject to this regulation;

Autohome WFOE and Autohome Information were established before September 8, 2006, the effective date of this regulation; and

no provision in this regulation clearly classifies contractual arrangements as a type of transaction subject to its regulation. However, because there has been no official interpretation or clarification of this regulation since its adoption, there is uncertainty as to how this regulation will be interpreted or implemented. If it is determined that the CSRC approval was required for our initial public offering or this offering, we may face sanctions by the CSRC or other PRC regulatory agencies for failure to seek the CSRC approval for our initial public offering or this offering. These sanctions may include fines and penalties on our operations in the PRC, delays or restrictions on the repatriation of the proceeds from our initial public offering or this offering into the PRC, restrictions on or prohibition of the payments or remittance of dividends by our PRC subsidiaries, or other actions that could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ADSs. The CSRC or other PRC regulatory agencies may also take actions requiring us, or making it advisable for us, to halt this offering before the settlement and delivery of the ADSs that we are offering. Consequently, if you engage in market trading or other activities in anticipation of and prior to the settlement and delivery of the ADSs we are offering, you would be doing so at the risk that the settlement and delivery may not occur.

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

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

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

On July 4, 2014, SAFE promulgated the Notice on Relevant Issues Concerning Foreign Exchange Control of Domestic Residents' Overseas Investment and Financing and Roundtrip Investment through Offshore Special

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

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

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

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

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

In December 2006, the PBOC promulgated the Administrative Measures of Foreign Exchange Matters for Individuals, which sets forth the respective requirements for foreign exchange transactions by individuals (both PRC and non-PRC citizens) under either the current account or the capital account. In January 2007, SAFE issued relevant implementing rules that specified approval requirements for certain capital account transactions such as a PRC citizen's participation in the employee stock incentive plans or share option plans of an overseas



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publicly listed company. In February 2012, SAFE promulgated the Notice on the Administration of Foreign Exchange Matters for Domestic Individuals Participating in the Stock Incentive Plans of Overseas Listed Companies, or the Stock Option Notice. The Stock Option Notice supersedes the requirements and procedures for the registration of PRC resident individuals' participation in stock incentive plans set forth by certain rules promulgated by SAFE in March 2007. Under these measures, PRC resident individuals who participate in an employee stock incentive plan or a share option plan in an overseas publicly listed company are required to register with SAFE and complete certain other procedures. A PRC domestic qualified agent appointed through the PRC subsidiaries of such overseas listed company must file applications on behalf of such PRC resident individuals with SAFE or its local counterpart to obtain approval for an annual allowance with respect to the foreign exchange in connection with stock holding or share option exercises. With the approval from SAFE or its local counterpart, the PRC domestic qualified agent must open a special foreign exchange account at a PRC domestic bank to hold the funds required in connection with the stock purchase or option exercise, payment received upon sales of shares, dividends issued on the stock and any other income or expenditures approved by SAFE or its local counterpart. We and our PRC resident employees who participate in our share incentive plans are subject to these regulations as we are an overseas listed company. We have made registration with the local counterparts of SAFE for our PRC resident employees who participate in our share incentive plans as required under the Stock Option notice and relevant rules. If we or our PRC optionees fail to comply with these regulations, we or our PRC optionees may be subject to fines and other legal or administrative sanctions. See Regulations on Employee Stock Options Plans.

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

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

There is uncertainty as to the application of SAT Circular 698. For example, while the term Indirect Transfer is not clearly defined, it is understood that the relevant PRC tax authorities have jurisdiction regarding requests for information over a wide range of foreign entities having no direct contact with China. Also, although it appears that SAT Circular 698 was not intended to apply to share transfers of publicly traded companies, there is uncertainty as to the application of SAT Circular 698 to other indirect transfer of PRC resident enterprises. Moreover, the relevant authority has not yet promulgated any formal provisions or formally declared or stated how to calculate the effective tax rates in foreign tax jurisdictions, and the process and format of the reporting of an Indirect Transfer to the relevant tax authority of the PRC resident enterprise. In addition, there are no formal declarations with regard to how to determine whether a foreign investor has adopted an abusive arrangement in order to reduce, avoid or defer PRC tax. SAT Circular 698 may be determined by the tax authorities to be applicable to our corporate restructuring where non-resident investors were involved, if any of such transactions were determined by the tax authorities to lack reasonable commercial purpose. As a result, we and our non-resident investors in such transactions may become at risk of being taxed under SAT Circular 698 and we may be required to expend valuable resources to comply with SAT Circular 698 or to establish that we should not be

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taxed under the general anti-avoidance rule of the PRC Enterprise Income Tax Law, which may have a material adverse effect on our financial condition and results of operations or such non-resident investors' investments in us.

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

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

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

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

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

Pursuant to the Enterprise Income Tax Law and its implementation rules, dividends generated after January 1, 2008 and payable by a foreign-invested enterprise in China to its foreign investors, which are non-PRC tax resident enterprises without an establishment in China, or whose income has no connection with their

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institutions and establishments inside China, are subject to withholding tax at a rate of 10%, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. We are a Cayman Islands holding company and we conduct our business through Autohome WFOE, which is 100% owned by Cheerbright, our wholly-owned subsidiary located in the British Virgin Islands. The British Virgin Islands currently does not have any tax treaty with China with respect to withholding tax. As long as Cheerbright is considered a non-PRC resident enterprise and holds at least 25% of the equity interest of Autohome WFOE, dividends that it receives from Autohome WFOE may be subject to withholding tax at a rate of 10%.

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

***Our financial condition and results of operations could be materially and adversely affected if recent value added tax reforms in the PRC become unfavorable to our PRC subsidiaries or VIEs.***

On November 16, 2011, the Ministry of Finance and the State Administration of Taxation jointly issued the Implementation Rules of the Pilot Program of Value Added Tax Reform and the Notice on the Pilot Program of Value Added Tax Reform in Transportation and Certain Modern Service Industries in Shanghai. These rules became effective on January 1, 2012, under which certain transportation and modern services companies in Shanghai will be subject to value added tax, or VAT, in lieu of the otherwise applicable business tax of 5%. According to a circular jointly issued by the Ministry of Finance and the State Administration of Taxation on July 31, 2012, certain transportation and modern services companies incorporated in eight other provinces in the PRC will be subject to the tax reform contemplated under these rules. This tax pilot program aims to resolve the double or multiple taxation issues caused by the interplay between the VAT and business tax systems and reduce the overall tax burden of the selected modern service industries in the PRC. Depending on their taxable revenues, companies may be subject to VAT at a rate of 3% if they are qualified as small-scale VAT payers or 6% if they are recognized as general VAT payers for information technology services, advertising services and research, development and technology services they provide. As a result, instead of paying business taxes, Shanghai Advertising, one of our VIEs incorporated in Shanghai, was required to pay VAT at a rate of 6% starting from January 1, 2012. In addition, our PRC subsidiaries and VIEs incorporated in Beijing were required to pay VAT at a rate of 6% starting from September 1, 2012. Guangzhou Advertising, one of our VIEs incorporated in Guangdong, was required to pay VAT starting from November 1, 2012. Since August 2013, this tax pilot program has been expanded to other areas within China. The rules related to the VAT pilot program are still evolving and the timing of the promulgation of the final tax rules or related interpretation is uncertain. Our financial condition and results of operations could be materially and adversely affected if the interpretation and enforcement of these tax rules become materially unfavorable to our PRC subsidiaries and VIEs.

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

The PRC Labor Contract Law became effective and was implemented on January 1, 2008. It has reinforced the protection of employees who, under the PRC Labor Contract Law, have the right, among others, to have written labor contracts, to enter into labor contracts with no fixed terms under certain circumstances, to receive overtime wages and to terminate or alter terms in labor contracts. According to the PRC Social Insurance Law, which became effective on July 1, 2011, and the Administrative Regulations on the Housing Funds, employees

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are required to participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance, maternity insurance and housing funds, and the employers must pay all or a portion of the social insurance premiums and housing funds for such employees.

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

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

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

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

In December 2012, the SEC brought administrative proceedings against five accounting firms, including our independent registered public accounting firm, in China, alleging that they had refused to produce audit work papers and other documents related to certain other China-based companies under investigation by the SEC for potential accounting fraud. On January 22, 2014, an initial administrative law decision was issued, censuring these accounting firms and suspending four of the five firms from practicing before the SEC for a period of six months. The decision is neither final nor legally effective unless and until reviewed and approved by the SEC. The five accounting firms have recently appealed. The sanction will not become effective until after a full appeal process is concluded and a final decision is issued by the SEC. The accounting firms can also further appeal the final decision of the SEC through the federal appellate courts. We are not involved in the proceedings brought by the SEC against the accounting firms. However, our independent registered public accounting firm is one of the four accounting firms subject to the six month suspension from practicing before the SEC in the initial administrative law decision. We may therefore be adversely affected by the outcome of the proceedings, along with other U.S.-listed companies audited by these accounting firms.

On May 24, 2013, the PCAOB announced that it had entered into a Memorandum of Understanding on Enforcement Cooperation with the CSRC and the Ministry of Finance which establishes a cooperative framework between the parties for the production and exchange of audit documents relevant to investigations in the United States and China. However, it is not clear how these recent developments could affect the SEC's final decision in the case against the five accounting firms or any subsequent appeal to courts that the accounting firms

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may initiate. Therefore, it is difficult to determine the final outcome of the administrative proceedings and the potential consequences thereof.

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

### **Risks Related to our ADSs and this Offering**

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

The daily closing trading prices for our ADSs ranged from US\$27.10 to US\$36.59 in 2013 and from US\$29.00 to US\$56.60 in the nine months ended September 30, 2014. The trading price for our ADSs may continue to fluctuate in response to factors including the following:

regulatory developments in our target markets affecting us, our advertisers or our competitors;

announcements of studies and reports relating to the quality of our services or those of our competitors;

changes in the economic performance or market valuations of other companies that provide online automotive advertising services;

actual or anticipated fluctuations in our quarterly results of operations and changes or revisions of our expected results;

changes in financial estimates by securities research analysts;

conditions in the online automotive advertising industry;

announcements by us or our competitors of new solutions, acquisitions, strategic relationships, joint ventures or capital commitments;

additions to or departures of our senior management;

fluctuations of exchange rates between the RMB and the U.S. dollar;

release or expiry of lock-up or other transfer restrictions on our outstanding Class A ordinary shares or ADSs;

sales or perceived potential sales of additional Class A ordinary shares or ADSs; and

pending or potential litigation or administrative investigation.

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

***We are an emerging growth company within the meaning of the Securities Act and may take advantage of certain reduced reporting requirements.***

We are an emerging growth company, as defined in the JOBS Act, and we may take advantage of certain exemptions from various requirements applicable to other public companies that are not emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 for so long as we are an emerging growth company. As a result, if we elect not to comply with

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such auditor attestation requirements, our investors may not have access to certain information they may deem important.

The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. However, we have elected to opt out of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

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

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

***Because the offering price is substantially higher than our net tangible book value per ADS, you will experience immediate and substantial dilution.***

Because the price per ADS being offered is substantially higher than the net tangible book value per ordinary share, you will experience immediate and substantial dilution of US\$39.91 per ADS, representing the difference between the assumed public offering price of US\$43.00 per ADS, the closing trading price on the NYSE on November 12, 2014 and our net tangible book value per ADS as of September 30, 2014, after giving effect to the net proceeds to us from this offering. If the underwriters exercise their over-allotment option, you will experience additional dilution. In addition, you may experience further dilution as a result of the exercise of share options or other dilutive transactions. See Dilution for a more complete description of how the value of your investment in our ADSs will be diluted upon the completion of this offering.

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

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

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

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

Sales of our ADSs in the public market after this offering, or the perception that these sales could occur, could cause the market price of our ADSs to decline. Upon completion of this offering, we will have 109,774,799

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ordinary shares outstanding, assuming that the underwriters do not exercise their option to purchase additional ADSs, including a certain number of Class A ordinary shares represented by ADSs. All ADSs sold in this offering will be freely transferable without restriction or additional registration under the Securities Act. In addition, the ordinary shares held by our directors, executive officers and selling shareholders who are subject to a lock-up in connection with this offering will be available for sale, upon the expiration of the 90-day lock-up period beginning from the date of this prospectus, subject to volume and other restrictions as applicable under Rules 144 and 701 of the Securities Act. Any or all of these shares may be released prior to the expiration of the lock-up period at the discretion of the representatives of the underwriters of this offering. To the extent shares are released before the expiration of the lock-up period and sold into the market, the market price of our ADSs could decline.

Certain holders of our ordinary shares have the right to cause us to register under the Securities Act the sale of their shares. Registration of these shares under the Securities Act would result in ADSs representing these shares becoming freely tradable without restriction under the Securities Act. Sales of these registered shares, in the form of ADSs, in the public market could cause the price of our ADSs to decline. Such sales also might make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate. In addition, if we pay for our future acquisitions in whole or in part with additionally issued ordinary shares, your ownership interests in our company would be diluted and this, in turn, could have a material and adverse effect on the price of our ADSs.

