

Autohome Inc.  
Form 20-F  
March 27, 2015  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 20-F**

(Mark One)

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

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

For the fiscal year ended December 31, 2014

**OR**

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

**OR**

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

Date of event requiring this shell company report \_\_\_\_\_

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-36222

## **Autohome Inc.**

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

**Cayman Islands**

(Jurisdiction of incorporation or organization)

**10th Floor Tower B, CEC Plaza**

**3 Dan Ling Street**

**Haidian District, Beijing 100080**

**The People's Republic of China**

(Address of principal executive offices)

**Nicholas Yik Kay Chong**

**Chief Financial Officer**

**Tel: +86 (10) 5985-7001**

**E-mail: ir@autohome.com.cn**

**Fax: +86 (10) 5985-7387**

**10th Floor Tower B, CEC Plaza**

**3 Dan Ling Street**

**Haidian District, Beijing 100080**

**The People's Republic of China**

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

Edgar Filing: Autohome Inc. - Form 20-F

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

<b>Title of Each Class</b>	<b>Name of Exchange on Which Registered</b>
<b>Class A ordinary shares, par value US\$0.01 per share</b>	<b>The New York Stock Exchange*</b>

\* Not for trading, but only in connection with the listing on The New York Stock Exchange of the American depository shares ( ADSs ). Currently, one ADS represents 1 Class A ordinary share.

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

**None**

(Title of Class)

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

**None**

(Title of Class)

Indicate the number of outstanding shares of each of the Issuer's classes of capital or common stock as of the close of the period covered by the annual report. **48,777,835 Class A ordinary shares, par value US\$0.01 per share, and 61,824,328 Class B ordinary shares, par value US\$0.01 per share, were outstanding as of December 31, 2014.**

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

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

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

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

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

Large accelerated filer  Accelerated filer  Non-accelerated filer

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

Edgar Filing: Autohome Inc. - Form 20-F

U.S. GAAP  International Financial Reporting Standards as issued

Other

by the International Accounting Standards Board

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

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

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

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

Table of Contents**TABLE OF CONTENTS**

<u>INTRODUCTION</u>	1
<u>FORWARD-LOOKING STATEMENTS</u>	1
<u>PART I</u>	2
<u>ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS</u>	2
<u>ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE</u>	2
<u>ITEM 3. KEY INFORMATION</u>	2
<u>ITEM 4. INFORMATION ON THE COMPANY</u>	35
<u>ITEM 4A. UNRESOLVED STAFF COMMENTS</u>	56
<u>ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS</u>	56
<u>ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES</u>	73
<u>ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS</u>	84
<u>ITEM 8. FINANCIAL INFORMATION</u>	88
<u>ITEM 9. THE OFFER AND LISTING</u>	88
<u>ITEM 10. ADDITIONAL INFORMATION</u>	89
<u>ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	102
<u>ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES</u>	103
<u>PART II</u>	106
<u>ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES</u>	106
<u>ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS</u>	106
<u>ITEM 15. CONTROLS AND PROCEDURES</u>	106
<u>ITEM 16. RESERVED</u>	108
<u>ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT</u>	108
<u>ITEM 16B. CODE OF ETHICS</u>	108
<u>ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES</u>	108
<u>ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES</u>	109
<u>ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS</u>	109
<u>ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT</u>	109
<u>ITEM 16G. CORPORATE GOVERNANCE</u>	109
<u>ITEM 16H. MINE SAFETY DISCLOSURE</u>	109
<u>PART III</u>	110
<u>ITEM 17. FINANCIAL STATEMENTS</u>	110
<u>ITEM 18. FINANCIAL STATEMENTS</u>	110
<u>ITEM 19. EXHIBITS</u>	110

**Table of Contents**

**INTRODUCTION**

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

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

CAGR refers to compound annual growth rate;

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

ordinary shares are our ordinary shares, par value US\$0.01 per share, before our initial public offering, or IPO, and our Class A and Class B ordinary shares, par value US\$0.01 per share, after our initial public offering;

RMB and Renminbi are to the legal currency of China;

we, us, our, our company and the Company are to Autohome Inc., its predecessors, subsidiaries and various interest entities, or VIEs;

U.S. GAAP refers to generally accepted accounting principles in the United States; and

\$, dollars, US\$ or U.S. dollars refers to the legal currency of the United States.

**FORWARD-LOOKING STATEMENTS**

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

You can identify some of these forward-looking statements by words or phrases such as may, will, expect, anticipate, aim, estimate, intend, plan, believe, is/are likely to, potential, continue or other similar expressions. We base 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 condition and results of operations;

our ability to further enhance our brand recognition;

our ability to attract, retain and motivate key personnel;

competition in our industry in China; and

relevant government policies and regulations relating to our industry.

---

**Table of Contents**

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Other sections of this annual report include additional factors that could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. You should read thoroughly this annual report and the documents that we refer to with the understanding that our actual future results may be materially different from, or worse than, what we expect. We qualify all of our forward-looking statements by these cautionary statements.

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

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

**PART I**

**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS**

Not applicable.

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable.

