An investment in our Shares involves various risks. Before investing in our Company, you should carefully consider all of the information set forth in this prospectus and in particular the specific risks set out below. Any of the risks and uncertainties described below could have a material adverse effect on our business, results of operations and financial condition or the trading price of our Shares and cause you to lose your investment. You should pay particular attention to the fact that we conduct our operations in the PRC, the legal and regulatory environment of which may differ in some respects from that which prevails in other countries. For more information concerning the PRC and certain related matters discussed below, please see the section headed "Regulatory Overview" in this prospectus.

RISKS RELATING TO OUR BUSINESS

If one or more of our dealership authorization agreements is terminated or not renewed, or if our business dealings with any automobile supplier are otherwise reduced, our business, results of operations and prospects could be materially and adversely affected.

Our right to operate outlets, our supply of automobiles and spare parts and other important aspects of our business and operations are governed by our dealership authorization agreements with automobile suppliers. Our dealership authorization agreements are non-exclusive, and generally have a term of one to three years with the option of renewal. The automobile suppliers can terminate the agreements with us through written notice for various reasons, including our failure to comply with the agreements, unapproved business relationships with other automobile suppliers and unapproved changes to our ownership or management structure that would affect our ability to meet our contractual obligations. They can also terminate the agreements without cause by giving notice in writing. The notice period ranges from three months to 12 months for termination by the automobile suppliers without cause.

There can be no assurance that our dealership authorization agreements will be renewed on a timely basis, on commercially acceptable terms, or at all. Moreover, an automobile supplier may decide to restrict, limit or reduce the number of new outlets in cooperation with us in the future for reasons unrelated to us, such as a change in their business strategies, or otherwise. If any of the foregoing events occur, our business, results of operations and growth prospects may be materially and adversely affected.

The operations of our outlets are subject to various restrictions under our dealership authorization agreements including, among other things:

- selling only the brands of automobiles and other products of certain automobile suppliers at a particular store;
- carrying out operations only in designated regions;
- subject to certain automobile financing arrangements, making full payment for our automobile inventory prior to shipment and taking ownership of and assuming risk for the automobiles either upon shipment or upon delivery;
- providing designated services such as automobile maintenance and repair as well as spare parts;

- carrying out marketing and advertising activities for the automobile supplier's products;
- adhering to the automobile suppliers' layout and design guidelines for the operation of the outlet; and
- observing the automobile suppliers' sales and other policies.

The restrictions imposed by, and significant influence of, the automobile suppliers on our business could limit our ability to timely respond to changes in the market or the circumstances of our business, which could in turn adversely affect our business, results of operations, financial condition and growth prospects.

We may not be able to sustain growth rates similar to those we experienced during the Track Record Period, or maintain our financial performance in the future.

We experienced significant growth over the Track Record Period. Our revenue increased from RMB3,256.6 million for 2010 to RMB5,348.4 million for 2011 and RMB7,205.2 million for 2012, representing a CAGR of 48.7%. As of the Latest Practicable Date, five out of our 23 outlets had been operating for less than 12 months. Newly established outlets require time to ramp up their operations and there is no assurance that our newer outlets will achieve their expected business and financial performance levels within an acceptable time frame or at all. We may experience delays in commencing all or part of the operations of a new store due to construction delays, delays in obtaining the requisite governmental approvals or other reasons. Our future success and growth, and the performance of our new and future outlets, depend on many factors beyond our control, including the macroeconomic conditions in the PRC, consumer demand for the automobiles we distribute, the willingness of automobile suppliers to grant us additional dealership authorizations, the terms of our dealership authorization arrangements, the availability and costs of land and labor in markets in which we seek to expand and the availability of financing. For example, due to the territorial dispute over the Diaoyu Islands in the East China Sea between China and Japan, violent protests and boycotts of Japanese products broke out across China in the second half of 2012. This partially contributed to the decrease in the sales volumes and revenues of the Lexus and Toyota automobiles we sold in 2012 and the nine months ended September 30, 2013.

We cannot assure you that we will achieve growth rates similar to those achieved during the Track Record Period or be able to maintain our current revenue and profit levels in the future. In addition, we cannot assure you that China's automobile industry, particularly the luxury and ultra-luxury automobile sectors, will maintain growth rates at the current levels. You should not rely on our results of operations for any prior period as an indication of our future financial or operating performance.

A substantial majority of our existing outlets are located in Xi'an.

As of the Latest Practicable Date, 15 of the 23 outlets we operated were located in Xi'an in Shaanxi Province. For 2010, 2011 and 2012 and the nine months ended September 30, 2013, 97.5%, 92.0%, 79.1% and 74.0% of our revenue was derived from our stores in Xi'an, respectively. We expect our stores in Xi'an to continue to contribute a significant proportion to our revenue and profits in the foreseeable future. As a result of the geographical concentration of our dealership network in Xi'an, any negative event or development that affects Xi'an or the local automobile market, such as any downturn in the local economy, any adverse change in the local regulations on the automobile consumption or distribution market, electricity shortage, natural disaster or outbreak of a contagious disease may materially and adversely affect our results of operation.

Our business and financial performance depend on our ability to manage our inventory effectively.

Our business and financial performance depend on our ability to maintain a reasonable level of inventory for our automobiles, spare parts and automobile accessories in order to timely respond to customer demands and maintain a diverse range of products available at our outlets. For 2010, 2011 and 2012 and the nine months ended September 30, 2013, our average turnover days of inventories were 24.3 days, 33.5 days, 40.8 days and 35.4 days, respectively. For the same periods, the average turnover days of our ultra-luxury brand automobiles were 31.0 days, 51.0 days, 43.4 days and 35.1 days, respectively, the average turnover days of our luxury brand automobiles were 23.2 days, 30.9 days, 41.3 days and 36.6 days, respectively, and the average turnover days of our middle market brand automobiles were 20.6 days, 16.2 days, 27.5 days and 25.4 days, respectively. See "Our Business — Inventory Management" and "Financial Information — Inventory". We aim to manage our inventory efficiently, as slow-moving inventories would result in capital constraint and reduce our liquidity, increase our overall operating costs and reduce our profit margins. If we overstock inventory, we may be required to increase our working capital and incur additional financing costs. If we understock inventory, we may not be able to satisfy the demands of our customers, which may in turn cause us to lose the opportunity to capture more revenue or market share and adversely affect our reputation.

We may not be able to obtain adequate financing on commercially reasonable terms on a timely basis or at all, and any debt financing may contain covenants that restrict our business or operations.

We require significant working capital to purchase the automobiles and spare parts inventories required at our outlets. In addition, we require capital to establish and, to the extent applicable, acquire new outlets, renovate and maintain our outlets, procure land use rights and upgrade our information technology systems. We expect our total indebtedness will continue to increase significantly as a result of increases in advance payments to our automobile suppliers and capital expenditures, which are in turn due to our outlet network expansion and business growth. As of December 31, 2010, 2011 and 2012 and September 30, 2013, we had gearing ratios of 142.5%, 99.9%, 179.9% and 155.5%, respectively. Such high gearing ratios may limit our ability to service our loans and may prevent us from borrowing additional funds in the future, which may materially and adversely affect our business prospect, results of operations and financial condition.

Historically, we have generally relied on bank loans and other external financing as well as cash generated from our operations to fund our operations and expansion. Our ability to obtain adequate external financing will depend on a number of factors, including our financial performance and results of operations, as well as other factors beyond our control, including the global and PRC economies, interest rates, the applicable laws, regulations, rules and conditions of the PRC automobile market and the geographical regions where we operate. There can be no assurance that the cash flow generated by our operations will be sufficient to fund our future operations and expansion plans, nor can we assure you that we will be able to obtain bank loans and other external financing on commercially reasonable terms or on a timely basis or at all. If we are unable to obtain financing in a timely manner, at a reasonable cost, on commercially reasonable terms, or at all, our business and operations may suffer and the implementation of our expansion plans may be delayed.