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

Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. The ADSs being sold in this offering represent Class A ordinary shares. See Description of Share Capital Ordinary Shares for a more detailed description of our Class A ordinary shares and Class B ordinary shares. Holders of Class A and Class B ordinary shares have the same rights, including dividend rights, except for conversion and voting rights. Each Class B ordinary share may be converted into one Class A ordinary share by its holder at any time, while Class A ordinary shares cannot be converted into Class B ordinary shares under any circumstances. Each Class A ordinary share is entitled to one vote. When the total number of ordinary shares held by Telstra constitutes no less than 51% of all of our issued and outstanding ordinary shares, each Class B ordinary share is entitled to one vote; when the total number of ordinary shares held by Telstra drops below 51% but is no less than 39.3% of all of our issued and outstanding ordinary shares, each Class B ordinary share will carry such number of votes that would result in the total number of ordinary shares held by Telstra carrying, in the aggregate, 51% of the voting rights represented by all of our issued and outstanding ordinary shares; when the total number of ordinary shares held by Telstra drops below 39.3% of all of our issued and outstanding ordinary shares, all Class B ordinary shares will be automatically converted into the same number of Class A ordinary shares. As of October 24, 2014, Telstra held 68,788,940 Class B ordinary shares, representing 63.6% of all of our issued and outstanding ordinary shares and 63.6% of our aggregate voting rights. Telstra Holdings will convert 6,600,000 of its Class B ordinary shares into an equal number of Class A ordinary shares and will sell such Class A ordinary shares represented by ADSs in this offering, assuming that the underwriters do not exercise their option to purchase additional ADSs. Immediately after the completion of this offering, assuming the underwriters do not exercise their option to purchase additional ADSs, Telstra will hold 62,188,940 Class B ordinary shares, representing 56.7% of all of our issued and outstanding ordinary shares and 56.7% of our aggregate voting rights. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of Class A ordinary shares and ADSs may view as beneficial.

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

Except as described in this prospectus and in the deposit agreement, holders of our ADSs will not be able to exercise voting rights attaching to the Class A ordinary shares represented by our ADSs on an individual basis.



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Holders of our ADSs will appoint the depository or its nominee as their representative to exercise the voting rights attaching to the Class A ordinary shares represented by the ADSs. Upon receipt of your voting instructions, the depository will vote the underlying ordinary shares in accordance with these instructions.

Pursuant to our fourth amended and restated memorandum and articles of association, we may convene a shareholders' meeting upon ten calendar days' notice. If we give timely notice to the depository under the terms of the deposit agreement (30 business days' notice), the depository will notify you of the upcoming vote and arrange to deliver our voting materials to you. We cannot assure you that you will receive the voting materials in time to instruct the depository to vote the Class A ordinary shares underlying your ADSs, and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote. In addition, the depository and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise your right to vote and there may be nothing you can do if the Class A ordinary shares underlying your ADSs are not voted as you requested. In addition, although you may directly exercise your right to vote by withdrawing the Class A ordinary shares underlying your ADSs, you may not receive sufficient advance notice of an upcoming shareholders' meeting to withdraw the Class A ordinary shares underlying your ADSs to allow you to vote with respect to any specific matter.

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

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to you in the United States unless we register both the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. Under the deposit agreement, the depository will not make rights available to you unless both the rights and the underlying securities to be distributed to ADS holders are either registered under the Securities Act or exempt from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective and we may not be able to establish a necessary exemption from registration under the Securities Act. Accordingly, you may be unable to participate in our rights offerings and may experience dilution in your holdings.

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

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

Your ADSs are transferable on the books of the depository. However, the depository may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depository may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depository are closed, or at any time if we or the depository deems it advisable to do so.

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because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason in accordance with the terms of the deposit agreement.

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

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

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

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

***The use of the net proceeds from this offering will largely be up to the judgment of our management, and such use may not produce income or increase our ADS price.***

We plan to use the net proceeds of this offering primarily for general corporate purposes, which may include investment in our product development including new content and business initiatives, further enhancing our mobile technologies, sales and marketing activities, including efforts to promote our brand, working capital, capital expenditure, and other general and administrative matters. We may also use a portion of these proceeds for the acquisition of, or investment in, businesses, technologies or strategic alliances that complement our business, although we have no present commitments or agreements for any acquisitions or investments. However, our management will have considerable discretion in the application of the net proceeds received by us. You will not have the opportunity, as part of your investment decision, to assess whether proceeds are being used appropriately. You must rely on the judgment of our management regarding the application of the net proceeds of this offering. The net proceeds may be used for corporate purposes that do not improve our profitability or increase our ADS price. The net proceeds from this offering may be placed in investments that do not produce income or that lose value. We will not receive any of the proceeds from the sale of ADSs by the selling shareholders.

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

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

***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 Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;

the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;

the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and

the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

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

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

Depending upon the value of our assets, which may be determined based, in part, on the market value of our Class A ordinary shares and ADSs, and the nature of our assets and income over time, we could be classified as a passive foreign investment company (a PFIC). Under United States federal income tax law, we will be classified as a PFIC for any taxable year if either (i) at least 75% of our gross income for the taxable year is passive income or (ii) at least 50% of the value of our assets (based on the average quarterly value of our assets during the taxable year) is attributable to assets that produce or are held for the production of passive income. Based on our current income and assets and projections as to the value of our Class A ordinary shares and ADSs following this offering, we do not expect to be classified as a PFIC for the current taxable year or in the foreseeable future. While we do not anticipate being a PFIC, changes in the nature of our income or assets or the value of our assets may cause us to become a PFIC for the current or any subsequent taxable year.

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Although the law in this regard is not entirely clear, we treat our VIEs as being owned by us for United States federal income tax purposes, because we control their management decisions and we 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. If it were determined, however, that we are not the owner of our VIEs for United States federal income tax purposes, we would likely be treated as a PFIC for the current and any subsequent taxable years. Because of the uncertainties in the application of the relevant rules and because PFIC status is a factual determination made annually after the close of each taxable year on the basis of the composition of our income and the value of our active versus passive assets, there can be no assurance that we will not be a PFIC for the current or any future taxable year. The overall level of our passive assets will be affected by how, and how quickly, we spend our liquid assets. Under circumstances where revenues from activities that produce passive income significantly increase relative to our revenues from activities that produce non-passive income or where we determine not to deploy significant amounts of cash for active purposes, our risk of being classified as a PFIC may substantially increase.

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

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

We are a public company and expect to incur significant accounting, legal and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, including Section 404 therein, as well as rules subsequently implemented by the SEC and the NYSE, have detailed requirements concerning corporate governance practices of public companies. Section 404 requires that we include a management report on our internal control over financial reporting in our annual report on Form 20-F beginning with the fiscal year ending December 31, 2014. In addition, once we cease to be an emerging growth company as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. We expect these rules and regulations applicable to public companies to increase our accounting, legal and financial compliance costs and to make certain corporate activities more time-consuming and costly. Our management is required to devote substantial time and attention to our public company reporting obligations and other compliance matters. We evaluate and monitor developments with respect to these rules and regulations, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. Our reporting and other compliance obligations as a public company may place a significant strain on our management, operational and financial resources and systems for the foreseeable future.

In the past, shareholders of a public company often brought securities class action suits against the company following periods of instability in the market price of that company's securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our

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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.

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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus contains forward-looking statements that reflect our current expectations and views of future events. This prospectus and the documents incorporated by reference include, and any free writing prospectus provided in connection with this offering may include, forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. The forward looking statements are contained principally in the sections entitled Prospectus Summary, Risk Factors, Management's Discussion and Analysis of Financial Condition and Results of Operations, Industry and Business. Known and unknown risks, uncertainties and other factors, including those listed under 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, 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 advertisers;

our business strategies and initiatives as well as our business plans;

our future business development, financial conditions 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. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in Prospectus Summary Our Challenges, Risk Factors, Management's Discussion and Analysis of Financial Condition and Results of Operations, Business, Regulation and other sections in this prospectus. You should thoroughly read this prospectus and the documents that we refer to with the understanding that our actual future results may be materially different from and worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements.

This prospectus contains certain data and information that we obtained from various government and private publications. Statistical data in these publications also include projections based on a number of assumptions. The online automotive advertising industry may not grow at the rate projected by market data, or at all. The failure of this market to grow at the projected rate may have a material adverse effect on our business and the market price of our ADSs. In addition, the rapidly changing nature of the online automotive advertising industry 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 prospectus relate only to events or information as of the date on which the statements are made in this prospectus. 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

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or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this prospectus and the documents that we refer to in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.



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**USE OF PROCEEDS**

We estimate that we will receive net proceeds from this offering of approximately US\$66.6 million, or approximately US\$92.4 million if the underwriters exercise their option to purchase additional ADSs in full, after deducting underwriting discounts and the estimated offering expenses payable by us. These estimates are based upon an assumed public offering price of US\$43.00 per ADS, the closing trading price of our ADSs on November 12, 2014. We will not receive any of the proceeds from the sale of ADSs by the selling shareholders. A US\$1.00 increase (decrease) in the assumed public offering price of US\$43.00 per ADS would increase (decrease) the net proceeds to us from this offering by US\$1.6 million, or approximately US\$2.2 million if the underwriters exercise their option to purchase additional ADSs in full, assuming the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us.

We plan to use the net proceeds of this offering primarily for general corporate purposes, which may include investment in our product development including new content and business initiatives, further enhancing our mobile technologies, sales and marketing activities, including efforts to promote our brand, working capital, capital expenditure, and other general and administrative matters. We may also use a portion of these proceeds for the acquisition of, or investment in, businesses, technologies or strategic alliances that complement our business, although we have no present commitments or agreements to enter into any acquisitions or investments.

The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. Our management, however, will have significant flexibility and discretion to apply the net proceeds of this offering. If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus.

Pending any use described above, we plan to invest the net proceeds in low-risk, short-term, interest-bearing, debt instruments or deposits.

In using the proceeds of this offering, as an offshore holding company, we are permitted, under PRC laws and regulations, to provide funding to our PRC subsidiaries only through loans or capital contributions and to our VIEs only through loans. Subject to satisfaction of applicable government registration and approval requirements, we may extend inter-company loans to our PRC subsidiaries or make additional capital contributions to our PRC subsidiaries to fund its capital expenditures or working capital. We cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all. See **Risk Factors** **Risks Related to Our Corporate Structure** PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent us from using the proceeds of this offering 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.

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**DIVIDEND POLICY**

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

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

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

If we pay any dividends after this offering, we will pay our ADS holders to the same extent as holders of our ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See Description of American Depositary Shares. Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

**Table of Contents****MARKET PRICE INFORMATION FOR OUR ADSs**

Our ADSs, each representing one of our Class A ordinary shares, have been listed on the NYSE since December 11, 2013. Our ADSs trade under the symbol ATHM. The following table provides the monthly high and low trading prices for our ADSs on the NYSE since the date of our initial public offering.

The last reported trading price for our ADSs on November 12, 2014 was US\$43.00 per ADS.

Period	Trading Price (US\$)	
	High	Low
<b>Annual High and Low</b>		
Fiscal Year 2013 (from December 11, 2013)	37.88	26.51
<b>Quarterly Highs and Lows</b>		
Fourth Quarter of 2013 (from December 11, 2013)	37.88	26.51
First Quarter of 2014	51.98	28.52
Second Quarter of 2014	42.68	28.50
Third Quarter of 2014	57.93	31.80
Fourth Quarter of 2014 (through November 12, 2014)	53.56	38.54
<b>Monthly Highs and Lows</b>		
May 2014	36.80	28.50
June 2014	35.98	32.14
July 2014	38.25	31.80
August 2014	57.93	35.25
September 2014	51.88	39.36
October 2014	53.41	38.54
November (through November 12, 2014)	53.56	41.80

**Table of Contents****CAPITALIZATION**

The following table sets forth our capitalization as of September 30, 2014:

on an actual basis; and

on an as adjusted basis to reflect (a) the issue and sale of 1,650,000 Class A ordinary shares in the form of ADSs by us in this offering at an assumed public offering price of US\$43.00 per ADS, the closing trading price of our ADSs on November 12, 2014, after deducting the underwriting discounts and commissions and estimated offering expenses, and (b) the conversion of 6,600,000 Class B ordinary shares into the same number of Class A ordinary shares upon deposit of those shares into our ADR facility in connection with the sale of ADSs representing such Class A ordinary shares by Telstra in this offering, assuming the underwriters do not exercise their option to purchase additional ADSs.

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

	<b>As of September 30, 2014</b>	
	<b>Actual</b>	<b>As Adjusted</b>
	<b>(in thousands of US\$)</b>	
<b>Shareholders' equity</b>		
Class A ordinary shares, US\$0.01 par value, 99,931,211,060 shares authorized and 39,335,859 shares issued and outstanding and 47,585,859 shares issued and outstanding on an as adjusted basis	433	516
Class B ordinary shares, US\$0.01 par value, 68,788,940 shares authorized, 68,788,940 shares issued and outstanding and 62,188,940 shares issued and outstanding on an as adjusted basis	762	696
Additional paid-in capital	330,039	396,665
Accumulated other comprehensive income	1,351	1,351
Retained earnings	122,734	122,734
<b>Total equity</b>	<b>455,319</b>	<b>521,962</b>

**Table of Contents****DILUTION**

Our net tangible book value as of September 30, 2014 was approximately US\$272.4 million, or US\$2.52 per ordinary share as of that date, and US\$2.52 per ADS. Net tangible book value represents the amount of our total consolidated tangible assets, excluding intangible assets, goodwill and deferred tax assets, less our total consolidated liabilities (excluding deferred tax liabilities related to intangible assets and goodwill). Dilution is determined by subtracting net tangible book value per ordinary share from the public offering price.