**ITEM 3. KEY INFORMATION**

**A. Selected Financial Data**

The following tables present the selected consolidated financial information for our company. Our selected consolidated statement of comprehensive income data presented below for the years ended December 31, 2012, 2013 and 2014 and our selected consolidated balance sheet data as of December 31, 2013 and 2014 have been derived from our consolidated financial statements, which are included in this annual report beginning on page F-1. Our selected consolidated balance sheet data as of December 31, 2010, 2011 and 2012 and the selected consolidated statement of



comprehensive income data for 2010 and 2011 presented below have been derived from our consolidated financial statements not included in this annual report. Our historical results for any period are not necessarily indicative of results to be expected for any future period. You should read the following selected financial data in conjunction with the consolidated financial statements and related notes and the information under Item 5. Operating and Financial Review and Prospects in this annual report. Our audited consolidated financial statements are prepared and presented in accordance with U.S. GAAP.

**Table of Contents**

	For the Year Ended December 31,					
	2010	2011	2012	2013	2014	
	RMB	RMB	RMB	RMB	RMB	US\$
	(in thousands, except for number of shares and per share data)					
<b>Selected Consolidated Statement of Comprehensive Income Data:</b>						
<b>Net revenues</b>						
Advertising services	235,415	379,666	592,622	894,937	1,499,516	241,678
Dealer subscription services	17,519	53,523	139,898	321,611	633,433	102,091
<b>Total net revenues</b>	<b>252,934</b>	<b>433,189</b>	<b>732,520</b>	<b>1,216,548</b>	<b>2,132,949</b>	<b>343,769</b>
Cost of revenues <sup>(1)</sup>	(83,897)	(130,565)	(178,240)	(252,236)	(381,498)	(61,486)
<b>Gross profit</b>	<b>169,037</b>	<b>302,624</b>	<b>554,280</b>	<b>964,312</b>	<b>1,751,451</b>	<b>282,283</b>
<b>Operating expenses</b>						
Sales and marketing expenses <sup>(1)</sup>	(48,712)	(67,500)	(129,796)	(245,228)	(559,070)	(90,106)
General and administrative expenses <sup>(1)</sup>	(17,951)	(46,547)	(83,153)	(82,529)	(129,751)	(20,912)
Product development expenses <sup>(1)</sup>	(6,205)	(16,459)	(42,865)	(81,651)	(158,395)	(25,529)
<b>Operating profit</b>	<b>96,169</b>	<b>172,118</b>	<b>298,466</b>	<b>554,904</b>	<b>904,235</b>	<b>145,736</b>
Interest income	159	1,167	5,093	11,082	34,682	5,590
Interest expense				(414)		
Other income (expense)	(49)	509	310	2,884	2,544	410
<b>Income from continuing operations before income taxes</b>	<b>96,279</b>	<b>173,794</b>	<b>303,869</b>	<b>568,456</b>	<b>941,461</b>	<b>151,736</b>
Income tax expense	(15,853)	(38,348)	(90,988)	(112,294)	(192,781)	(31,071)
<b>Income from continuing operations</b>	<b>80,426</b>	<b>135,446</b>	<b>212,881</b>	<b>456,162</b>	<b>748,680</b>	<b>120,665</b>
Income/(loss) from discontinued operations	7,612	(4,182)				
<b>Net income</b>	<b>88,038</b>	<b>131,264</b>	<b>212,881</b>	<b>456,162</b>	<b>748,680</b>	<b>120,665</b>

<b>Other comprehensive income, net of tax of nil</b>						
Foreign currency translation adjustments			583	1,403	3,946	636
<b>Comprehensive income</b>	88,038	131,264	213,464	457,565	752,626	121,301
<b>Earnings per share for ordinary shares</b>						
<b>Earnings per share for ordinary shares - Basic</b>						
Net income from continuing operations	0.80	1.35	2.13	4.57	7.01	1.13
Income/(loss) from discontinued operations	0.08	(0.04)				
Net income	0.88	1.31	2.13	4.57	7.01	1.13
<b>Earnings per share for ordinary shares - Diluted</b>						
Net income from continuing operations		1.35	2.12	4.37	6.64	1.07
Loss from discontinued operations		(0.04)				
Net income		1.31	2.12	4.37	6.64	1.07
<b>Shares used in earnings per share computation<sup>(2)</sup></b>						
Ordinary shares:						
Basic	100,000,000	100,000,000	100,000,000			
Diluted		100,189,928	100,650,652			
Class A ordinary shares:						
Basic				31,109,214	38,633,284	38,633,284
Diluted				104,329,226	112,831,585	112,831,585
Class B ordinary shares:						
Basic				68,788,940	68,102,019	68,102,019
Diluted				68,788,940	68,102,019	68,102,019
Dividend per share <sup>(3)</sup>						

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

3

**Table of Contents**

	For the Year Ended December 31,					
	2010 RMB	2011 RMB	2012 RMB	2013 RMB	2014 RMB	US\$
	(in thousands)					
<b>Allocation of Share-based Compensation Expenses</b>						
Cost of revenues		3,247	6,553	6,534	8,048	1,298
Sales and marketing expenses		1,138	4,177	4,375	14,644	2,360
General and administrative expenses		8,049	15,734	11,738	20,557	3,313
Product development expenses		541	2,678	2,961	13,417	2,162
Total share-based compensation expenses		12,975	29,142	25,608	56,666	9,133

- (2) Earnings per share for Class A and Class B ordinary shares (Diluted) for each year from 2010 to 2014 were computed after taking into account the dilutive effect of the shares underlying our employees' share-based awards.