For 2010, 2011 and 2012 and the nine months ended September 30, 2013, our finance costs were RMB15.4 million, RMB41.0 million, RMB116.7 million and RMB93.1 million, respectively, which accounted for 0.5%, 0.8%, 1.6% and 1.7%, respectively, of our revenue during the same periods. If interest rates had been 50 basis points higher or lower with all other variables being held constant, our finance costs for 2010, 2011 and 2012 and the nine months ended September 30, 2013 would change by RMB2.1 million, RMB2.4 million, RMB8.0 million and RMB6.1 million, respectively.

In addition, our future bank borrowings may contain certain restrictive covenants which may restrict our operations. Failure by us to meet payment obligations or to comply with any affirmative covenants, or violation on our part of any negative covenants, may constitute an event of default under our future borrowings. If any event of default occurs, our financial condition, results of operations and cash flow may be materially and adversely affected.

Furthermore, if we require additional funding as a result of our future acquisitions or expansions, market changes or other developments, we may issue additional equity securities or securities convertible into our ordinary shares, issue debt securities or obtain credit facilities to meet our capital requirements. Any future sale by us of our equity securities or securities convertible into our equity securities would dilute our Shareholders' interests. The incurrence of additional debt would also result in increased debt servicing obligations and may also result in restrictive covenants limiting our shareholding structure, business and/or operations.

We depend on the cooperation of automobile suppliers in many different aspects of our operations. If our relationship with any automobile supplier were to deteriorate, our business, results of operations and growth could be materially and adversely affected.

We depend on the cooperation of automobile suppliers in many different aspects of our operations, including but not limited to pricing policies, rebates, the provision of warranties and the implementation of sales and marketing strategies as discussed below. If our relationship with any automobile supplier were to deteriorate, our business, results of operations, financial condition and growth prospects could be materially and adversely affected.

Pricing policies. We depend on automobile suppliers to adopt successful pricing policies that allow us to compete effectively while maintaining profitability. If automobile suppliers raise the guidance prices for their products, customer demand for their automobiles, and in turn our sales, could be adversely affected. In addition, if automobile suppliers reduce their guidance prices, our gross profit margin might be reduced accordingly. Failure to comply with a manufacturer's recommended retail pricing guidelines may constitute a breach of the relevant dealership authorization agreement, which would entitle such manufacturer to terminate the agreement or to seek damages or other remedies against us.

Rebates. Our profits from sales of automobiles and spare parts depends on rebates, which are decided by the automobile suppliers in principle with reference to the number of new automobiles we purchase or sell, and is adjusted based on our completion of certain targets set by the relevant automobile suppliers, including customer satisfaction indexes and dealership retail standards. For 2010, 2011 and 2012 and the nine months ended September 30, 2013, we recorded rebates of RMB51.8 million, RMB71.1 million, RMB175.2 million and RMB157.6 million, respectively, which accounted for 16.3%, 13.8%, 31.1% and 35.3% of our gross profits during the same periods, respectively. There can be no assurance that the automobile suppliers will continue to grant us the same level or amount of rebates, or that they will pay us any rebate under existing purchase arrangements. Should some or all of the automobile suppliers cease to offer such rebates or alter the conditions by which such rebates are granted, our financial condition and results of operations may be materially and adversely affected.

Provision of warranties. Repair services under our automobile suppliers' warranties are charged to the automobile suppliers instead of the customers. As a result, a reduction in the term or coverage of such warranties could reduce the utilization of our after-sales services by our customers, which may in turn cause a decrease in our revenue from after-sales services.

Sales and marketing. We depend on the cooperation of our automobile suppliers for our sales and marketing efforts and our advertising and promotional materials are subject to their approval. Our sales of automobiles are affected by the automobile suppliers' promotional offers to customers, such as complimentary products or services and product warranties. Sales of automobiles at our outlets are also indirectly affected by the marketing efforts of our automobile suppliers to enhance their brand awareness and brand image in the PRC. If any automobile supplier were to reduce the scale of its marketing efforts, or adopt an unsuccessful marketing strategy or campaign, our sales volumes, revenue and profitability could be materially and adversely affected.

We depend on automobile suppliers for our new automobiles and spare parts.

We rely on automobile suppliers for the supply of automobiles, spare parts and accessories that we sell. Any event or development that adversely affects their ability to manufacture and deliver their products to us, such as component shortages, labor unrest or natural disasters, may also have a material and adverse effect on us. We also depend on our automobile suppliers' abilities to anticipate changes in consumer tastes, preferences and requirements, and to manufacture and deliver to us a desirable, high-quality and price-competitive mix of new automobiles in sufficient quantities and on a timely basis. If any automobile model launched by any of our automobile suppliers is not well received by the market, or if the popularity of any of their existing automobile models declines, our sales volumes, revenue and profitability could decrease.

Automobile suppliers generally allocate their automobiles among the outlets by reference to various factors, including the historical sales performance and market share of the outlets. If our outlets experienced prolonged sales slumps relative to our competitors, these automobile suppliers may cut back their allotment of popular automobiles to our outlets, and as a result, our new automobile sales and profits may decline. Delay in delivery by our automobile suppliers could also materially and adversely affect our sales.

In addition, automobile suppliers may change the mix of automobile models within different price ranges to cater to changes in customers' consumption patterns, market competitive dynamics and general economic conditions, which may in turn affect our results of operations and financial condition. For example, in 2012 and the nine months ended September 30, 2013, the mix of automobile models offered by us shifted to lower configuration models, partially as our automobile suppliers have promoted sales of lower configuration models in order to cater to the change in customers' consumption patterns given the change in market sentiment, which in turn caused general decreases in the average selling prices of luxury and ultra-luxury brand automobiles sold by us.

For the years of 2010, 2011 and 2012 and the nine months ended September 30, 2013, purchases from our five largest automobile suppliers accounted for 92.8%, 89.9%, 92.7% and 91.5% of our total purchases, respectively, and purchases from our largest supplier during the same periods accounted for 32.0%, 29.5%, 36.9% and 40.0%, respectively, of our total purchases. If any of our five largest suppliers decides to terminate, not to renew, or to limit or reduce its dealership arrangements with us, or to add or amend any terms or conditions in a way that would be adverse to us, our results of operations, financial condition and growth prospects may be materially and adversely affected. In addition, if any of our five largest suppliers becomes unable to supply new automobiles or spare parts due to any reason beyond their control, such as natural disasters, our results of operations, financial condition and growth prospects may also be materially and adversely affected.

Sales of new automobiles manufactured by the Volkswagen Group and its portfolio brand companies generate a significant portion of our revenue.

We operated four, seven, 11, 13 and 15 outlets as of December 31, 2010, 2011 and 2012, September 30, 2013 and the Latest Practicable Date, respectively, for automobile brands under the Volkswagen Group and its portfolio brand companies, including Bentley, Porsche, Audi and Volkswagen Imported. In addition, as of the Latest Practicable Date, we had signed non-binding letters of intent for eight additional outlets in total for Audi, Volkswagen Imported and Shanghai Volkswagen. For 2010, 2011 and 2012 and the nine months ended September 30, 2013, revenue generated from sales of new automobiles of Bentley, Porsche, Audi and Volkswagen Imported accounted for 64.2%, 68.0%, 80.7% and 83.7%, respectively, of our revenue from automobile sales. We expect our outlets of these brands to continue to account for a significant portion of our revenue in the near future. Our ability to negotiate with the portfolio brand companies under the Volkswagen Group is limited. If the Volkswagen Group or any of its portfolio brand companies decides to terminate, to deny renewal, or to limit or reduce its dealership arrangements with us, or to add or amend any terms or conditions in a way that would be adverse to us, or if market demand for automobiles of the Volkswagen Group and its portfolio brand companies diminishes, our results of operations, financial condition and growth prospects may be materially and adversely affected.

If we fail to maintain our business relationship with the Volkswagen Group and its portfolio brand companies, we will seek to expand our existing collaboration with, and pursue new dealership authorizations from, other automobile suppliers, including new business partners. We cannot assure you that we will be able to replace the Volkswagen Group and its portfolio brand companies on a timely basis or at all, or that any other automobile suppliers that we collaborate with will generate customer demand and business at the same level as the Volkswagen Group and its portfolio brand companies.

We have recorded, and may continue to record, negative operating cash flows due to our rapid expansion.