Because our Class A ordinary shares and Class B ordinary shares have the same dividend and other rights, except for conversion and voting rights, the dilution is presented here based on all issued and outstanding ordinary shares, including Class A ordinary shares and Class B ordinary shares.

Without taking into account any other changes in such net tangible book value after September 30, 2014, other than to give effect to our issuance and sale of 1,650,000 ADSs in this offering, at an assumed public offering price of US\$43.00 per ADS, the closing trading price of our ADSs on November 12, 2014, and after deduction of underwriting discounts and commissions and estimated offering expenses payable by us (assuming the option to purchase additional ADSs is not exercised), our as adjusted net tangible book value at September 30, 2014 would have been US\$3.09 per outstanding ordinary share, including Class A ordinary shares underlying our outstanding ADSs, or US\$3.09 per ADS. This represents an immediate increase in net tangible book value of US\$0.57 per ordinary share, or US\$0.57 per ADS, to existing shareholders and an immediate dilution in net tangible book value of US\$39.91 per ordinary share, or US\$39.91 per ADS, to purchasers of ADSs in this offering.

The following table illustrates the dilution on a per ordinary share basis assuming that the public offering price per ordinary share is US\$43.00 and all ADSs are exchanged for ordinary shares:

	<b>Per Ordinary Share</b>
Assumed public offering price	US\$ 43.00
Net tangible book value as of September 30, 2014	US\$ 2.52
As adjusted net tangible book value after giving effect to this offering	US\$ 3.09
Amount of dilution in net tangible book value to new investors in this offering	US\$ 39.91
A US\$1.00 increase (decrease) in the assumed public offering price of US\$43.00 per ADS would increase (decrease) our as adjusted net tangible book value after giving effect to this offering by US\$0.01 per ordinary share and the dilution in net tangible book value per ordinary share to new investors in this offering by US\$0.99 per ordinary share, assuming no change to the number of ADSs offered by us as set forth on the cover page of this prospectus (assuming the underwriters do not exercise their option to purchase additional ADSs), and after deducting underwriting discounts and commissions and other offering expenses.	

The following table summarizes, on an as adjusted basis as of September 30, 2014, the differences between existing shareholders and the new investors as of such date with respect to the number of ordinary shares (in the form of ADSs or ordinary shares) purchased from us, the total consideration paid and the average price per ordinary share and per ADS paid before deducting the underwriting discounts and commissions and estimated offering expenses. The total number of ordinary shares does not include ordinary shares underlying the ADSs issuable upon the exercise of the option to purchase additional ADSs granted to the underwriters.

	Ordinary Shares Purchased		Total Consideration		Average Price Per Ordinary Share	Average Price Per ADS
	Number	Percent	Amount (in thousands, except share data)	Percent		
Existing shareholders	108,124,799	98.5%	US\$ 275,162	79.5%	US\$ 2.54	US\$ 2.54
New investors	1,650,000	1.5%	US\$ 70,950	20.5%	US\$ 43.00	US\$ 43.00
Total	109,774,799	100.0%	US\$ 346,112	100.0%	US\$ 3.15	US\$ 3.15

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The pro forma information discussed above is illustrative only. Our net tangible book value following the completion of this offering is subject to adjustment based on the actual public offering price of our ADSs and other terms of this offering determined at pricing.

The discussion and tables above also assume no exercise of any outstanding options granted under our Share Incentive Plans. As of September 30, 2014, there were 4,919,737 Class A ordinary shares issuable upon exercise of outstanding options at a weighted average exercise price of US\$2.20 per share, and 400,000 Class A ordinary shares issuable upon the vesting of outstanding restricted shares. To the extent that any of these options is exercised, there will be further dilution to new investors.

**Table of Contents****EXCHANGE RATE INFORMATION**

Substantially all of our operations are conducted in China and substantially all of our revenues are denominated in RMB. This prospectus contains translations of Renminbi amounts into U.S. dollars at specific rates solely for the convenience of the reader. The conversion of Renminbi into U.S. dollars in this prospectus is based on the rate certified for customs purposes by the Federal Reserve Bank of New York. Translation of financial data as of or for the year ended December 31, 2013 were made at a rate of RMB6.0537 to US\$1.00, the exchange rate in effect as of December 31, 2013. Unless otherwise noted, all other translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this prospectus were made at a rate of RMB6.1380 to US\$1.00, the rate in effect as of September 30, 2014. We make no representation that any RMB or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or RMB, as the case may be, at any particular rate, at the rates stated below, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of RMB into foreign exchange and through restrictions on foreign trade. On November 7, 2014, the noon buying rate was RMB6.1225 to US\$1.00.

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

Period	Period End	Noon Buying Rate		
		Average <sup>(1)</sup>	Low	High
(RMB per US\$1.00)				
2009	6.8259	6.8295	6.8470	6.8176
2010	6.6000	6.7603	6.8330	6.6000
2011	6.2939	6.4475	6.6364	6.2939
2012	6.2301	6.3088	6.3879	6.2221
2013	6.0537	6.1478	6.2438	6.0537
2014				
May	6.2471	6.2380	6.2591	6.2255
June	6.2036	6.2306	6.2548	6.2036
July	6.1737	6.1984	6.2115	6.1712
August	6.1430	6.1541	6.1793	6.1395
September	6.1380	6.1382	6.1495	6.1266
October	6.1124	6.1251	6.1385	6.1107
November (through November 7)	6.1225	6.1161	6.1225	6.1117

Source: Federal Reserve Statistical Release

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

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**ENFORCEABILITY OF CIVIL LIABILITIES**

We were incorporated in the Cayman Islands in order to enjoy certain benefits, such as political and economic stability, an effective judicial system, a favorable tax system, the absence of exchange control or currency restrictions, and the availability of professional and support services. However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include a less developed body of Cayman Islands securities laws that provide significantly less protection to investors as compared to the laws of the United States, and the potential lack of standing by Cayman Islands companies to sue before the federal courts of the United States.

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

Substantially all of our operations are conducted in China, and substantially all of our assets are located in China. A majority of our directors and executive officers are nationals or residents of jurisdictions other than the United States and a substantial portion of their assets are located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

Law Debenture Corporation Services Inc. is our agent upon whom process may be served in any action brought against us under the securities laws of the United States.

Conyers Dill & Pearman (Cayman) Limited, our counsel as to Cayman Islands law, and TransAsia Lawyers, our counsel as to PRC law, have advised us, respectively, that there is uncertainty as to whether the courts of the Cayman Islands and China, respectively, would:

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

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

Conyers Dill & Pearman (Cayman) Limited has informed us that the uncertainty with regard to Cayman Islands law relates to whether a judgment obtained from the U.S. courts under civil liability provisions of U.S. securities laws will be determined by the courts of the Cayman Islands as penal or punitive in nature. If such a determination is made, the courts of the Cayman Islands will not recognize or enforce the judgment against a Cayman Islands company, such as our company. As the courts of the Cayman Islands have yet to rule on making such a determination in relation to judgments obtained from U.S. courts under civil liability provisions of U.S. securities laws, it is uncertain whether such judgments would be enforceable in the Cayman Islands.

Conyers Dill & Pearman (Cayman) Limited has further advised us that the courts of the Cayman Islands would recognize as a valid judgment a final and conclusive judgment in personam obtained in the federal or state courts in the United States under which a sum of money is payable (other than a sum of money payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty) and would give a judgment based thereon provided that: (a) such courts had proper jurisdiction over the parties subject to such judgment; (b) such courts did not contravene the rules of natural justice of the Cayman Islands; (c) such judgment was not obtained by fraud; (d) the enforcement of the judgment would not be contrary to the public policy of the Cayman Islands; (e) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of the Cayman Islands; and (f) there is due compliance with the correct procedures under the laws of the Cayman Islands.



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TransAsia Lawyers has further advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other form of reciprocity with the United States that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States.

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**CORPORATE HISTORY AND STRUCTURE**

**Our Corporate History**

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

Cheerbright International Holdings Limited, or Cheerbright, a British Virgin Islands company that operates *autohome.com.cn*, which was launched in 2005;

Norstar Advertising Media Holdings Limited, or Norstar, a Cayman Islands Company that, among other businesses, operated *che168.com*, which was launched in 2004; and

China Topside Limited, or China Topside, a British Virgin Islands company.

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

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

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

In October 2013, Autohome HK acquired Prbrownies Marketing, a Hong Kong advertising and marketing company, which we renamed Autohome Media Limited, or Autohome Media, in March 2014. Autohome Media has engaged in advertising business outside the PRC for more than three years, and is therefore qualified to directly invest in a PRC company providing advertising services in accordance with PRC law. Autohome Media has established subsidiaries in Beijing, Shanghai, Guangzhou and Tianjin. We are gradually migrating our advertising business from our VIEs to Autohome Media and its subsidiaries, a transition we expect to complete in the next two to three years.

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

**Contractual Arrangements**

PRC laws and regulations currently limit foreign ownership of companies that engage in internet and advertising services. We therefore conduct our operations in China primarily through contractual agreements between our wholly-owned PRC subsidiary, Autohome WFOE, and each of the three groups of entities and individuals (i) Autohome Information, shareholders of Autohome Information and three subsidiaries of Autohome Information: Hongyuan Information, Chengshi Advertising and Autohome Advertising, (ii) Shanghai Advertising and shareholders of Shanghai Advertising, and (iii) Guangzhou Advertising and shareholders of Guangzhou Advertising.

These contractual arrangements enable us, through Autohome WFOE, to:

exercise effective control over these entities;

receive substantially all of the economic benefits of these entities; and

have exclusive options to purchase all of the equity interests in these entities when and to the extent permitted under PRC law. As a result of these contractual arrangements, we, through Autohome WFOE, are the primary beneficiary of these three groups of entities and treat them as our VIEs under U.S. GAAP. We have consolidated the financial results of the VIEs in our consolidated financial statements in accordance with U.S. GAAP.

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The following diagram illustrates our corporate structure as of the date of this prospectus:

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

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

### ***Agreements that Provide Effective Control over Autohome Information***

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

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

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

### ***Agreements that Transfer Economic Benefits of Autohome Information to Us***

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

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Autohome WFOE recognized service fees from all the VIEs in the amount of RMB245.4 million in 2011, RMB411.6 million in 2012, RMB657.2 million in 2013 and RMB837.8 million (US\$136.5 million) for the nine months ended September 30, 2014 in consideration for services provided to the VIEs.

***Loan Agreements.*** Pursuant to the loan agreements between Autohome WFOE and each of the three shareholders of Autohome Information, Autohome WFOE granted interest-free loans to these three shareholders of Autohome Information. The loans are to be used solely for the purpose of making capital contribution 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 the Options to Purchase the Equity Interests in Autohome Information***

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

**Table of Contents****SELECTED CONSOLIDATED FINANCIAL DATA**

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

The following table presents the selected consolidated financial information for our company. Our selected consolidated statements of comprehensive income data presented below for 2011, 2012 and 2013 and our selected consolidated balance sheet data as of December 31, 2012 and 2013 have been derived from our audited consolidated financial statements, which are included elsewhere in this prospectus. Our selected consolidated balance sheet data as of December 31, 2009, 2010 and 2011 and our selected consolidated statement of comprehensive income data for 2009 and 2010 presented below have been derived from our audited consolidated financial statements not included in this prospectus. Our selected consolidated statements of comprehensive income data presented below for the nine months ended September 30, 2013 and 2014 and our selected consolidated balance sheet data as of September 30, 2014 has been derived from unaudited interim consolidated financial statements used elsewhere in this prospectus. 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 information in conjunction with the consolidated financial statements and related notes and the information under Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus. Our audited consolidated financial statements are prepared and presented in accordance with U.S. GAAP.

	For the Year Ended December 31,						For the Nine Months Ended September 30,		
	2009 RMB	2010 RMB	2011 RMB	2012 RMB	2013 RMB	2013 US\$	2013 RMB	2014 RMB	2014 US\$
	(in thousands, except for number of shares and per share data)						(unaudited)	(unaudited)	(unaudited)
<b>Selected Consolidated Statement of Comprehensive Income Data:</b>									
<b>Net revenues</b>									
Advertising services	138,988	235,415	379,666	592,622	894,937	147,833	617,963	977,805	159,304
Dealer subscription services	9,221	17,519	53,523	139,898	321,611	53,126	212,589	416,030	67,779
<b>Total net revenues</b>	<b>148,209</b>	<b>252,934</b>	<b>433,189</b>	<b>732,520</b>	<b>1,216,548</b>	<b>200,959</b>	<b>830,552</b>	<b>1,393,835</b>	<b>227,083</b>
Cost of revenues <sup>(1)</sup>	(61,084)	(83,897)	(130,565)	(178,240)	(252,236)	(41,666)	(164,418)	(258,563)	(42,125)
<b>Gross profit</b>	<b>87,125</b>	<b>169,037</b>	<b>302,624</b>	<b>554,280</b>	<b>964,312</b>	<b>159,293</b>	<b>666,134</b>	<b>1,135,272</b>	<b>184,958</b>
<b>Operating expenses</b>									
Sales and marketing expenses <sup>(1)</sup>	(31,204)	(48,712)	(67,500)	(129,796)	(245,228)	(40,509)	(148,997)	(338,743)	(55,188)
General and administrative expenses <sup>(1)</sup>	(9,059)	(17,951)	(46,547)	(83,153)	(82,529)	(13,633)	(53,788)	(86,825)	(14,145)
Product development expenses <sup>(1)</sup>	(3,678)	(6,205)	(16,459)	(42,865)	(81,651)	(13,488)	(57,944)	(106,523)	(17,355)
<b>Operating profit</b>	<b>43,184</b>	<b>96,169</b>	<b>172,118</b>	<b>298,466</b>	<b>554,904</b>	<b>91,663</b>	<b>405,405</b>	<b>603,181</b>	<b>98,270</b>
Interest income	44	159	1,167	5,093	11,082	1,831	8,556	24,221	3,946
Interest expense					(414)	(68)	(12)		
Other income (expense)	10	(49)	509	310	2,884	476	2,476	871	142

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	2009 RMB	2010 RMB	For the Year Ended December 31,			For the Nine Months Ended September 30,			US\$
			2011 RMB	2012 RMB	2013 RMB	2013 RMB	2014 RMB	2014 US\$	
	(in thousands, except for number of shares and per share data)						(unaudited)	(unaudited)	(unaudited)
<b>Income from continuing operations before income taxes</b>	43,238	96,279	173,794	303,869	568,456	93,902	416,425	628,273	102,358
Income tax expense	(7,803)	(15,853)	(38,348)	(90,988)	(112,294)	(18,550)	(82,940)	(129,150)	(21,041)
<b>Income from continuing operations</b>	35,435	80,426	135,446	212,881	456,162	75,352	333,485	499,123	81,317
Income/(loss) from discontinued operations	(2,204)	7,612	(4,182)						
<b>Net income</b>	33,231	88,038	131,264	212,881	456,162	75,352	333,485	499,123	81,317
<b>Other comprehensive income, net of tax of nil</b>									
Foreign currency translation adjustments				583	1,403	232	581	6,306	1,027
<b>Comprehensive income</b>	33,231	88,038	131,264	213,464	457,565	75,584	334,066	505,429	82,344
<b>Earnings per share for ordinary shares Basic</b>									
Net income from continuing operations	0.35	0.80	1.35	2.13	4.57	0.75	3.33	4.71	0.77
Income/(loss) from discontinued operations	(0.02)	0.08	(0.04)						
Net income	0.33	0.88	1.31	2.13	4.57	0.75	3.33	4.71	0.77
<b>Earnings per share for ordinary shares Diluted</b>									
Net income from continuing operations			1.35	2.12	4.37	0.72	3.29	4.44	0.72
Loss from discontinued operations			(0.04)						
Net income			1.31	2.12	4.37	0.72	3.29	4.44	0.72



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**Shares used in earnings per share computation<sup>(2)</sup>**

Ordinary shares:

Basic	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Diluted			100,189,928	100,650,652	101,322,763

Class A

Ordinary shares:

Basic			31,109,214	31,109,214	37,147,194	37,147,194
Diluted			104,329,226	104,329,226	112,509,229	112,509,229

Class B

Ordinary shares:

Basic			68,788,940	68,788,940	68,788,940	68,788,940
Diluted			68,788,940	68,788,940	68,788,940	68,788,940

Dividend per share<sup>(3)</sup>

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

	For the Year Ended December 31,					For the Nine Months Ended September 30,			
	2009 RMB	2010 RMB	2011 RMB	2012 RMB	2013 RMB US\$ (in thousands)	2013 RMB (unaudited)	2014 RMB (unaudited)	2014 US\$ (unaudited)	
<b>Allocation of Share-based Compensation Expenses</b>									
Cost of revenues			3,247	6,553	6,534	1,079	4,887	5,752	937
Sales and marketing expenses			1,138	4,177	4,375	723	3,236	8,212	1,338
General and administrative expenses			8,049	15,734	11,738	1,939	6,795	15,437	2,515
Product development expenses			541	2,678	2,961	489	2,166	8,455	1,377
Total share-based compensation expenses			12,975	29,142	25,608	4,230	17,084	37,856	6,167

(2) Earnings per share for Class A and Class B ordinary shares (Diluted) for each period were computed after taking into account the dilutive effect of the shares underlying our employees' share-based awards.

(3) Dividends distributed to our shareholders in 2012 and 2013 were one-time distributions due to special circumstances.

**Selected Consolidated Balance Sheet Data**

	2009		2010		As of December 31,			As of September 30,	
	RMB	RMB	2011 RMB	2012 RMB	2013 RMB	2013 US\$	2014 RMB	2014 US\$	
<b>Selected Consolidated Balance Sheet Data:</b>									
Cash and cash equivalents	84,434	174,342	213,705	420,576	1,138,613	188,085	798,155	130,035	
Restricted cash					245,000	40,471			
Term deposits							911,989	148,581	
Accounts receivable, net	147,936	212,349	203,102	326,071	465,712	76,930	610,542	99,469	
Total current assets	272,188	487,405	451,823	786,192	1,899,265	313,736	2,375,796	387,064	
Total assets	2,184,531	2,357,368	2,043,005	2,379,673	3,512,950	580,298	4,001,261	651,884	
Deferred revenue	19,215	31,650	41,461	94,392	215,580	35,611	260,747	42,481	
Total current liabilities	145,962	238,710	203,805	336,292	789,818	130,469	678,466	110,536	
Total liabilities	731,764	816,563	682,726	821,698	1,300,586	214,842	1,206,517	196,565	
Total shareholders' equity	1,452,767	1,540,805	1,360,279	1,557,975	2,212,364	365,456	2,794,744	455,319	

**Non-GAAP Financial Measures**

To supplement net income from continuing operations presented in accordance with U.S. GAAP, we use adjusted EBITDA and adjusted net income as non-GAAP financial measures. We define adjusted EBITDA as income from continuing operations before income tax expense (benefit), depreciation expenses of property and equipment and amortization expenses of intangible assets and interest expense, excluding share-based compensation expenses. We define adjusted net income as income from continuing operations excluding share-based compensation expenses and amortization expenses of intangible assets related to acquisitions. We present these non-GAAP financial measures because they are used by our management to evaluate our operating performance, in addition to net income from continuing operations prepared in accordance with U.S. GAAP.



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Adjusted EBITDA and adjusted net income have material limitations as analytical tools. One of the limitations of using these non-GAAP financial measures is that they do not include share-based compensation expenses, which are and will continue to be a recurring factor in our business. Furthermore, because adjusted EBITDA and adjusted net income are not calculated in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies. In light of the foregoing limitations, you should not consider adjusted EBITDA or adjusted net income as a substitute for or superior to income from continuing operations prepared in accordance with U.S. GAAP. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

We compensate for these limitations by relying primarily on our U.S. GAAP results and using adjusted net income and adjusted EBITDA only as supplemental measures. Our adjusted EBITDA and adjusted net income are calculated as follows for the periods presented:

	For the Year Ended December 31,					For the Nine Months Ended September 30,			
	2009 RMB	2010 RMB	2011 RMB	2012 RMB	2013 RMB	2013 US\$	2013 RMB (unaudited)	2014 RMB (unaudited)	US\$ (unaudited)
	(in thousands)								
Income from continuing operations	35,435	80,426	135,446	212,881	456,162	75,352	333,485	499,123	81,317
Plus: amortization of acquired intangible assets of Cheerbright, China Topside and Norstar	17,114	15,113	13,114	9,739	5,459	902	4,320	3,415	556
Plus: share-based compensation expenses			12,975	29,142	25,608	4,230	17,084	37,856	6,167
<b>Adjusted net income</b>	52,549	95,539	161,535	251,762	487,229	80,484	354,889	540,394	88,040
Income from continuing operations	35,435	80,426	135,446	212,881	456,162	75,352	333,485	499,123	81,317
Plus: income tax expense	7,803	15,853	38,348	90,988	112,294	18,550	82,940	129,150	21,041
Plus: depreciation of property and equipment	783	1,875	6,347	14,301	25,548	4,220	17,647	25,350	4,130
Plus: amortization of intangible assets	17,114	15,238	13,768	10,203	6,250	1,032	4,670	4,576	746
Plus: interest expense					414	68	12		
EBITDA	61,135	113,392	193,909	328,373	600,668	99,222	438,754	658,199	107,234
Plus: share-based compensation expenses			12,975	29,142	25,608	4,230	17,084	37,856	6,167
<b>Adjusted EBITDA</b>	61,135	113,392	206,884	357,515	626,276	103,452	455,838	696,055	113,401

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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section entitled "Selected Consolidated Financial Data" and our consolidated financial statements and the related notes included elsewhere in this prospectus. 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 prospectus.*

**Overview**

We are the leading online destination for automobile consumers in China. Through our two websites, *autohome.com.cn* and *che168.com*, and our mobile applications, we deliver comprehensive, independent and interactive content to automobile buyers and owners. We generate revenues from online advertising services and dealer subscription services. Our advertisers consist primarily of automakers and automobile dealers, with automakers contributing a substantial majority of our total revenues. In each of 2011, 2012, 2013 and the nine months ended September 30, 2014, we provided advertising services to approximately 80% of over 80 automakers operating in China. We also provided dealer subscription services to 2,160, 5,052, 10,617 and 16,089 dealer subscribers in 2011, 2012, 2013 and the nine months ended September 30, 2014, respectively.

Our net revenues increased from RMB433.2 million in 2011 to RMB732.5 million in 2012 and RMB1,216.5 million (US\$201.0 million) in 2013, representing a CAGR of 67.6%. Our total net revenues grew to 1,393.8 million (US\$227.1 million) for the nine months ended September 30, 2014 representing a 67.8% increase from RMB830.6 million in the same period in 2013. Our income from continuing operations increased from RMB135.4 million in 2011 to RMB212.9 million in 2012 and RMB456.2 million (US\$75.4 million) in 2013, representing a CAGR of 83.5%. Our net income increased by 49.7% from RMB333.5 million for the nine months ended September 30, 2013 to RMB499.1 million (US\$81.3 million) for the nine months ended September 30, 2014.

**General Factors Affecting Our Results of Operations**

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

In addition, our business and results of operations may be affected by our user reach and engagement. Automaker and dealer advertisers, which contribute substantially to all of our revenues, choose to advertise on our websites in significant part due to our leading market position in the online automotive advertising industry. We anticipate that our ability to continue to attract a large and growing user base and maintain a high level of user engagement will affect our ability to attract advertisers and dealer subscribers to our websites.

**Table of Contents****Specific Factors Affecting Our Results of Operations**

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

**Net Revenues**

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

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 periods presented:

	2011		For the Year Ended December 31,						For the Nine Months Ended September 30,					
	RMB	%	2012	2013	2013	2013	2013	2013	2014	2014	2014	2014		
			RMB	US\$	US\$	US\$	US\$	RMB	%	RMB	US\$	%		
			(in thousands, except percentages)											
			(unaudited)						(unaudited)					
<b>Net revenues:</b>														
Advertising services	379,666	87.6%	592,622	80.9%	894,937	147,833	73.6%	617,963	74.4%	977,805	159,304	70.2%		
Dealer subscription services	53,523	12.4	139,898	19.1	321,611	53,126	26.4	212,589	25.6	416,030	67,779	29.8		
<b>Total net revenues</b>	<b>433,189</b>	<b>100.0%</b>	<b>732,520</b>	<b>100.0%</b>	<b>1,216,548</b>	<b>200,959</b>	<b>100.0%</b>	<b>830,552</b>	<b>100.0%</b>	<b>1,393,835</b>	<b>227,083</b>	<b>100.0%</b>		

**Advertising Services Revenues**

We generate advertising services revenues primarily from automakers. In each of 2011, 2012, 2013 and the nine months ended September 30, 2014, approximately 80% of over 80 automakers operating in China purchased advertising services from us. As a result of our high penetration in the automaker market, we believe that our future automaker advertising services revenue growth will be driven primarily by automakers increased advertising spending on our websites as they continue to shift advertising budgets from traditional media to online media.

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

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We also sell advertising services to automobile dealers. Our automobile dealer customers receive reimbursements for a majority of their marketing and advertising expenses from their automakers. Therefore, while automobile dealers are our end-customers for dealer advertising services, their advertising decisions are increasingly influenced by automakers. Revenues from dealer advertisers accounted for 14.8%, 18.1%, 21.3% and 26.2% of our advertising services revenues in 2011, 2012, 2013 and the nine months ended September 30, 2014, respectively. We believe that our dealer advertising services revenues will continue to grow in absolute amounts and as a percentage of our advertising services revenues in the near future, driven mainly by (i) the increase in the advertising budgets that automakers allocate to their dealers, and (ii) our ability to increase our share of wallet relative to other online media as we continue to expand into new geographical markets and penetrate deeper into existing markets to increase our customer base of auto dealers.

In addition, we generate a small amount of revenues from our automotive aftermarket services platform, which we launched in late 2011 to connect our users with national or local products and service providers. We charge these providers commissions for successfully completed transactions originating from the aftermarket services platform. We also generate a small amount of revenues from Autohome Mall, an online transaction platform that we launched in June 2014.