We recorded positive operating cash flow of RMB62.3 million and RMB460.9 million, respectively, for 2010 and the nine months ended September 30, 2013, and negative operating cash flow of RMB12.9 million and RMB294.5 million, respectively, for 2011 and 2012. See "Financial Information — Liquidity and Capital Resources — Cash Flow Generated from/(Used in) Operating Activities". We may continue to experience negative operating cash flows in the future as a result of our continuing expansion. For details, please see the section headed "Financial Information — Liquidity and Capital Resources — Cash Flow Generated from/(used in) Operating Activities" in this prospectus. If we continue to record negative operating cash flows in the future, our working capital may be constrained which may materially and adversely affect our business, financial condition, results of operations and growth prospects.

We had net current liabilities position as of December 31, 2012 and September 30, 2013.

As of December 31, 2012, September 30, 2013 and December 31, 2013, we had net current liabilities of RMB76.4 million, RMB175.2 million and RMB75.4 million, respectively. Please see "Financial Information — Net Current Assets/(Liabilities)" in this prospectus. We may have net current liabilities in the future. Having significant net current liabilities could constrain our operational flexibility and adversely affect our ability to expand our business. If we do not generate sufficient cash flow from our operations to meet our present and future financial needs, we may need to rely on additional external borrowings for funding. If adequate funds are not available, whether on satisfactory terms or at all, we may be forced to delay or abandon our development and expansion plans, and our business, financial condition and results of operations may be materially and adversely affected.

Any failure by us or our automobile suppliers or other suppliers to comply with applicable laws, regulations and rules may adversely affect our business.

We operate in a highly regulated industry. We are required to maintain various approvals, licenses and permits and make various filings for our operations that are specific to the automobile dealership and automobile maintenance and repair businesses, including but not limited to:

- road transport approvals and licenses;
- automobile insurance agent licenses; and
- brand automobile dealership filings.

Please see the section entitled "Regulatory Overview" in this prospectus for further details.

Historically, certain of our PRC subsidiaries began providing after-sales services without obtaining the Project Initiation Approvals and Road Transport Licenses, and Yangzhou Sunfonda, our former subsidiary, commenced operations without obtaining NDRC approval. For details of our historical non-compliance incidents, please refer to "Our Business — Legal and Compliance".

As at the Latest Practicable Date, all our PRC operating entities hold valid licenses necessary to conduct their business. However, there can be no assurance that we will continue to maintain or obtain approvals, licenses, or permits in the future. Any loss of or failure to obtain or renew our approvals, licenses, or permits could disrupt our operations, and fines or penalties imposed by the PRC Government could materially and adversely affect our results of operations, financial position and reputation.

Under PRC national laws and regulations, our subsidiaries in the PRC are required to make mandatory contributions to a number of social insurance schemes including basic pension insurance and a housing fund for employees. We provide social insurance and make housing fund contributions for our employees in accordance with local government authorities' implementation policies. Due to different levels of development with regard to employee benefits in different areas of the PRC, local policies in certain jurisdictions where we operate are less stringent than the requirements under PRC laws and regulations. We have received letters from local government authorities confirming that we have made all requisite contributions to social insurance funds and housing funds. If the PRC Government or the relevant local authorities implement more stringent laws and regulations, or interpret the existing laws and regulations more strictly, we may be required to incur additional expenses to comply with such laws and regulations, which in turn may materially and adversely affect our results of operations.

In addition, we are dependent on automobile suppliers and other suppliers adhering to all relevant laws and regulations. We are not aware of any incidences of non-compliance with laws, rules or regulations by the automobile suppliers or other suppliers with whom we are currently conducting business. However, we do not exercise any control over the operations of our automobile suppliers and other suppliers, and thus we are not able to provide any assurance that they will comply with all applicable laws, regulations and rules. Any violation of applicable laws, regulations and rules by our automobile suppliers and other suppliers may have material and adverse consequences, including automobile and other product recall activities and negative publicity.

Implementing our expansion plan may expose us to certain risks.

Our growth strategy includes organic growth and the acquisition of third-party dealerships in the PRC. There are uncertainties and risks associated with our expansion plan, including whether we will be able to:

- obtain sufficient funding for our expansion;
- obtain authorizations for new outlets or enter into acquisition agreements to acquire other dealerships;
- obtain the necessary licenses, permits and approvals from the relevant PRC Government authorities on a timely basis;
- secure premises for new outlets in desirable locations;
- recruit, train and retain sufficient qualified personnel; and
- commence and ramp up the operations of the new outlets to achieve our targeted profitability within expected time frames.

In particular, any future acquisition of a third-party dealership would entail additional risks, including:

- the loss of key employees or customers of the acquired entity;
- incorrect valuation of the acquired entities, or undiscovered or unanticipated liabilities related to the acquired entities;
- failure to effectively integrate the acquired entity into our existing network and generate the desired synergies;
- our inability to maintain the acquired entities' existing relationships with automobile suppliers; and
- a prolonged diversion of our managements' time and attention from our existing business and operations.

For example, we entered into a letter of intent with the Investment Promotion Bureau of the Chang'an District in Xi'an to develop automobile dealership outlets. However, due to the uncertainties associated with this project, our Directors believe that we will be unable to develop the dealership outlets on time or at all. For more details, please refer to "Our Business — Our Outlets" in this prospectus.

Should any or all of the risks in relation to our expansion plan eventuate, or if we fail to realize anticipated benefits or synergies from any acquisition, our business, results of operations, financial condition and growth prospects could be materially and adversely affected.

Any reduction by automobile suppliers of their advertising, marketing or promotional activities could materially and adversely affect our sales of new automobiles.

Sales of new automobiles at our outlets are influenced by the promotional and marketing efforts of our automobile suppliers which are designed to foster consumer demand. Our advertising and promotion expenses were RMB47.5 million, RMB52.8 million, RMB46.1 million and RMB25.3 million, for 2010, 2011 and 2012 and the nine months ended September 30, 2013, respectively. Apart from jointly organized sales and marketing events with us, our automobile suppliers periodically offer discounts, complimentary products or services or extended product warranties through us to customers as part of their marketing and promotional activities. They may also assist us with our advertising, marketing and promotional activities and the production of flyers, brochures and other promotional and point-of-sale materials for our outlets. Moreover, while our sales and marketing campaigns are typically tailored to target the regions served by our outlets and sell the models of automobiles in accordance with our inventory management initiatives, the success of our sales and marketing campaigns is also influenced by the national-level promotional campaigns of our automobile suppliers. As a result, change in any of these promotional and marketing activities by our automobile suppliers may materially and adversely affect the sales of automobiles at our outlets.

There are defects in our titles of or rights to use certain properties.

As of the Latest Practicable Date, we owned 15 completed properties with an aggregate gross floor area of 107,703 square meters, one property under construction with a site area of 13,348 square meters and three properties for future development with an aggregate site area of 59,983 square meters in the PRC, which were vacant as of the Latest Practicable Date. We also owned one completed property in Hong Kong with a gross floor area of 66 square meters which is used as an office. We leased 14 properties in the PRC with an aggregate gross floor area of 31,955 square meters for use as 4S dealership stores, warehouses and ancillary buildings. We also leased one property in Shaanxi Province with a site area of 20,593 square meters for future development.

As of the Latest Practicable Date, we did not have valid titles or rights to 11 properties we owned or leased. Please refer to "Our Business — Our Properties" for details. Revenue generated from our owned properties with defective titles contributed to nil, nil, 1.9% and 3.3% of our total revenue for 2010, 2011 and 2012 and the nine months ended September 30, 2013, respectively.

Revenue generated from our leased properties with defective titles contributed to 2.5%, 7.8%, 12.2% and 14.6% of our total revenue for 2010, 2011 and 2012 and the nine months ended September 30, 2013, respectively. Please see the section entitled "Our Business — Our Properties" in this prospectus for further details regarding our defective properties, the potential penalties that we may encounter and the remedial actions that we have taken.

Any dispute or claim in relation to the title to the properties we occupy, including any litigation involving allegations of illegal or unauthorized use of these properties, may result in us having to relocate our operations and may materially and adversely affect our operations, financial condition, reputation and future growth. In addition, there can be no assurance that the PRC Government will not amend or revise existing property laws, regulations or rules to require additional approvals, licenses or permits, or to impose stricter requirements on us to obtain or maintain relevant Title Certificates for the properties that we occupy.