*Dealer Subscription Services*

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

We offer basic automobile listing services free of charge to all of our registered dealers. We had 24,507 registered dealers as of September 30, 2014, compared with 23,897, 18,609 and 12,817 registered dealers as of December 31, 2013, 2012 and 2011, respectively. Our dealer subscribers are registered dealers that have purchased subscription packages. We provide our dealer subscribers with additional tools and features to enable them to more effectively market their inventories on our websites. Our dealer subscribers grew from 2,160 in 2011 to 5,052 in 2012, 10,617 in 2013 and 16,089 in the nine months ended September 30, 2014. Our dealer subscription services revenues accounted for 12.4%, 19.1%, 26.4% and 29.8% of our net revenues in 2011, 2012, 2013 and the nine months ended September 30, 2014, respectively. We believe that our dealer subscription services revenues will continue to grow in absolute amounts and as a percentage of our net revenues in the near future, driven by our ability to increase the number of registered dealers, as well as our ability to subsequently convert registered dealers into dealer subscribers and command higher fees for different subscription packages.

*Cost of Revenues*

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

	2011		For the Year Ended December 31,					For the Nine Months Ended September 30,				
	RMB	%	2012		2013			2013		2014		
			RMB	%	RMB	US\$	%	RMB	%	RMB	US\$	%
	(in thousands, except percentages)											
	(unaudited)						(unaudited) (unaudited)					
<b>Cost of revenues:</b>												
Content related costs <sup>(1)</sup>	43,943	10.1%	62,871	8.6%	95,987	15,856	7.9%	56,995	6.9%	88,121	14,357	6.3%
Depreciation and amortization	18,739	4.3	21,978	3.0	26,439	4,367	2.2	18,813	2.3	23,143	3,770	1.7
Bandwidth and IDC costs	11,936	2.8	15,045	2.0	21,047	3,477	1.7	14,314	1.7	23,000	3,747	1.7
Value-added tax, business tax and surcharges	55,947	12.9	78,346	10.7	108,763	17,966	8.9	74,296	8.9	124,299	20,251	8.9

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<b>Total cost of revenues</b>	130,565	30.1%	178,240	24.3%	252,236	41,666	20.7%	164,418	19.8%	258,563	42,125	18.6%
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- (1) Including share-based compensation expenses of RMB3.2 million for 2011, RMB6.6 million for 2012, RMB6.5 million (US\$1.1 million) for 2013 and RMB4.9 million and RMB5.8 million (US\$0.9 million) for the nine months ended September 30, 2013 and 2014, respectively.

*Content Related Costs.* Content related costs are costs directly related to creating and editing the professionally produced content and organizing and maintaining user generated content on our websites. This mainly includes salaries and benefits, toll free telephone charges, travel and office expenses of our editorial personnel, expenses we incur in the execution of the offline portion of our advertisers' online promotions and expenses we pay to third parties for creating and publishing certain rich media content displayed on our websites. We expect our content related costs will continue to increase primarily due to our business growth. In addition, as a result of our adoption of the 2011 Plan and the 2013 Plan, our content related expenses in subsequent periods include share-based compensation expenses related to our editorial personnel.

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

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

*Value-Added Tax, or VAT, Business Tax and Surcharges.* We have been subjected to business tax, surcharges or cultural construction fees levied on our gross revenue. The business tax rate was 5% during 2011 and 2012. As a result of the pilot program introduced by the Ministry of Finance and the SAT, Shanghai Advertising and Guangzhou Advertising were required to pay VAT, instead of business tax starting January 1, 2012 and November 1, 2012, respectively. Autohome WFOE and our VIEs in Beijing were required to pay VAT instead of business tax starting September 1, 2012. The VAT rate for all these entities was 6%. Since August 2013, this pilot program has been expanded to other areas in China. Following these changes, the service fees received by Autohome WFOE from our VIEs are no longer subject to business tax and the VAT incurred by Autohome WFOE based on the services it provided to our VIEs can be deducted from the VAT payables of our VIEs. In addition, revenues from our dealer subscription services are not subject to the cultural construction fee and they as a percentage of our total net revenues increased in 2013. All these contributed to the decrease of our overall VAT, business tax and surcharges as a percentage of our total net revenues from 12.9% in 2011 to 10.7% in 2012, 8.9% in 2013 and 8.9% in the nine months ended September 30, 2014.

**Table of Contents****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 for our continuing operations in absolute amounts and as percentages of our total net revenues for the periods indicated:

	For the Year Ended December 31,						For the Nine Months Ended September 30,					
	2011		2012		2013		2013		2014			
	RMB	%	RMB	%	RMB	US\$	%	RMB	%	RMB	US\$	%
	(in thousands, except percentages)						(unaudited)		(unaudited)(unaudited)			
<b>Operating expenses:</b>												
Sales and marketing expenses <sup>(1)</sup>	67,500	15.6%	129,796	17.7%	245,228	40,509	20.2%	148,997	17.9%	338,743	55,188	24.3%
General and administrative expenses <sup>(2)</sup>	46,547	10.7	83,153	11.4	82,529	13,633	6.8	53,788	6.5	86,825	14,145	6.2
Product development expenses <sup>(3)</sup>	16,459	3.8	42,865	5.9	81,651	13,488	6.7	57,944	7.0	106,523	17,355	7.6
<b>Total operating expenses</b>	<b>130,506</b>	<b>30.1%</b>	<b>255,814</b>	<b>35.0%</b>	<b>409,408</b>	<b>67,630</b>	<b>33.7%</b>	<b>260,729</b>	<b>31.4%</b>	<b>532,091</b>	<b>86,688</b>	<b>38.1%</b>

(1) Including share-based compensation expenses of RMB1.1 million for 2011, RMB4.2 million for 2012, RMB4.4 million (US\$0.7 million) for 2013 and RMB3.2 million and RMB8.2 million (US\$1.3 million) for the nine months ended September 30, 2013 and 2014, respectively.

(2) Including share-based compensation expenses of RMB8.0 million for 2011, RMB15.7 million for 2012, RMB11.7 million (US\$1.9 million) for 2013 and RMB6.8 million and RMB15.4 million (US\$2.5 million) for the nine months ended September 30, 2013 and 2014, respectively.

(3) Including share-based compensation expenses of RMB0.5 million for 2011, RMB2.7 million for 2012, RMB3.0 million (US\$0.5 million) for 2013 and RMB2.2 million and RMB8.5 million (US\$1.4 million) for the nine months ended September 30, 2013 and 2014, respectively.

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

**General and Administrative Expenses.** Our general and administrative expenses primarily consist of personnel related expenses for management and administrative personnel. In addition, we incurred a significant amount of third-party professional services fees as we engaged auditors and legal counsel in connection with our initial public offering. Our general and administrative expenses decreased from 2012 to 2013 because of a one-off cost associated with the Company's postponement of its initial public offering in the fourth quarter of 2012, and was partially offset by an increase in salaries and benefits in 2013. However, we expect that our general and administrative expenses will increase in the future as we expand our business.

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

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### **Discontinued Operations**

In June 2011, in connection with our strategy to focus on our core automotive advertising services and dealer subscription services business, we distributed our business serving the information technology industry to Sequel Media. We then simultaneously distributed shares of Sequel Media to our shareholders on June 30, 2011. The distributed businesses have been accounted for as discontinued operations whereby the results of operations of this business have been eliminated from our results of continuing operations and reported as discontinued operations for all periods presented. We recognized a distribution to shareholders of RMB325.2 million in 2011, which included RMB94.1 million of cash balances of the distributed entities.

We reported a loss of RMB4.2 million in 2011, nil in 2012, nil in 2013 and nil in the nine months ended September 30, 2014 from discontinued operations. The operating results associated with these distributed entities have been presented as discontinued operations for all periods presented in this prospectus.

### **Taxation**

#### ***Cayman Islands***

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

#### ***British Virgin Islands***

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

#### ***Hong Kong***

Autohome HK and Autohome Media are incorporated in Hong Kong. Companies registered in Hong Kong are subject to Hong Kong profits tax on the taxable income as reported in their respective statutory financial statements adjusted in accordance with relevant Hong Kong tax laws. The applicable tax rate is 16.5% in Hong Kong. For 2011, 2012, 2013 and the nine months ended September 30, 2014, we did not make any provisions for Hong Kong profit tax as Autohome HK and Autohome Media had no assessable profits derived from or earned in Hong Kong during those years. Under the Hong Kong tax law, Autohome HK and Autohome Media are exempted from income tax on their foreign-derived income and there are no withholding taxes in Hong Kong on remittance of dividends.

#### ***PRC***

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

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

In 2010, Autohome WFOE was recognized as a high and new technology enterprise, or HNTE, effective 2010 and was eligible for a 15% preferential enterprise income tax rate effective from 2010 through 2012. The HNTE qualification is subject to an annual evaluation and a three-year review by the relevant authorities in China. We have obtained renewal of the HNTE qualification through 2015. However, should we lose this qualification for any reason, Autohome WFOE will no longer enjoy the 15% preferential tax rate, and the applicable enterprise income tax rate may increase to up to 25%.

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Our remaining PRC subsidiaries and all the VIEs were subject to EIT at a rate of 25% for 2011, 2012, 2013 and the nine months ended September 30, 2014.

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

Further, the PRC Enterprise Income Tax Law and the implementation rules provide that an income tax rate of 10% may be applicable to China-sourced income of foreign enterprises, such as dividends paid by PRC subsidiaries to their overseas parent that is not a PRC resident enterprise, which (a) do not have an establishment or place of business in the PRC or (b) have an establishment or place of business in the PRC but the relevant income is not effectively connected with the establishment or place of business, unless there are applicable treaties that reduce such rate. The implementation rules of the new PRC Enterprise Income Tax Law provide that (a) if the enterprise that distributes dividends is domiciled in the PRC, or (b) if gains are realized from transferring equity interests of enterprises domiciled in the PRC, then such dividends or capital gains are treated as China-sourced income. It is not clear how domicile may be interpreted under the PRC Enterprise Income Tax Law, and it may be interpreted as the jurisdiction where the enterprise is a tax resident. Therefore, if we are considered as a PRC tax resident enterprise for tax purposes, any dividends we pay to our overseas shareholders or ADS holders as well as gains realized by such shareholders or ADS holders from the transfer of our shares or ADSs may be regarded as China-sourced income and as a result become subject to PRC withholding tax at a rate of up to 10%, subject to reduction by an applicable treaty.

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

**Critical Accounting Policies**

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

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Some of our accounting policies require higher degrees of judgment than others in their application. When reviewing our consolidated financial statements, you should consider (a) our selection of critical accounting policies, (b) the judgment and other uncertainties affecting the application of such policies and (c) the sensitivity of reported results to changes in conditions and assumptions. For further information on our significant accounting policies, see Note 2 to our consolidated financial statements for 2011, 2012 and 2013. We consider the policies discussed below to be critical to an understanding of our consolidated financial statements as their application places significant demands on the judgment of our management. We believe the following critical accounting policies are the most significant to the presentation of our financial statements and some of which may require the most difficult, subjective and complex judgments. They should be read in conjunction with our consolidated financial statements, the risks and uncertainties described under **Risk Factors** and other disclosures included in this prospectus.

### ***Revenue Recognition***

We derive revenues primarily from advertising services and dealer subscription services. Revenues are recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed and collectability of the related fee is reasonably assured based on the guidance in the Accounting Standards Codification or ASC 605, *Revenue Recognition*.

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

#### *Advertising services*

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

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

#### *Dealer subscription services*

We provide subscription services to automobile dealers. Throughout the subscription period, the dealers can publish information such as the pricing of their products, locations and addresses and other related information on our website. Revenues are recognized ratably as services are provided over the subscription period.

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*Rebates to customers*

We provide cash incentives in the form of rebates to agency companies based on cumulative annual advertising and service volume. We estimate our obligations under such agreements based on an evaluation of the likelihood of the agency companies' achievement of the advertising and service volume targets, giving consideration to the actual activity during the incentive period and, as appropriate, evaluation of the agency companies' purchase trends and history. Estimated rebates are recorded as a reduction of revenues in the period revenues are recognized in our consolidated financial statements. We have estimated and recorded rebates to agency companies amounted to RMB109.6 million, RMB153.4 million, RMB231.1 million (US\$38.2 million) and RMB242.9 million (US\$39.6 million) for 2011, 2012, 2013 and the nine months ended September 30, 2014, respectively.

*Discontinued operations*

When a component of an entity has been disposed of and we will no longer have significant continuing involvement in the operations of the component, the results are classified as discontinued operations in the consolidated statement of comprehensive income under ASC 205-20, *Discontinued Operations*.

We determine the results of our discontinued operations by using a combination of specific identification of revenues and certain costs as well as a reasonable allocation of the remaining costs using applicable cost drivers where specific identification is not determinable.

*Income taxes*

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

Our financial instruments are primarily comprised of cash and cash equivalents, restricted cash, held-to-maturity instruments, accounts receivable, other current assets, accrued expenses and other payables, payable for

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repurchase of common stock and due to related parties. The carrying values of these financial instruments approximate their fair values due to the short-term maturity of these instruments.