Any automobile recall could have a material and adverse impact on our results of operations, financial condition and growth prospects.

Our automobile suppliers have conducted recalls of their automobiles in the past as a result of defects or other problems with their products. We have experienced recalls of certain automobile brands during the Track Record Period. For example, in October 2012, Toyota launched a global recall program of approximately 7.4 million automobiles for defaults in their power window system. In November 2013, Volkswagen launched a recall program of approximately 0.6 million automobiles in China for synthetic oil in the transmission. See "Our Business — After-sales Services — Other value-added services — Automobile recalls". Under our existing dealership arrangements, we will be compensated by our automobile suppliers for the repair services undertaken by us in connection with any automobile recall. However, automobile recalls may have a material adverse effect on customers' confidence in the quality and safety of the affected automobile brands and the reputation and image of the relevant automobile suppliers, which could in turn reduce demand for particular automobile brands or models offered by us. Any future automobile recall by our automobile suppliers could have a material and adverse impact on our sales which could materially and adversely affect our results of operations, financial condition and growth prospects.

Our insurance coverage may be inadequate to protect us from certain types of losses.

We carry insurance which covers such risks as loss and theft of, and damage to, our properties such as our fixed assets and inventories at our outlets, and losses due to fire, flood and a broad range of other natural disasters which generally excludes earthquakes. We do not carry liability insurance that extends coverage to all potential liabilities that may arise in the ordinary course of our business. Nor do we maintain any insurance coverage for business interruption due to the limited coverage of any business interruption insurance in the PRC. Significant uninsured damage to any of our properties, inventories or other assets, whether as a result of fire or other causes, could have a material and adverse effect on our results of operations and financial condition.

We depend on our information technology systems.

We depend on a reliable information technology system to manage various aspects of our business. We are in the process of upgrading our ERP system. We may experience problems with the implementation of our ERP system that may cause temporary disruptions to our operations. As we implement future upgrades, we may also encounter software and hardware failures that disrupt our operations. Any failure of our information technology system and/or loss of data could have a material and adverse effect on our business and operations.

We depend on key individuals of our senior management team and our ability to attract, train, motivate and retain an adequate number of skilled personnel.

Our success is, to a significant extent, attributable to the leadership of our senior management team, in particular, our Chairman and executive Director Mr. Wu, CEO and executive Director Ms. Chiu and executive Directors Jia Ruobing and You Jia. If for any reason the services of any of these individuals were to become unavailable, and if we were unable to find any suitable replacement on a timely basis, our business, operations and prospects may be adversely affected.

We also depend on our ability to attract, train, motivate and retain an adequate number of skilled personnel, including our outlet managers, sales and after-sales service personnel and automotive technicians, for the performance and continued success of our business. Due to the growth of the PRC economy and the PRC automobile industry, competition for such personnel is increasingly intense. There is no assurance that we will be able to attract, train, motivate and retain the necessary personnel to grow and develop our business, continue to deliver high quality sales or customer services or appropriately staff new outlets. Our business, operations and growth plans may be materially and adversely affected if we fail to attract and retain the skilled personnel we need.

Our business is subject to seasonal fluctuation.

All of our turnover is derived from our operations in the PRC, and we may be subject to seasonal fluctuation. We tend to record higher revenue from new automobile sales in the fourth quarter than other quarters in each year. We believe this is primarily due to the increase in year-end consumption by our customers and the consumption patterns in the regions in which we have operations. Our revenue generated by outlets that we had operated for at least one fiscal year in the fourth quarters of 2010, 2011 and 2012 accounted for 29.7%, 29.3% and 31.3%, respectively, of the total revenue of these outlets for 2010, 2011 and 2012. As a result of these fluctuations, comparisons of our sales and results of operations between different periods within a single fiscal year or in different fiscal years are not necessarily meaningful and should not be relied upon as indicators of our performance for any future fiscal period.

Any significant disruption in the production of automobiles could reduce our turnover and harm our profitability.

The production of automobiles may be disrupted for various reasons. For example, any labor dispute affecting automobile suppliers could result in a shortage of new automobile supplies to our outlets. Moreover, significant increases in labor costs as a result of negotiations to resolve labor disputes could also result in downward pressure on our profit margins, as automobile suppliers seek to pass on some of their increased costs to us, which could reduce our turnover and harm our profitability. In addition, any natural disaster could also disrupt the production activities of automobile suppliers.

RISKS RELATING TO OUR INDUSTRY

The global economy faces significant risks resulting from the ongoing economic crisis in various developed countries, which may adversely affect the PRC economy and our business and results of operations.

Recent global market and economic conditions, including the ongoing credit crisis in Europe, the adverse economic conditions and outlook in the United States and heightened market volatility in major stock markets, have been unprecedented and challenging. Persistent concerns regarding a potentially long-term and widespread recession, geopolitical issues, the availability and cost of credit and consumer spending in major economies have contributed to reduced consumer confidence and spending and diminished expectations for economic growth around the world. The PRC economy relies significantly on its exports and any significant economic downturn, in particular a prolonged recession in Europe, the United States or other major economies, could have a material adverse effect on the PRC economy.

We derive all of our revenue in the PRC. Any slowdown in the PRC economy may adversely affect demand for our automobiles and after-sales services. For example, we experienced a decrease in our gross profit margin primarily due to the fact that we sold a higher proportion of lower configuration models in 2012 as a result of changes in our customers' consumption patterns, market competitive dynamics and the general economic condition of the PRC. Therefore, any slowdown in the PRC economy could result in:

- a significant reduction in customer demand for our automobile and after-sales services, which could reduce our revenue and profit margin;
- a significant reduction in the availability of automobile financing, which would also reduce customer demand for automobiles;
- increased price competition for automobile sales and after-sales services;
- the risk of possessing excess and obsolete inventory;
- difficulty in accurately forecasting the demand for automobiles and after-sales services;
- insolvency or credit difficulties for our customers or their insurance carriers, which could limit their ability to pay for our automobiles and after-sales services; and
- insolvency or credit difficulties for our automobile suppliers, which could disrupt the supply of automobiles or spare parts or increase our inventory costs.

Any of the foregoing developments could have a material adverse effect on our business, results of operations, financial conditions and business expansion.

Our performance and growth prospects may be materially and adversely affected by the increasingly competitive nature of the PRC automobile dealership industry.

The PRC automobile dealership industry is competitive. Market practice allows automobile suppliers to grant non-exclusive dealership rights in the same geographical area. As a result, in many of our markets we compete with dealerships that offer competing brands of automobiles as well as dealerships that sell the same brands and models as we do. Our business is also affected by competition among automobile suppliers in terms of quality, design and price. We also compete with independent repair shops and auto parts retail centers in after-sales services and spare part sales. We believe that outlets in the PRC compete for customers in terms of customer services, inventory of automobiles, capabilities of sales personnel, management personnel, automotive technicians and on the prices of their automobiles. Increased competition among automobile suppliers and dealerships in the PRC automobile industry could impact our market share and result in a decrease in our revenue and profit and could adversely affect our growth prospects. Any changes in the regulation of the automobile dealership industry could allow new market participants to enter the dealership business, which may intensify competition and could materially and adversely affect our business and results of operations.

If there is any further fiscal or credit tightening by the PRC Government, demand for our automobiles and after-sales services, as well as our access to external financing, may decrease.

The PRC Government has increased the capital reserve ratios of PRC banks and raised interest rates multiple times in 2010 and 2011 in an attempt to control credit growth and inflation in the PRC. Demand for our automobiles and after-sales services may decrease if there is any further fiscal or credit tightening by the PRC Government, which could reduce business or consumer spending. Many customers rely on automobile financing to fund their automobile purchases. If the PRC Government implements any credit tightening measures that restrict the availability of automobile financing, our sales may be materially and adversely affected. Furthermore, the availability and cost of funding to entities in the PRC, such as ourselves, are significantly influenced by the fiscal policies of the PRC Government and the availability of credit and liquidity in the PRC banking system. Historically, we have relied in part on bank and other borrowings to fund both our purchases of the automobiles and spare parts sold in our stores and our network expansion. On February 19, 2012, the PBOC announced that the reserve requirement ratio would be reduced by 50 basis points as of February 24, 2012. In addition, the PBOC reduced the benchmark one-year lending rate twice in June and July 2012 to 6.0%. However, there is no assurance that the PRC Government will not implement any further fiscal or credit tightening measures. So doing could reduce or otherwise restrict our access to bank borrowings and other types of financing, which could materially and adversely affect our liquidity and our ability to fund our inventory purchases and our planned network expansion. We may also experience higher borrowing costs and a tightening of credit terms. As a result of any of the foregoing, our results of operations, financial condition and prospects may be materially and adversely affected.