***Accounts Receivable and Allowance for Doubtful Accounts***

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

***Goodwill***

Our goodwill is related to the acquisition of Cheerbright, China Topside, and Norstar, representing the excess of the purchase price over the amounts assigned to the fair value of the assets acquired and the liabilities assumed. As part of the distribution of the distributed entities to our shareholders on June 30, 2011, goodwill was allocated between the continuing operations and discontinued operations using a relative fair value approach in accordance with ASC 350-20-35-45, *Goodwill and Other Intangible Assets*.

Goodwill is tested for impairment at the reporting unit level on an annual basis at the end of each fiscal year 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 significant changes in our stock price, business environment, legal factors, financial performances, competition, or events affecting our reporting unit. Application of the goodwill impairment test requires judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, assignment of goodwill to reporting units, and determination of the fair value of each reporting unit. The estimation of fair value of a reporting unit using a discounted cash flow methodology also requires significant judgments, including estimation of future cash flows, which is dependent on internal forecasts, estimation of the long-term rate of growth for our business, estimation of the useful life over which cash flows will occur, and determination of our weighted average cost of capital. The estimates used to calculate the fair value of a reporting unit change from year to year based on operating results and market conditions. Changes in these estimates and assumptions could materially affect the determination of fair value and goodwill impairment for the reporting unit.

We adopted Accounting Standards Update ( ASU ) 2011-08, *Testing Goodwill for Impairment*, to test goodwill for impairment. This ASU permits us to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. If we determine, on the basis of qualitative factors, that the fair value of a reporting unit is more likely than not less than the carrying amount, a two-step impairment test is required. Otherwise, further testing is not needed. The first step compares the fair value of each reporting unit to its carrying amount, including goodwill. If the fair value of each reporting unit exceeds its carrying amount, goodwill is not considered to be impaired and the second step will not be required. If the carrying amount of a reporting unit exceeds its fair value, the second step compares the implied fair value of goodwill to the carrying value of a reporting unit's goodwill. The implied fair value of goodwill is determined in a manner similar to accounting for a business combination with the allocation of the assessed fair value determined in the first step to the assets and liabilities of the reporting unit. The excess of the fair value of the reporting unit over the amounts assigned to the assets and liabilities is the implied fair value of goodwill. We have an unconditional option to bypass the qualitative assessment in any period and proceed directly to performing the two-step impairment test.

Management has determined that we represent the lowest level at which goodwill is monitored for internal management purposes. Based on an assessment of the qualitative factors, management determined that it is more-likely-than-not that the fair value of the reporting unit is in excess of its carrying amount. Therefore, management concluded that it was not necessary to proceed to the two-step goodwill impairment test. No impairment loss was recorded for any of the periods presented.

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

### ***Share-based Compensation***

We account for share-based awards granted to employees under ASC 718, *Compensation Stock Compensation*, which requires that share-based awards granted to employees be measured based on the grant date fair value and recognized as compensation expense over the requisite service period (which is generally the vesting period) in the consolidated statements of comprehensive income. We have elected to recognize compensation expense using the straight-line method for all share-based awards granted with service conditions that have a graded vesting schedule. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from initial estimates. Forfeiture rate is estimated based on historical and future expectation of employee turnover rate and is adjusted to reflect future change in circumstances and facts, if any. Share-based compensation expense is recorded net of estimated forfeitures such that expense was recorded only for those share-based awards that are expected to vest.

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-based awards. For expected volatilities, we have made reference to the historical price volatilities of ordinary shares of several comparable companies in the same industry as us. For the exercise multiple, we have no historical exercise patterns as reference, thus the exercise multiple is based on our estimation, which we believe is representative of the future exercise pattern of the options. The risk-free rate for periods within the contractual life of the option is based on the U.S. treasury bills yield curve in effect at the time of grant. Subsequent to our initial public offering, we used the closing sales prices of our ADSs on the NYSE on the date of grant to determine estimated fair value of our Class A ordinary shares. Prior to our initial public offering, we determined the estimated fair value of our Class A ordinary shares, at the option grant dates, with assistance from an independent third party valuation firm. Changes in these assumptions could significantly affect the estimated fair value of our share-based awards and hence the amount of compensation expense that we recognize in our consolidated financial statements.

Prior to our initial public offering, we obtained, and our board of directors considered, reports of independent appraisers to calculate fair value.

### ***Implications of Being an Emerging Growth Company***

As a company with less than US\$1.0 billion in revenue for our last fiscal year, we qualify as an emerging growth company pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 in the assessment of the emerging growth company's internal control over financial reporting. The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. However, we have elected to opt out of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

We will remain an emerging growth company until the earliest of (a) the last day of our fiscal year during which we have total annual gross revenues of at least US\$1.0 billion; (b) December 31, 2018; (c) the date on which we have, during the previous three year period, issued more than US\$1.0 billion in nonconvertible debt; or (d) the date on which we are deemed to be a large accelerated filer under the Exchange Act, which would occur if the market value of our ADSs that are held by nonaffiliates exceeds US\$700 million as of the last business day



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of our most recently completed second fiscal quarter. Once we cease to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act discussed above that we have not previously opted out of irrevocably.

**Results of Operations**

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

	2011		For the Year Ended December 31,				For the Nine Months Ended September 30,					
	RMB	%	2012		2013		2013		2014			
			RMB	%	RMB	US\$	%	RMB	%	RMB	US\$	%
	(in thousands, except percentages)											
	(unaudited)						(unaudited)					
<b>Net revenues</b>												
Advertising services	379,666	87.6%	592,622	80.9%	894,937	147,833	73.6%	617,963	74.4%	977,805	159,304	70.2%
Dealer subscription services	53,523	12.4	139,898	19.1	321,611	53,126	26.4	212,589	25.6	416,030	67,779	29.8
<b>Total net revenues</b>	433,189	100.0	732,520	100.0	1,216,548	200,959	100.0	830,552	100.0	1,393,835	227,083	100.0
Cost of revenues <sup>(1)</sup>	(130,565)	(30.1)	(178,240)	(24.3)	(252,236)	(41,666)	(20.7)	(164,418)	(19.8)	(258,563)	(42,125)	18.6
<b>Gross profit</b>	302,624	69.9	554,280	75.7	964,312	159,293	79.3	666,134	80.2	1,135,272	184,958	81.4
<b>Operating expenses</b>												
Sales and marketing expenses <sup>(1)</sup>	(67,500)	(15.6)	(129,796)	(17.7)	(245,228)	(40,509)	(20.2)	(148,997)	(17.9)	(338,743)	(55,188)	(24.3)
General and administrative expenses <sup>(1)</sup>	(46,547)	(10.7)	(83,153)	(11.4)	(82,529)	(13,633)	(6.8)	(53,788)	(6.5)	(86,825)	(14,145)	(6.2)
Product development expenses <sup>(1)</sup>	(16,459)	(3.8)	(42,865)	(5.9)	(81,651)	(13,488)	(6.7)	(57,944)	(7.0)	(106,523)	(17,355)	(7.6)
<b>Operating profit</b>	172,118	39.8	298,466	40.7	554,904	91,663	45.6	405,405	48.8	603,181	98,270	43.3
Interest income	1,167	0.3	5,093	0.8	11,082	1,831	0.9	8,556	1.0	24,221	3,946	1.7
Interest expense					(414)	(68)		(12)				
Other income	509	0.1	310		2,884	476	0.2	2,476	0.3	871	142	0.1
<b>Income from continuing operations before income taxes</b>	173,794	40.2	303,869	41.5	568,456	93,902	46.7	416,425	50.1	628,273	102,358	45.1
Income tax expense	(38,348)	(8.9)	(90,988)	(12.4)	(112,294)	(18,550)	(9.2)	(82,940)	(10.0)	(129,150)	(21,041)	(9.3)
<b>Income from continuing operations</b>	135,446	31.3	212,881	29.1	456,162	75,352	37.5	333,485	40.1	499,123	81,317	35.8
Loss from discontinued	(4,182)	(1.0)										

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operations

Net income	131,264	30.3%	212,881	29.1%	456,162	75,352	37.5%	333,485	40.1%	499,123	81,317	35.8%
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(1) Including share-based compensation expenses as follows:

	2011		For the Year Ended December 31,						For the Nine Months Ended September 30,					
	RMB	%	2012		2013		2013		2013		2014		2014	
			RMB	%	RMB	US\$	%	RMB	%	RMB	%	RMB	US\$	%
	(in thousands, except percentages)													
							(Unaudited)		(Unaudited)		(Unaudited)			
<b>Allocation of Share-Based Compensation Expenses</b>														
Cost of revenues	3,247	0.7%	6,553	0.9%	6,534	1,079	0.5%	4,887	0.6%	5,752	937	0.4%		
Sales and marketing expenses	1,138	0.3	4,177	0.6	4,375	723	0.4	3,236	0.4	8,212	1,338	0.6		
General and administrative expenses	8,049	1.9	15,734	2.1	11,738	1,939	1.0	6,795	0.8	15,437	2,515	1.1		
Product development expenses	541	0.1	2,678	0.4	2,961	489	0.2	2,166	0.3	8,455	1,377	0.6		
Total share-based compensation expenses	12,975	3.0%	29,142	4.0%	25,608	4,230	2.1%	17,084	2.1%	37,856	6,167	2.7%		

**Nine Months Ended September 30, 2014 Compared to Nine Months Ended September 30, 2013**

**Net Revenues.** Our net revenues increased by 67.8% from RMB830.6 million in the nine months ended September 30, 2013 to RMB1,393.8 million (US\$227.1 million) in the nine months ended September 30, 2014. This increase was due to increases in both our advertising service revenues and our dealer subscription services revenues.

**Advertising services.** Our advertising services revenues increased by 58.2% from RMB618.0 million in the nine months ended September 30, 2013 to RMB977.8 million (US\$159.3 million) in the nine months ended September 30, 2014. This increase was due to our increased revenues from both automaker advertisers and dealer advertisers. Revenues from our automaker advertisers and dealer advertisers accounted for 73.8% and 26.2%, respectively, of our total advertising services revenues in the nine months ended September 30, 2014. Revenues from our automaker advertisers and dealer advertisers accounted for 81.2% and 18.8%, respectively, of our total advertising services revenues in the nine months ended September 30, 2013.

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

**Dealer subscription services.** Dealer subscription services revenues increased by 95.7% from RMB212.6 million in the nine months ended September 30, 2013 to RMB416.0 million (US\$67.8 million) in the nine months ended September 30, 2014. The increase in dealer subscription services revenues was mainly due to (i) an increase in the number of paying subscribers, which in turn was a result of our expansion into new geographic markets and deeper penetration into existing markets and (ii) an increase in average revenues per paying subscribers as dealers continue to allocate a greater portion of their budget to subscribe to our services and an increase in the rates for our dealer subscription services. We sold dealer subscription services to 16,089 dealers in the nine months ended September 30, 2014, compared with 9,320 dealers in the nine months ended September 30, 2013.

**Cost of Revenues.** Our cost of revenues increased by 57.3% from RMB164.4 million in the nine months ended September 30, 2013 to RMB258.6 million (US\$42.1 million) in the nine months ended September 30,

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2014, primarily due to increases in VAT, business tax and surcharges, content related costs, bandwidth and IDC costs and depreciation.

*Content Related Costs.* Our content related costs increased by 54.6% from RMB57.0 million in the nine months ended September 30, 2013 to RMB88.1 million (US\$14.4 million) in the nine months ended September 30, 2014, primarily due to an increase in salaries and benefits of our editorial personnel and an increase in toll free telephone charges due to the increase of sales leads generated for dealer subscribers. Our content related costs included share-based compensation expenses, which increased from RMB4.9 million in the nine months ended September 30, 2013 to RMB5.8 million (US\$0.9 million) in the nine months ended September 30, 2014.

*Depreciation and Amortization.* Our depreciation and amortization expenses increased by 23.0% from RMB18.8 million in the nine months ended September 30, 2013 to RMB23.1 million (US\$3.8 million) in the nine months ended September 30, 2014, primarily due to an increase in depreciation expense related to servers that were mainly purchased after September 30, 2013, partially offset by a decrease in amortization of acquired intangible assets, including customer relationships and domain names.

*Bandwidth and IDC Costs.* Our bandwidth and IDC costs increased by 60.7% from RMB14.3 million in the nine months ended September 30, 2013 to RMB23.0 million (US\$3.7 million) in the nine months ended September 30, 2014, primarily due to increased bandwidth and IDC requirements to fulfill the growth of our user traffic and improve our users' experience.

*VAT, Business Tax and Surcharges.* We are subject to VAT, business tax and surcharges on external services as well as services provided by our PRC subsidiaries to our VIEs. Since the implementation of the VAT Pilot Program, the service fees received by Autohome WFOE from our VIEs are no longer subject to business tax and the VAT incurred by Autohome WFOE based on the services it provided to our VIEs is deductible from the VAT payables of our VIEs. VAT, business taxes and related surcharges increased by 67.3% from RMB74.3 million for the nine months ended September 30, 2013 to RMB124.3 million (US\$20.3 million) for the nine months ended September 30, 2014, as a result of increased revenues.

*Operating Expenses.* Our operating expenses increased by 104.1% from RMB260.7 million in the nine months ended September 30, 2013 to RMB532.1 million (US\$86.7 million) in the nine months ended September 30, 2014, primarily due to increases in sales and marketing expenses, general and administrative expenses and product development expenses. As a percentage of net revenues, operating expenses increased from 31.4% in the nine months ended September 30, 2013 to 38.1% in the nine months ended September 30, 2014.

*Sales and Marketing Expenses.* Our sales and marketing expenses increased by 127.3% from RMB149.0 million in the nine months ended September 30, 2013 to RMB338.7 million (US\$55.2 million) in the nine months ended September 30, 2014. This increase was primarily due to (i) an increase in marketing expenses in connection with the promotion of our brands through search engines, mobile platforms and navigation sites, for example, we have entered into an arrangement with Baidu for a 12-month period starting from July 1, 2014, for enhanced automotive-related content search results on PCs powered by Aladdin, Baidu's open platform initiative and have cooperated with application stores and mobile browsers to promote our mobile applications and our websites, and (ii) an increase in salaries and benefits, resulting from our increased sales and marketing headcount and the hiring of senior personnel to oversee our sales and marketing activities as well as more experienced sales persons to provide better service and support to our important customers. As a percentage of net revenues, sales and marketing expenses increased from 17.9% in the nine months ended September 30, 2013 to 24.3% in the nine months ended September 30, 2014. Our sales and marketing expenses in the nine months ended September 30, 2014 included share-based compensation expenses of RMB8.2 million (US\$1.3 million), compared to RMB3.2 million in the nine months ended September 30, 2013.

*General and Administrative Expenses.* Our general and administrative expenses increased by 61.4% from RMB53.8 million in the nine months ended September 30, 2013 to RMB86.8 million (US\$14.1 million) in the nine months ended September 30, 2014. This increase was primarily due to increases in salaries and benefits and

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share-based compensation expenses, in line with an increase in administrative headcount. As a percentage of net revenues, general and administrative expenses decreased from 6.5% in the nine months ended September 30, 2013 to 6.2% in the nine months ended September 30, 2014. Our general and administrative expenses for the nine months ended September 30, 2014 included share-based compensation expenses of RMB15.4 million (US\$2.5 million), compared to RMB6.8 million in the nine months ended September 30, 2013.

*Product Development Expenses.* Our product development expenses increased by 83.8% from RMB57.9 million in the nine months ended September 30, 2013 to RMB106.5 million (US\$17.4 million) in the nine months ended September 30, 2014, primarily due to an increase in salaries and benefits in line with an increase in the number of product development personnel including additional senior engineers to enhance our product development capabilities, especially in our growth initiatives, such as mobile platforms. As a percentage of net revenues, product development expenses increased from 7.0% in the nine months ended September 30, 2013 to 7.6% in the nine months ended September 30, 2014. Our product development expenses for the nine months ended September 30, 2014 included share-based compensation expenses of RMB8.5 million (US\$1.4 million), compared to RMB2.2 million in the nine months ended September 30, 2013.

*Income from continuing operations before Income Tax Expenses.* Our income from continuing operations before income taxes increased by 50.9% from RMB416.4 million in the nine months ended September 30, 2013 to RMB628.3 million (US\$102.4 million) in the nine months ended September 30, 2014.

*Income Tax Expenses.* We incurred income tax expenses of RMB129.2 million (US\$21.0 million) in the nine months ended September 30, 2014, compared with RMB82.9 million in the nine months ended September 30, 2013, primarily due to the growth of our income from continuing operations before income tax expenses. As a percentage of our income from continuing operations before income tax expenses, our income tax expenses were 10.0% in the nine months ended September 30, 2013 and 9.3% in the nine months ended September 30, 2014.

*Net Income.* As a result of the foregoing, we had net income of RMB499.1 million (US\$81.3 million) in the nine months ended September 30, 2014, compared with net income of RMB333.5 million in the nine months ended September 30, 2013.

***Year Ended December 31, 2013 Compared to Year Ended December 31, 2012***

*Net Revenues.* Our net revenues increased by 66.1% from RMB732.5 million in 2012 to RMB1,216.5 million (US\$201.0 million) in 2013. This increase was due to increases in both our advertising service revenues and our dealer subscription services revenues.

*Advertising services.* Our advertising services revenues increased by 51.0% from RMB592.6 million in 2012 to RMB894.9 million (US\$147.8 million) in 2013, due to our increased revenues from both automaker advertisers and dealer advertisers. Revenues from our automaker advertisers and dealer advertisers accounted for 78.7% and 21.3%, respectively, of our total advertising services revenues in 2013. Revenues from our automaker advertisers and dealer advertisers accounted for 81.9% and 18.1%, respectively, of our total advertising services revenues in 2012.

The increase in revenues from our automaker advertisers was primarily attributable to the increased average revenues per automaker advertiser. Our average revenues per automaker advertiser increased by 48.8% in 2013, compared with that in 2012, mainly because we increased the rates for our advertising services as measured by the price per advertisement per day at a given location on our websites. We sold advertising services to 77 and 75 automakers in 2012 and 2013, respectively. The increase in our automaker advertising services revenues was also driven by an increase in the total advertising volume purchased by automakers.

The increase in dealer advertising services revenue was mainly attributable to an increase in the advertising volume purchased by dealer advertisers as a result of our expansion into new geographical markets and our

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deeper penetration into existing markets, together with an increase in the rates for our advertising services. The increase in our dealer advertising services revenues was also due to increased marketing campaigns conducted by automakers' regional sales offices to help dealers meet their sales targets.

*Dealer subscription services.* Dealer subscription services revenues increased by 129.9% from RMB139.9 million in 2012 to RMB321.6 million (US\$53.1 million) in 2013. The increase in dealer subscription services revenues was mainly due to an increase in the number of our dealer subscribers, which in turn was a result of our expansion into new geographic markets and our deeper penetration into existing markets. We sold dealer subscription services to 10,617 dealers in 2013, compared with 5,052 dealers in 2012.

*Cost of Revenues.* Our cost of revenues increased by 41.5% from RMB178.2 million in 2012 to RMB252.2 million (US\$41.7 million) in 2013, primarily due to an increase in VAT, business tax and surcharges, content related costs, bandwidth and IDC costs and depreciation.

*Content Related Costs.* Our content related costs increased by 52.7% from RMB62.9 million in 2012 to RMB96.0 million (US\$15.9 million) in 2013, primarily due to an increase in salaries and benefits payments to our editorial and testing personnel, which in turn was primarily due to a moderate increase in average compensation levels as well as increased editorial headcount. Our content related costs included share-based compensation expenses, which decreased slightly from RMB6.6 million in 2012 to RMB6.5 million (US\$1.1 million) in 2013.

*Depreciation and Amortization.* Our depreciation and amortization expenses increased by 20.3% from RMB22.0 million in 2012 to RMB26.4 million (US\$4.4 million) in 2013, primarily due to an increase in depreciation expenses related to servers that were purchased in 2013, partially offset by a decrease in the amortization of acquired intangible assets, which mainly are our customer relationships and websites.

*Bandwidth and IDC Costs.* Our bandwidth and IDC costs increased by 39.9% from RMB15.0 million in 2012 to RMB21.0 million (US\$3.5 million) in 2013, primarily due to increased bandwidth and IDC requirements to fulfill the growth of our user traffic and improve our users experience.

*VAT, Business Tax and Surcharges.* We are subject to VAT, business tax and surcharges on external services as well as services provided by our PRC subsidiaries to our VIEs. Since the implementation of the VAT Pilot Program, the service fees received by Autohome WFOE from our VIEs are no longer subject to business tax and the VAT incurred by Autohome WFOE based on the services it provided to our VIEs are deductible from the VAT payables of our VIEs. VAT, business taxes and related surcharges increased by 38.8% from RMB78.3 million for 2012 to RMB108.8 million (US\$18.0 million) for 2013, as a result of increased revenues, partially offset by the decrease in the VAT, business tax and surcharges as a percentage of our net revenues due to the VAT Pilot Program.

*Operating Expenses.* Our operating expenses increased by 60.0% from RMB255.8 million in 2012 to RMB409.4 million (US\$67.6 million) in 2013, primarily due to increases in sales and marketing expenses and product development expenses. As a percentage of net revenues, operating expenses in 2013 decreased to 33.7% from 35.0% in 2012.

*Sales and Marketing Expenses.* Our sales and marketing expenses increased by 88.9% from RMB129.8 million in 2012 to RMB245.2 million (US\$40.5 million) in 2013. This increase was primarily due to (i) an increase in salaries and benefits, which in turn was primarily due to our increased sales and marketing headcount and hire of more experienced sales persons to provide better service and support to our important customers, and (ii) an increase in our marketing expenses in connection with the promotion of our brands through online media and the sales promotion activity held on November 11, 2013 (being a popular online shopping festival in China). As a percentage of net revenues, sales and marketing expenses in 2013 increased to 20.2%

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from 17.7% in 2012. Our sales and marketing expenses in 2013 included share-based compensation expenses of RMB4.4 million (US\$0.7 million), compared to RMB4.2 million in 2012.

*General and Administrative Expenses.* Our general and administrative expenses were RMB82.5 million (US\$13.6 million) in 2013, which is roughly the same level of general and administrative expenses of RMB83.2 million we incurred in 2012. As a percentage of net revenues, general and administrative expenses in 2013 decreased to 6.8% from 11.4% in 2012. The marginal decrease was attributable to a one-off cost associated with our postponement of our initial public offering process in the fourth quarter of 2012, which was partially offset by an increase in salaries and benefits in 2013. Our general and administrative expenses for 2013 included share-based compensation expenses of RMB11.7 million (US\$1.9 million), compared to RMB15.7 million in 2012.

*Product Development Expenses.* Our product development expenses increased by 90.5% from RMB42.9 million in 2012 to RMB81.7 million (US\$13.5 million) in 2013, primarily due to an increase in salaries and benefits payments as we recruited more product development personnel. As a percentage of net revenues, product development expenses in 2013 increased to 6.7% from 5.9% in 2012. Our product development expenses for 2013 included share-based compensation expenses of RMB3.0 million (US\$0.5 million), compared to RMB2.7 million in 2012.

*Income from continuing operations before Income Tax Expenses.* Our income from continuing operations before income taxes increased by 87.1% to RMB568.5 million (US\$93.9 million) in 2013 from RMB303.9 million in 2012.

*Income Tax Expenses.* We incurred income tax expenses of RMB112.3 million (US\$18.6 million) in 2013, compared with RMB91.0 million in 2012, primarily due to the growth of our income from continuing operations before income tax expenses. As a percentage of our income from continuing operations before income tax expenses, our income tax expenses were 19.8% in 2013, decreased from 29.9% in 2012, primarily due to the accrued withholding tax of RMB26.6 million on our dividend distribution in May 2012.

*Net Income.* As a result of the foregoing, we had net income of RMB456.2 million (US\$75.4 million) in 2013, compared with net income of RMB212.9 million in 2012.

***Year Ended December 31, 2012 Compared to Year Ended December 31, 2011***

*Net Revenues.* Our net revenues increased by 69.1% from RMB433.2 million in 2011 to RMB732.5 million in 2012. This increase was due to an increase in both our advertising services revenues and our dealer subscription services revenues.

*Advertising services.* Our advertising services revenues increased by 56.1% from RMB379.7 million in 2011 to RMB592.6 million in 2012, due to our increased revenues from both automaker advertisers and dealer advertisers. Revenues from our automaker advertisers and dealer advertisers accounted for 81.9% and 18.1%, respectively, of our total advertising services revenues in 2012. Revenues from our automaker advertisers and dealer advertisers accounted for 85.2% and 14.8%, respectively, of our total advertising services revenues in 2011.

The increase in revenues from our automaker advertisers was primarily attributable to the increased average revenues per automaker advertiser. Our average revenues per automaker advertiser increased by 40.3% in 2012, as compared with that in 2011, mainly because we increased the rates for our advertising services as measured by the price per advertisement per day at a given location on our websites. We sold advertising services to 77 automakers in 2012, compared to 72 automakers in 2011. The increase in our automaker advertising services revenues was also driven by an increase in the advertising volume purchased by automakers.

The increase in dealer advertising services revenue was mainly attributable to an increase in the advertising volume purchased by dealer advertisers as a result of our expansion into new geographical markets and our

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deeper penetration into existing markets, together with an increase in the rates for our advertising services. The increase in our dealer advertising services revenues was also due to increased marketing campaigns conducted by automakers' regional sales offices to help dealers meet their sales targets, which was treated as dealer advertising for our accounting purpose.

*Dealer subscription services.* Dealer subscription services revenues increased by 161.5% from RMB53.5 million in 2011 to RMB139.9 million in 2012. The increase in dealer subscription services revenues was mainly due to an increase in the number of our registered dealers and an increasingly high percentage of them converting into our dealer subscribers, which in turn was a result of our expansion into new geographic markets and our deeper penetration into existing markets. We sold dealer subscription services to 5,052 dealers in 2012, compared with 2,160 dealers in 2011.

*Cost of Revenues.* Our cost of revenues increased by 36.5% from RMB130.6 million in 2011 to RMB178.2 million in 2012, primarily due to an increase in content related costs, VAT, business tax and surcharges and depreciation.

*Content Related Costs.* Our content related costs increased by 43.1% from RMB43.9 million in 2011 to RMB62.9 million in 2012, primarily due to an increase in salaries and benefits payments to our editorial and testing personnel, which in turn was primarily due to a moderate increase in average compensation levels as well as increased editorial headcount. Our content related costs included share-based compensation expenses of RMB6.6 million, compared to RMB3.2 million in 2011, in connection with awards granted under the 2011 Share Incentive Plan to our editorial personnel.