Higher fuel prices, stricter fuel economy and emission standards and higher fuel-related taxes on automobile consumption may reduce the demand for automobiles.

The price of gasoline in the PRC has been rising steadily in recent years. Continued increases in fuel prices may induce cost-sensitive customers to switch to more fuel efficient vehicles or opt for alternatives to automobiles, such as public transportation or bicycles. Such shifts in customer preferences may materially and adversely affect our sales of certain types of automobiles, particularly in the middle market. Reduced automobile usage may decrease the demand for and frequency of maintenance and repair services for such automobiles, which may have a material and adverse effect on our after-sales business.

In addition, the PRC Government may implement stricter fuel economy and emission standards for automobiles sold in the PRC, which may raise manufacturing and distribution costs for automobile suppliers and lead to higher pricing guidelines on their automobiles that negatively impact demand. These standards tend to have a greater impact on more expensive, luxury brand automobiles, which tend to be less fuel efficient.

Moreover, the PRC Government adopted an automobile consumption tax on January 1, 1994. The increase of applicable tax rates on automobiles with large cylinder capacities took effect on September 1, 2008 pursuant to the Notice on Adjusting the Policy of the Consumption Tax on Passenger Vehicles (關於調整乘用車消費税政策的通知) as released by the PRC Ministry of Finance and the State Administration of Taxation (the "SAT"). The new policy lowered the personal automobile consumption tax rate for vehicles with the smallest engine displacement capacity, under 1.0 liter, from 3% to 1%, but increased the tax rate on vehicles with larger engine displacements. In particular, the tax rate on vehicles with engine displacement between 3.0 and 4.0 liters was increased from 15% to 25%, and the tax rate on vehicles with engine displacement above 4.0 liters was increased from 20% to 40%. According to the PRC Vehicle and Vessel Tax Law (中華人民共和國車船税法) promulgated by the Standing Committee of The National People's Congress and its implementation regulations effective as of January 1, 2012, tax on passenger cars is calculated and imposed based on the engine displacement capacity. The annual benchmark tax on passenger cars with engine displacement capacity of 1.0 liter and below ranges from RMB60 to RMB360, while that on vehicles with engine displacement between 3.0 and 4.0 liters ranges from RMB2,400 to RMB3,600, and that on vehicles with engine displacement above 4.0 liters ranges from RMB3,600 to RMB5,400. Certain of the automobiles we sell have larger engine displacement capacity and are subject to the higher automobile consumption taxes, which make those automobiles purchases more expensive for buyers.

There can be no assurance that the PRC Government will not implement stricter fuel economy and emission standards, higher automobile consumption tax rates for automobiles with larger engine displacement capacity, or impose additional restrictions or taxes. Any such measures may cause our sales to decline and materially and adversely affect our revenue.

Anti-congestion regulations and ordinances in certain Chinese cities may restrict local demand for automobiles.

To curb urban traffic congestion, certain Chinese cities have adopted urban regulations and ordinances that limit new automobile registration or restrict automobile use. For example, effective from December 23, 2010, the Beijing municipal government issued measures to curb the traffic congestion in Beijing by limiting the total number of new automobile license plates to be issued every year. As of the Latest Practicable Date, we have received a non-binding letter of intent to establish one 4S dealership store in Beijing. Under the anti-congestion measures in Beijing, it may take our Beijing outlet more time to break even and ramp up its operations than our outlets in other cities which do not have similar anti-congestion measures. This and any future anti-congestion ordinances in the markets where we operate may restrict the ability of potential customers to purchase automobiles and in turn could reduce our automobile sales. Should similar ordinances be adopted in other cities where we operate, or if existing regulations become stricter, our sales in those cities may be materially and adversely affected.

If the PRC Government raises the import tariff rates on imported automobiles, our results of operations may be materially and adversely impacted.

We offer both domestically manufactured and imported automobiles to our customers. During the Track Record Period, we import all of the ultra-luxury automobile brands, including Porsche and Bentley, and certain models of the luxury brands. The PRC General Administration of Customs announced that, effective January 1, 2006, the import tariff rate on imported automobiles was reduced from 33% to 28%, and, effective July 1, 2006, to 25%. If the PRC Government raises the import tariff rates on imported automobiles in the future, the automobile suppliers in China may have to increase retail prices of their imported automobiles, which may in turn reduce market demand for imported automobiles. As a result, we may not be able to sell imported automobiles to our customers, or meet the sales targets provided by our automobile suppliers, which may materially and adversely impact our business prospects, financial condition and results of operations.

RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC

Changes in the economic, political and social conditions of the PRC, as well as its laws and government policies, could have a material adverse effect on our business, financial condition, results of operations and prospects.

All of our business and operations are conducted in the PRC. Accordingly, our business, financial condition, results of operations and prospects are, to a significant degree, subject to economic, political and social developments in the PRC. The PRC economy differs from the economies of most developed countries in many respects, including the extent of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC 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 the PRC is still owned by the PRC Government. In addition, the PRC Government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC Government also exercises significant control over 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 PRC economy has experienced significant growth over the past decade, the growth has been uneven, both geographically and among various sectors of the economy. The PRC Government has implemented various measures to guide the allocation of resources to benefit the overall economy. Some of these policies may have a negative effect on us. For example, our financial results may be adversely affected by government control over capital investments or changes in tax regulations that are applicable to us (including, without limitation, any vehicle luxury tax). The PRC Government has also recently implemented certain measures, including recent interest rate increases, in an attempt to control the rate of economic growth. These measures may decrease economic activities in the PRC, which in turn could materially and adversely affect our business, financial condition, results of operations and prospects.

In 2013, the PRC government promulgated certain anti-corruption rules, policies and measures to control government spending, including the spending by governmental officials on automobiles. The impact of these rules, policies and measures on the luxury automobile market will be limited given that, according to ACMR, government purchases have accounted for 10% or less of the total luxury automobile sales in the PRC in the past few years. Audi, which has the largest exposure to government procurement, sold around 40,000 units to the PRC government in 2012, representing 10% of its total sales volume in China, while BMW sold only about 2,000 units to the PRC government in 2012, representing 0.66% of its total sales volume in China. We expect that this may cause a decrease in governmental demand for luxury automobiles in the future, which may have an adverse impact on our business prospects, results of operations and financial condition.

Any future laws, regulations and rules that impose additional liabilities on automobile dealers could materially and adversely affect our business prospects, financial condition and results of operations.

On December 29, 2012, the General Administration of Quality Supervision, Inspection and Quarantine promulgated the Rules on the Liability for Repair, Replacement and Return of Family Car Products (家用汽車產品修理、更換、退貨責任規定), which became effective on October 1, 2013. The automobiles sold through our outlets falls into the scope of products regulated by these rules. These rules impose higher levels of responsibility on automobile sellers (such as ourselves) in terms of providing certain repair, replacement and return services. For more details, please see "Regulatory Overview — Guarantees For Family Car Products". Any similar or stricter policies or rules promulgated by the PRC government in the future may result in our new outlets taking longer to break even and ramp up their operations. As a result, our business prospects, financial condition and results of operations may be materially and adversely affected.

The potential implementation of a vehicle luxury tax in the PRC could adversely affect our business and results of operations.