*Depreciation and Amortization.* Our depreciation and amortization expenses increased by 17.3% from RMB18.7 million in 2011 to RMB22.0 million in 2012, primarily due to an increase in depreciation expenses related to servers that were purchased in 2012, partially offset by a decrease in the amortization of acquired intangible assets, mainly our websites.

*Bandwidth and IDC Costs.* Our bandwidth and IDC costs increased by 26.0% from RMB11.9 million in 2011 to RMB15.0 million in 2012, primarily due to increased bandwidth and IDC requirements to handle the growth of our user traffic and improve our users' experience.

*VAT, Business Tax and Surcharges.* We are subject to VAT, business tax and surcharges on external services as well as services provided by Autohome WFOE to our VIEs. Since the implementation of the VAT Pilot Program, the service fees received by Autohome WFOE from our VIEs are no longer subject to business tax and the VAT incurred by Autohome WFOE based on the services it provided to our VIEs can be deducted from the VAT payables of our VIEs. VAT, business taxes and related surcharges increased by 40.0% from RMB55.9 million for 2011 to RMB78.3 million for 2012, as a result of increased revenues.

*Operating Expenses.* Our operating expenses increased by 96.0% from RMB130.5 million in 2011 to RMB255.8 million in 2012, due to increases in sales and marketing expenses, general and administrative expenses and product development expenses. As a percentage of net revenues, operating expenses in 2012 increased to 35.0% from 30.1% in 2011.

*Sales and Marketing Expenses.* Our sales and marketing expenses increased by 92.3% from RMB67.5 million in 2011 to RMB129.8 million in 2012. This increase was primarily due to (i) an increase in our marketing expenses in connection with the promotion of our brands through other online media, and (ii) an increase in salaries and benefits, which in turn was primarily due to our increased sales and marketing headcount. As a percentage of net revenues, sales and marketing expenses in 2012 increased to 17.7% from 15.6% in 2011. Our sales and marketing expenses for 2012 included share-based compensation expenses of RMB4.2 million, compared to RMB1.1 million in 2011.

*General and Administrative Expenses.* Our general and administrative expenses increased by 78.6% from RMB46.5 million in 2011 to RMB83.2 million in 2012. This increase was attributable to increased salaries and



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other benefits expenses related to increased general and administrative headcount, and an increase in professional service fees and office expenses. As a percentage of net revenues, general and administrative expenses in 2012 increased to 11.4% from 10.7% in 2011. Our general and administrative expenses for 2012 included share-based compensation expenses of RMB15.7 million, compared to RMB8.0 million in 2011.

*Product Development Expenses.* Our product development expenses increased by 160.4% from RMB16.5 million in 2011 to RMB42.9 million in 2012, primarily due to an increase in salaries and benefits payments as we recruited more product development personnel. As a percentage of net revenues, product development expenses in 2012 increased to 5.9% from 3.8% in 2011. Our product development expenses for 2012 included share-based compensation expenses of RMB2.7 million, compared to RMB0.5 million in 2011.

*Income from Continuing Operations before Income Tax Expenses.* Our income from continuing operations before income taxes increased by 74.8% to RMB303.9 million in 2012 from RMB173.8 million in 2011.

*Income Tax Expenses.* We incurred income tax expenses of RMB91.0 million in 2012, compared with RMB38.3 million in 2011, primarily due to the growth of our income from continuing operations before income taxes. As a percentage of our income from continuing operations before income tax expenses, our income tax expenses were 29.9% in 2012, increased from 22.1% in 2011, primarily due to the accrued withholding tax of RMB26.6 million on dividends that were declared in May 2013 and an increase in nondeductible expenses.

*Income from Continuing Operations.* As a result of the foregoing, our income from continuing operations increased by 57.2% to RMB212.9 million in 2012 from RMB135.4 million in 2011.

*Loss from Discontinued Operations.* We recorded a loss from discontinued operations of RMB4.2 million in 2011. We did not have discontinued operations in 2012.

*Net Income.* As a result of the foregoing, we had net income of RMB212.9 million in 2012, compared with net income of RMB131.3 million in 2011.

**Table of Contents****Selected Quarterly Results of Operations**

The following table sets forth our unaudited condensed consolidated quarterly results of operations for each of the eight quarters from October 1, 2012 to September 30, 2014. You should read the following table in conjunction with our consolidated financial statements and the related notes included elsewhere in this prospectus. We have prepared the unaudited condensed consolidated quarterly results of operations on the same basis as our audited consolidated financial statements. The unaudited condensed consolidated quarterly results of operations includes all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair presentation of our operating results for the quarters presented.

	December 31, 2012	March 31, 2013	For the Three Months Ended				September 30, 2014	September 30, 2014
			September 30, 2013	December 31, 2013	March 31, 2014	June 30, 2014		
(in thousands of RMB, unaudited)								
<b>Selected consolidated statement of comprehensive income data</b>								
<b>Net revenues:</b>								
Advertising services	177,187	148,803	227,900	241,260	276,974	225,920	366,213	385,672
Dealer subscription services	44,568	55,553	67,061	89,975	109,022	116,067	140,569	159,394
Total net revenues	221,755	204,356	294,961	331,235	385,996	341,987	506,782	545,066
Cost of revenues <sup>(1)</sup>	(49,180)	(41,557)	(57,824)	(65,037)	(87,818)	(68,416)	(93,484)	(96,663)
Gross profit	172,575	162,799	237,137	266,198	298,178	273,571	413,298	448,403
<b>Operating expenses:</b>								
Sales and marketing expenses <sup>(1)</sup>	(45,390)	(37,014)	(54,741)	(57,242)	(96,231)	(66,405)	(94,984)	(177,354)
General and administrative expenses <sup>(1)</sup>	(33,265)	(17,919)	(16,746)	(19,123)	(28,741)	(29,528)	(29,752)	(27,545)
Product development expenses <sup>(1)</sup>	(13,645)	(15,881)	(19,770)	(22,293)	(23,707)	(29,353)	(35,252)	(41,918)
Operating profit	80,275	91,985	145,880	167,540	149,499	148,285	253,310	201,586
Interest income	1,986	2,703	3,738	2,115	2,526	5,624	8,784	9,813
Interest expense				(12)	(402)			
Other income (expense)		(3)	2,416	63	408	(53)	(31)	955
Income before income taxes	82,261	94,685	152,034	169,706	152,031	153,856	262,063	212,354
Income tax expense	(38,943)	(19,674)	(29,785)	(33,481)	(29,354)	(31,941)	(55,761)	(41,448)
Net income	43,318	75,011	122,249	136,225	122,677	121,915	206,302	170,906
Other comprehensive income (loss), net of tax	583	124	473	(16)	822	6,303	137	(134)
Comprehensive income	43,901	75,135	122,722	136,209	123,499	128,218	206,439	170,772
<b>Non-GAAP Measures<sup>(2)</sup></b>								
Adjusted net income	52,912	82,974	130,382	141,533	132,340	136,895	219,570	183,929
Adjusted EBITDA	96,987	108,027	165,744	182,067	170,438	177,150	284,045	234,860

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

	December 31, 2012	March 31, 2013	June 30, 2013	For the Three Months Ended			June 30, 2014	September 30, 2014
				September 30, 2013	December 31, 2013	March 31, 2014		
(in thousands of RMB, unaudited)								

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<b>Allocation of Share-based Compensation Expenses</b>								
Cost of revenues	1,647	1,611	1,629	1,647	1,647	1,712	2,331	1,709
Sales and marketing expenses	1,050	1,063	1,035	1,138	1,139	1,548	3,314	3,350
General and administrative expenses	4,634	3,039	3,166	590	4,943	6,602	4,500	4,335
Product development expenses	672	659	712	795	795	3,980	1,984	2,491
<b>Total share-based compensation expenses</b>	<b>8,003</b>	<b>6,372</b>	<b>6,542</b>	<b>4,170</b>	<b>8,524</b>	<b>13,842</b>	<b>12,129</b>	<b>11,885</b>

(2) For a reconciliation of our non-GAAP measures to the GAAP measure of selected quarterly results of operations, see [Non-GAAP Financial Measures](#). The growth of our quarterly net revenues was primarily driven by the increases in advertising services over the eight quarters from October 1, 2012 to September 30, 2014. Such increases were mainly attributable to the

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increased average revenues per automaker advertiser, as well as the increase in the advertising services revenues from our dealer advertisers resulting from increased advertising volume purchased by dealer advertisers, increased rates for our advertising services and increased online advertising budgets that automakers provided to their dealers. The increases in net revenues also reflected the growth of our dealer subscription services. The number of our dealer subscribers continued to increase as a result of our expansion into new geographic markets and our deeper penetration into existing markets.

Seasonal fluctuations have affected, and are likely to continue to affect, our business. We generally generate less revenues from advertising services and dealer subscription services in the first quarter of each year due to the Chinese New Year holidays and reduced customer activities during this period. Our advertising services typically increase in the second quarter as automakers increase marketing activities in connection with China's major auto shows, and in the fourth quarter as advertisers seek to complete year-end marketing campaigns. Our cost of revenue, sales and marketing expenses and general and administrative expenses tend to follow the trend of our business growth. We may experience fluctuations in our quarterly results of operations after this offering, for the reasons given above or other reasons, which may be significant. See also **Risk Factors** **Risks Related to Our Business and Industry**. Our business is subject to fluctuations, which makes our results of operations difficult to predict and may cause our quarterly results of operations to fall short of expectations.

## **Non-GAAP Financial Measures**

To supplement net income from continuing operations presented in accordance with U.S. GAAP, we use adjusted net income and adjusted EBITDA as non-GAAP financial measures. We define adjusted net income as income from continuing operations excluding share-based compensation expenses and amortization expenses of intangible assets related to acquisitions. We define adjusted EBITDA as income from continuing operations before income tax expense (benefit), depreciation expenses of property and equipment and amortization expenses of intangible assets and interest expense, excluding share-based compensation expenses. We present these non-GAAP financial measures because they are used by our management to evaluate our operating performance, in addition to net income from continuing operations prepared in accordance with U.S. GAAP.

Adjusted net income and adjusted EBITDA have material limitations as analytical tools. One of the limitations of using these non-GAAP financial measures is that they do not include share-based compensation expenses, which are and will continue to be a recurring expense in our business. Furthermore, because adjusted EBITDA and adjusted net income are not calculated in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies. In light of the foregoing limitations, you should not consider adjusted net income or adjusted EBITDA as a substitute for, or superior to, income from continuing operations prepared in accordance with U.S. GAAP. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

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We compensate for these limitations by relying primarily on our U.S. GAAP results and using adjusted net income and adjusted EBITDA only as supplemental measures. Our adjusted net income and adjusted EBITDA are calculated as follows for the periods presented:

	2010 RMB	For the Year Ended December 31,				For the Nine Months Ended September 30,		
		2011 RMB	2012 RMB	2013 RMB US\$ (in thousands)		2013 RMB (unaudited)	2014 RMB (unaudited)	2014 US\$ (unaudited)
Income from continuing operations	80,426	135,446	212,881	456,162	75,352	333,485	499,123	81,317
Plus: amortization of acquired intangible assets of Cheerbright, China Topside and Norstar	15,113	13,114	9,739	5,459	902	4,320	3,415	556
Plus: share-based compensation expenses		12,975	29,142	25,608	4,230	17,084	37,856	6,167
<b>Adjusted net income</b>	95,539	161,535	251,762	487,229	80,484	354,889	540,394	88,040
Income from continuing operations	80,426	135,446	212,881	456,162	75,352	333,485	499,123	81,317
Plus: income tax expense	15,853	38,348	90,988	112,294	18,550	82,940	129,150	21,041
Plus: depreciation of property and equipment	1,875	6,347	14,301	25,548	4,220	17,647	25,350	4,130
Plus: amortization of intangible assets	15,238	13,768	10,203	6,250	1,032	4,670	4,576	746
Plus: interest expense				414	68	12		
EBITDA	113,392	193,909	328,373	600,668	99,222	438,754	658,199	107,234
Plus: share-based compensation expenses		12,975	29,142	25,608	4,230	17,084	37,856	6,167
<b>Adjusted EBITDA</b>	113,392	206,884	357,515	626,276	103,452	455,838	696,055	113,401

Our adjusted net income and adjusted EBITDA for our selected quarterly results of operations are calculated as follows:

	December 31, 2012		March 31, 2013		June 30, 2013		September 30, 2013		December 31, 2013		March 31, 2014		June 30, 2014		September 30, 2014	
	(in thousands of RMB, unaudited)															
Net income	43,318	75,011	122,249	136,225	122,677	121,915	206,302	170,906								
Plus: amortization of acquired intangible assets of Cheerbright, China Topside and Norstar	1,591	1,591	1,591	1,138	1,139	1,138	1,139	1,138								
Plus: share-based compensation expenses	8,003	6,372	6,542	4,170	8,524	13,842	12,129	11,885								
<b>Adjusted net income</b>	52,912	82,974	130,382	141,533	132,340	136,895	219,570	183,929								
Net income	43,318	75,011	122,249	136,225	122,677	121,915	206,302	170,906								
Plus: income tax expense																