It was recently reported by certain media sources that a 20% luxury tax might be levied by the relevant PRC government authorities on the purchase of a passenger vehicle with a retail price over RMB1.7 million. During the track record period, sales of automobiles under the brands of Bentley and Ferrari/Maserati had average selling price of over RMB1.7 million, which accounted for nil, 0.3%, 2.3% and 3.5% of our total revenue for 2010, 2011, 2012 and the nine months ended September 30, 2013. Such purchase tax, if effectuated, may adversely affect sales of our ultra-luxury branded automobiles, as well as our financial condition, results of operations and prospects.

Uncertainties with respect to the PRC legal system could have a material adverse effect on us.

Our business and operations are conducted in the PRC and are governed by PRC laws, regulations and rules. The PRC legal system is a civil law system based on written statutes. Prior court decisions may be cited for reference, but have limited precedential value. Since the late 1970s, the PRC Government has significantly enhanced PRC legislation and regulations to provide protections to various forms of foreign investments in the PRC. However, the PRC has not developed a fully integrated legal system and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in the PRC. As many of these laws, regulations and rules are relatively new, and because of the limited volume of published decisions and their non-binding nature, the interpretation and enforcement of these laws, regulations and rules may involve uncertainties and may not be as consistent or predictable as in other more developed jurisdictions. Furthermore, the legal protections available to us under these laws, regulations and rules may be limited. Any litigation or regulatory enforcement action in the PRC may be protracted and could result in substantial costs and diversion of resources and management attention.

In addition, there can be no assurance that the PRC Government will not amend or revise existing laws, regulations or rules to require additional approvals, licenses or permits, or to impose stricter requirements or conditions for the approvals, licenses or permits required for our business and operations. Any loss of or failure to obtain or renew our approvals, licenses or permits could disrupt our operations and subject us to fines or penalties imposed by the PRC Government. There can also be no assurance that the PRC Government will not amend or revise existing laws, regulations or rules, or promulgate new laws, regulations or rules, that have a material and adverse effect on our business, operations, growth or prospects. For further information, please refer to the sections entitled "Regulatory Overview" and "Our Business — Legal and Compliance" in this prospectus.

There are significant uncertainties under the EIT Law relating to our PRC enterprise income tax liabilities.

Under the EIT Law and its implementing regulations, the profits of a foreign invested enterprise generated from January 1, 2008 and onwards, which are distributed to its immediate holding company outside the PRC, are subject to a withholding tax rate of 10%. Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation on Income (內地和香港特別行政區關於對所得避免雙重徵稅的安排), such rate will be lowered to 5% if a Hong Kong resident enterprise owns over 25% of the PRC company. However, according to the Circular of State Administration of Taxation on Printing and Issuing the Administrative Measures for Non-residents to Enjoy the Treatment Under Taxation Treaties (關於印發《非居民享受税收協定待遇管理辦法(試行)》的通知), which became effective on October 1, 2009, the 5% tax rate does not automatically apply. Approvals from competent local tax authorities are required before an enterprise can enjoy the relevant tax treatments relating to dividends under the relevant taxation treaties. However, according to a tax circular issued by the SAT in February 2009, if the main purpose of an offshore arrangement is to obtain a preferential tax treatment, the PRC tax authorities have the discretion to adjust the tax rate enjoyed by the relevant offshore entity. We cannot assure you that the PRC tax authorities will determine that the 5% tax rate applies to dividends received by our subsidiary in Hong Kong from our PRC subsidiaries, nor that the PRC tax authorities will not levy a higher withholding tax rate on such dividends in the future.

Under the EIT Law, we may be classified as a "resident enterprise" of the PRC. Such classification could result in unfavorable tax consequences to us and our non-PRC shareholders.

The EIT Law provides that enterprises established outside of China whose "de facto management bodies" are located in China are considered PRC tax resident enterprises and will generally be subject to the uniform 25% PRC enterprise income tax rate on their global income. Under the implementation rules to the EIT Law, a de facto management body is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and other assets of an enterprise. In addition, the Circular Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知), or Circular 82, issued by the SAT on April 22, 2009 regarding the standards used to classify certain Chinese-controlled enterprises established outside of China as resident enterprises clarified that dividends and other income paid by such resident enterprises will be considered to be PRC source income, subject to PRC withholding tax, currently at a rate of 10%, when recognized by non-PRC enterprise shareholders. Circular 82 also subjects such resident enterprises to various reporting requirements with the PRC tax authorities. Circular 82 further details that certain Chinese-controlled enterprises will be classified as resident enterprises if the following are located or resident in China: (i) senior management personnel and departments that are responsible for daily production, operation and management; (ii) financial and personnel decision-making bodies; (iii) major assets, accounting books, the company seal, and minutes of board meetings and shareholders' meetings; and (iv) half or more of the senior management or directors having voting rights.

Although 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, Circular 82 only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by foreign individuals or foreign enterprises like us. Also, currently there are no detailed rules or precedents governing the procedures and specific criteria for determining de facto management bodies which are applicable to our Cayman Islands holding company or our overseas subsidiary. Therefore, we do not currently consider our Cayman Islands holding company or our overseas subsidiary to be a PRC resident enterprise.

If the PRC tax authorities determine that our Cayman Islands holding company is a "resident enterprise" for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. First, our Cayman Islands holding company or our overseas subsidiary will be subject to the uniform 25% enterprise income tax rate as to our global income as well as PRC enterprise income tax reporting obligations. Second, although under the EIT Law and its implementing rules dividends paid to us from our PRC subsidiaries would qualify as tax-exempted income, we cannot assure you that such dividends will not be subject to a 10% withholding tax, as the PRC foreign exchange control and tax authorities have not yet issued guidance with respect to the processing of outbound remittances to entities that are treated as resident enterprises for PRC enterprise income tax purposes. Finally, dividends payable by us to our investors and gain on the sale of our shares may become subject to PRC withholding tax. It is possible that future guidance issued with respect to the new resident enterprise classification could result in a situation in which a withholding tax of 10% for our non-PRC enterprise investors or a potential withholding tax of 20% for non-PRC individual investors is imposed on dividends we pay to them and with respect to gains derived by such investors from transferring our shares. In addition to the uncertainty regarding how the new resident enterprise classification could apply, it is also possible that the rules may change in the future, possibly with retroactive effect. If we are required under the EIT law to withhold PRC income tax on our dividends payable to our foreign shareholders, or if you are required to pay PRC income tax on the transfer of our shares under the circumstances mentioned above, the value of your investment in our shares may be materially and adversely affected. It is unclear whether, if we are considered a PRC resident enterprise, holders of our shares would be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or areas. By comparison, there is no taxation on such income in the Cayman Islands.

The tightened scrutiny by PRC tax authorities over acquisition transactions may have a negative impact on our business operations, our acquisition or restructuring strategy or the value of your investment in us.

In connection with the EIT Law, the Ministry of Finance and the SAT jointly issued on April 30, 2009 the Notice on Issues Concerning Process of Enterprise Income Tax in Enterprise Restructuring Business (關於企業重組業務企業所得稅處理的若干問題的通知), or Circular 59. On December 10, 2009, the SAT issued the Notice on Strengthening the Management on the

Enterprise Income Tax for Non-resident Enterprises Equity Transfer (關於加強非居民企業股權轉讓所得企業所得稅管理的通知), or Circular 698. Both Circular 59 and Circular 698 became effective retrospectively on January 1, 2008. By promulgating and implementing these circulars, the PRC tax authorities have strengthened their scrutiny over the direct or indirect transfer of equity interest in a PRC resident enterprise by a non-PRC resident enterprise. For example, Circular 698 specifies that the relevant PRC tax authority is entitled to redefine the nature of an equity transfer where offshore vehicles are interposed by abusing corporate structures for tax avoidance purposes and without reasonable commercial purposes. We may conduct acquisitions involving corporate structures. We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us, or require us to provide assistance for the investigation of PRC tax authorities with respect thereto. Any PRC tax imposed on transfers of our shares or any adjustment of such gains would cause us to incur additional costs.

PRC regulation of loans to and direct investment by offshore holding companies in PRC entities may delay or prevent us from using the proceeds we receive from this offering to make loans or additional capital contributions to our PRC subsidiaries.

In utilizing the proceeds from this offering, and as an offshore holding company of our PRC subsidiary, we may make loans to our PRC subsidiaries, or additional capital contributions to our PRC subsidiaries. Any loans or additional capital contributions to our subsidiaries in the PRC are subject to PRC regulations and approvals. For example, loans by us to our PRC subsidiaries cannot exceed statutory limits and must be registered with the SAFE or its local branch.

We may also decide to finance our PRC subsidiaries through capital contributions. These capital contributions must be approved by MOFCOM or its local counterpart. We cannot assure you that we will be able to obtain the required government registrations or approvals on a timely basis, if at all, with respect to future loans or capital contributions by us to our PRC subsidiaries. If we fail to obtain such registrations or approvals, our ability to use the proceeds from this offering and to fund our operations in the PRC would be negatively affected, which would adversely and materially affect our liquidity and our ability to expand our business.

In addition, the SAFE promulgated the Circular on the Relevant Operating Issues Concerning Administration Improvement of Payment and Settlement of Foreign Currency Capital of Foreign-invested Enterprises (關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知), or Circular 142, on August 29, 2008. Under Circular 142, the registered capital of a foreign-invested company settled in Renminbi converted from foreign currencies may only be used within the business scope approved by the applicable governmental authority, and may not be used for equity investments in the PRC. In addition, foreign-invested companies may not change how they use such capital without the SAFE's approval, and may not, in any case, use such capital to repay Renminbi loans if proceeds of such loans have not been utilized. Violations of Circular 142 may result in fines or other penalties. Please also refer to the section entitled "Regulatory Overview — Foreign Exchange Control". As a result, Circular 142 may significantly limit our ability to transfer the net proceeds from our initial public offering and subsequent offerings or financings to our PRC subsidiaries.

Furthermore, the SAFE promulgated Circular 59 on November 9, 2010, which requires the PRC Government to closely examine the authenticity of the settlement of net proceeds from offshore offerings and to verify that the net proceeds are settled in the manner described in the offering documents. Circular 142 and Circular 59 may significantly limit our ability to transfer the net proceeds from this offering to our PRC subsidiaries and our ability to convert the net proceeds into Renminbi, which may materially and adversely affect our liquidity and our ability to fund and expand our business in the PRC.

Our ability to pay dividends and utilize cash resources in our subsidiaries is dependent upon our subsidiaries' earnings and distributions.

We are a holding company incorporated in the Cayman Islands, and our business and operations are conducted through our PRC subsidiaries. We rely on dividends and other distributions paid by our PRC subsidiaries for our future cash needs, including the funds necessary to pay dividends to our Shareholders, to service any debt we may incur and to pay our operating expenses. The ability of our subsidiaries to pay dividends or other distributions may be subject to their earnings, financial condition, cash requirements and availability, applicable laws, regulations and rules and restrictions on making payments to our Company contained in financing or other agreements. If one or more of our subsidiaries incurs debt in its own name, the instruments governing the debt may restrict dividends or other distributions on its equity interest to us.

As entities established in the PRC, our PRC subsidiaries are subject to limitations with respect to dividend payments. Regulations in the PRC currently permit the payment of dividends by PRC subsidiaries only out of their respective accumulated profits as determined in accordance with PRC GAAP. According to applicable PRC laws and regulations, each of our PRC subsidiaries is required to maintain a general reserve fund of 10% of its after-tax profit based on PRC GAAP up to a maximum of 50% of the registered capital of such PRC subsidiary. Our PRC subsidiaries may allocate a portion of after-tax profit to staff welfare, bonuses and development funds, at the discretion of such PRC subsidiaries and pursuant to their articles of association. These reserves or funds are not distributable as dividends. Contributions to such reserves or funds are made from each of our PRC subsidiaries' net profit after taxation. As a result, each of our PRC subsidiaries is restricted in its ability to transfer its net profit to us in the form of dividends.

If our PRC subsidiaries cannot pay dividends due to government policies or regulations, or because they cannot generate sufficient cash flow, we will not be able to pay dividends, service our debt or pay our expenses.

Failure by our Shareholders or beneficial owners who are PRC residents to make any required applications and filings pursuant to regulations relating to offshore investment activities by PRC residents may prevent us from being able to distribute profits and could expose us and our PRC resident shareholders to liability under the PRC laws.

The Circular Concerning Relevant Issues on the Foreign Exchange Administration of Raising Funds through Overseas Special Purpose Vehicles and Round-Trip Investment in the PRC by Domestic Residents (關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知) ("SAFE Circular") promulgated by the SAFE on October 21, 2005, which became effective on November 1, 2005, requires PRC residents with direct or indirect offshore investments, including overseas special purpose vehicles, to file a Registration Form of Overseas Investments Contributed by Domestic Individual Residents and register with the SAFE, and to update the SAFE's records within 30 days of any major changes in capital, including increases and decreases in capital, share transfers, share swaps, mergers or divisions. Failure to register may result in the prohibition of distributions or contributions from capital reductions, share transfers or liquidations from PRC entities to the relevant offshore entity in which the PRC resident has a direct or indirect investment. The SAFE subsequently issued a series of guidance letters to its local branches with respect to the procedures for SAFE registration under the SAFE Circular. These regulations require PRC residents and PRC corporate entities to register with competent local branches of the SAFE in connection with their direct or indirect offshore investment in offshore special purpose vehicles. These regulations may apply to our Shareholders who are PRC residents or have PRC residents as their beneficial owners and may apply to any offshore acquisitions that we make in the future.

Any failure by any of our Shareholders who is considered to be a PRC resident by the SAFE to make the registrations or amendments with the SAFE may result in the prohibition of distributions, share transfers, or liquidations of our PRC subsidiaries, and may affect our ownership structure, acquisition strategy, business operations and ability to make dividend payments to our Shareholders.

Failure to comply with PRC regulations regarding the registration requirements for stock incentive plans may subject the PRC citizen participants in such incentive plans or us to fines and other legal or administrative sanctions.

Under the SAFE regulations, PRC residents who participate in an employee stock ownership plan or stock option plan in an overseas publicly-listed company are required to register with the SAFE or its local branch and complete certain other procedures. Participants of a stock incentive plan who are PRC residents must retain a qualified PRC agent, which could be a PRC subsidiary of such overseas publicly-listed company, to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of these participants. Such participants must also retain an overseas entrusted institution to handle matters in connection with the stock options plans or awards. In addition, the PRC agent is required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the PRC agent or the overseas entrusted institution or any other material changes.

We and our PRC resident employees who participate in the Pre-IPO Share Award Scheme may be subject to these regulations. If we or our PRC resident grantees fail to comply with these regulations, we or the relevant employees may be subject to fines and other legal or administrative sanctions and restrictions may be imposed on the execution of our Pre-IPO Share Award Scheme.

Government control over currency conversion may affect the value of our Shares and may limit our ability to utilize our cash effectively.

All of our revenue is denominated in Renminbi. The PRC Government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of the PRC. Under existing PRC foreign exchange regulations, the payment of current account items, including profit distributions, interest payments and expenditures from trade related transactions, can be made in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, approval from the SAFE or its local branch is required where Renminbi is to be converted into foreign currency and remitted out of the PRC to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC Government may also, at its discretion, restrict access in the future to foreign currencies for current account transactions.

If the foreign exchange control system prevents our PRC subsidiaries from distributing dividends to us, we may not be able to pay dividends to our Shareholders. In addition, since a significant amount of our future cash flow from operations will be denominated in Renminbi, any future restrictions on currency exchange may limit our ability to purchase goods and services outside of the PRC or otherwise fund our business activities that will be conducted in foreign currencies.

Fluctuation in the exchange rates of Renminbi may have a material adverse effect on your investment.

The exchange rates of Renminbi against foreign currencies, including the Hong Kong dollar, are affected by, among other things, changes in the PRC's political and economic conditions. To the extent that we need to convert Hong Kong dollars we receive from our initial public offering into Renminbi for our operations, appreciation of Renminbi against the Hong Kong dollar would have an adverse effect on the Renminbi amount we would receive. Conversely, if we decide to convert our Renminbi into Hong Kong dollars for the purpose of making payments for dividends on our Shares or for other business purposes, appreciation of the Hong Kong dollar against Renminbi would have a negative effect on the Hong Kong dollar amount available to us. Any appreciation in the Euro, US dollar, Japanese yen or other foreign currencies against Renminbi may cause automobile suppliers to raise their prices, which would increase our purchase costs for automobiles and spare parts, which could in turn increase our automobile retail prices and adversely affect our sales and profits.

It may be difficult to effect service of process, or to enforce judgements obtained in non-PRC courts against us, our Directors or members of our senior management who reside in the PRC.

Almost all of the assets of the Company are located in the PRC. In addition, most of our Directors and senior management reside within the PRC, and the assets of our Directors and senior management may also be located within the PRC. As a result, it may not be possible to effect service of process outside the PRC upon most of our Directors and senior management, including in relation to matters arising under applicable securities laws. Moreover, the PRC does not have treaties with the United States or many other countries providing for the reciprocal recognition and enforcement of judgments of foreign courts. Therefore PRC courts have discretion regarding whether or not to enforce the judgments of foreign courts. In addition, Hong Kong has no arrangement for the reciprocal enforcement of judgements with the United States. As a result, recognition and enforcement in the PRC or Hong Kong of judgements of courts in some jurisdictions is uncertain.

RISKS RELATING TO THE GLOBAL OFFERING

The interests of the Company's Controlling Shareholders may conflict with the best interests of its other shareholders.

Upon completion of the Global Offering (assuming that the Over-allotment Option is not exercised and an Offer Price of HK$4.10 per Share, being the mid-point of the indicative Offer Price range from HK$3.65 to HK$4.55 per Share), the Controlling Shareholders will in the aggregate beneficially own approximately 58.5% of our issued Shares. Subject to our Memorandum and Articles of Association and applicable laws and regulations, the Controlling Shareholders will continue to have the ability to exercise controlling influence on our management, policies and business by controlling the composition of our Board, determining the timing and amount of our dividend payments, approving significant corporate transactions, including mergers and acquisitions, approving our annual budgets and taking other actions that require our Shareholders' approval, which may not be in the best interests of other Shareholders.

Investors will experience dilution in the pro forma net tangible book value per Share because the Offer Price is higher than our net tangible book value per Share.

As the Offer Price of our Shares is higher than the net tangible book value per Share of our Shares immediately prior to the Global Offering, purchasers of our Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible book value. If we issue additional Shares in the future, purchasers of our Shares in the Global Offering may experience further dilution in their ownership percentage.

The trading volume and market price of our Shares following the Global Offering may be volatile.

The price and trading volume of our Shares may be highly volatile. Factors such as variations in our revenue, earnings and cash flow, changes in our pricing policy as a result of the presence of competitors, announcements of new automobile models, strategic alliances or acquisitions, industrial or environmental accidents, changes in our senior management personnel, changes in ratings by financial analysts and credit rating agencies, litigation or fluctuations in the market prices for our products could cause large and sudden changes in the volume and price at which our Shares will trade. In addition, the Hong Kong Stock Exchange and other securities markets have, from time to time, experienced significant price and volume fluctuations that are not related to the operating performance of any particular company. These fluctuations may also materially and adversely affect the market price of our Shares.

Future sales or perceived sales of substantial amounts of our securities in the public market, including any future sale of our Shares by those Shareholders that are currently subject to contractual and/or legal restrictions on share transfers, could have a material adverse effect on the prevailing market price of our Shares and our ability to raise capital in the future, and may result in dilution of your shareholding in us.

The market price of our Shares could decline as a result of future sales of substantial amounts of our Shares or other securities relating to our Shares in the public market or the issuance of new Shares or other securities, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital in the future at a time and at a price we deem appropriate. In addition, our Shareholders may experience dilution in their holdings to the extent we issue additional securities in future offerings.

Certain amounts of our Shares currently outstanding are and/or will be subject to contractual and/or legal restrictions on resale for a period of time after completion of the Global Offering. See the sections headed "Share Capital" and "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering" for details. After these restrictions lapse or if they are waived or breached, future sales, or perceived sales, of substantial amounts of our Shares could negatively impact the market price of our Shares and our ability to raise capital in the future.

Due to a gap between pricing and trading of our Shares and given that our Shares will not commence trading on the Hong Kong Stock Exchange until the Listing Date, the initial trading price of our Shares could be lower than the Offer Price.

The Offer Price will be determined on the Price Determination Date. However, our Shares will not commence trading on the Hong Kong Stock Exchange until the Listing Date, which is generally expected to be four business days, more or less, after the Price Determination Date. As a result, investors may not be able to sell or otherwise deal in our Shares during such period and thus are subject to the risk that the market price of our Shares could fall before trading begins as a result of adverse market conditions or other adverse developments occurring during this period.

An active trading market in our Shares may not develop, which could have a material adverse effect on our Share price and your ability to sell your Shares.

Prior to the Global Offering, no public market existed for our Shares. The initial offering price for our Shares will be determined by us and the Joint Bookrunners (on behalf of the Underwriters) and may differ significantly from the market price for our Shares following the completion of the Global Offering. We have applied to list our Shares on the Hong Kong Stock Exchange. However, a listing on the Hong Kong Stock Exchange does not guarantee that an active trading market for our Shares will develop following the completion of the Global Offering or in the future. If an active public market for our Shares does not develop, the Shares could trade at a price lower than the Offer Price and you may not be able to resell your Shares for an extended period of time, if at all.

There are risks associated with forward-looking statements.

This prospectus contains certain statements and information that are “forward-looking” and uses forward-looking terminology such as “expect,” “believe,” “plan to,” “intend,” “could,” “anticipate,” “estimate,” “should” and “will”. Those statements include, among other things, the discussion of our growth strategy and expectations concerning our future business, operations, liquidity and capital resources. Purchasers of our Shares are cautioned that any forward-looking statements are subject to uncertainties and that, although we believe the assumptions on which the forward-looking statements are based are reasonable, any or all of these assumptions could also be incorrect. The uncertainties in this regard include, but are not limited to, those identified in this “Risk Factors” section, many of which are not within our control. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations by us that our plans or objectives will be achieved, and investors should not place undue reliance on such forward-looking statements. We do not undertake any obligation to update publicly or release any revisions of any forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise.

Certain industry statistics contained in this prospectus are derived from various publicly available government or official sources and may not be accurate or reliable.

Certain facts and statistics in this prospectus related to the PRC, its economy and the industries in which we operate within the PRC are derived from official government publications generally believed to be reliable. We believe that the sources of these facts and statistics are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. These facts and statistics have not been independently verified by us, the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering and therefore we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside the PRC and may not be complete or up-to-date. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable from period to period or to statistics produced for other economies and should not be unduly relied upon. Further, we cannot assure you that they are stated with the same degree of accuracy as may exist elsewhere. In all cases, investors should give consideration as to how much weight or importance they should place on all such facts and statistics.

Our financial results are expected to be affected by the expenses relating to the Global Offering.

Our financial results will be affected by the expenses relating to the Global Offering. The estimated expenses in relation to the Global Offering are approximately RMB61.7 million, of which approximately RMB45.0 million is directly attributable to the issue of new Shares to the public and will be accounted for as a deduction from equity upon completion of the Global Offering in the year 2014. The remaining estimated listing expenses of approximately RMB16.7 million, which cannot be so deducted, was or will be charged to profit or loss, of which approximately RMB10.0 million was charged during the Track Record Period, approximately RMB2.4 million is estimated to be incurred during the three months ended December 31, 2013 and approximately RMB4.3 million is expected to be incurred before or upon completion of the Global Offering in the year 2014. This calculation is based on the mid-point of our indicative Offer Price range of HK$3.65 to HK$4.55 per Offer Share and the assumption that 150,000,000 Shares expected to be issued under the Global Offering and 600,000,000 Shares are issued and outstanding immediately following the Global Offering (assuming the Over-allotment Option is not exercised). Therefore, our financial results for the year ended December 31, 2013 and the year ending December 31, 2014 will be affected by the expenses relating to the Global Offering.

You should read the entire prospectus carefully, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the Global Offering.

You should rely solely upon the information contained in this prospectus, the Application Forms and any formal announcements made by us in Hong Kong in making your investment decision regarding our Shares. There had been, prior to the publication of this prospectus, and there may be, subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and media coverage regarding us and the Global Offering, which contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information.