This is a draft registration statement that is being confidentially submitted to the Securities and Exchange Commission on May 8, 2023.
Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Pony AI Inc.

(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English)

Cayman Islands	**7373**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

1301 Pearl Development Building
1 Mingzhu 1st Street, Hengli Town, Nansha District,
Guangzhou, People's Republic of China, 511458
+86 020-3466 7656
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Cogency Global Inc.
122 East 42nd Street, 18th Floor
New York, NY 10168
(212) 947-7200
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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

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

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

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

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

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

Subject to Completion
Preliminary Prospectus Dated , 2023

American Depositary Shares

Pony AI Inc.

Representing Class A Ordinary Shares

This is an initial public offering of American depositary shares, or ADSs, representing Class A ordinary shares of Pony AI Inc. We are offering a total of ADSs, each representing of our Class A ordinary shares, par value US$0.0005 per share. The underwriters may also purchase up to Class A ordinary shares within 30 days to cover over-allotments, if any.

Prior to this offering, there has been no public market for the ADSs. We expect the initial public offering price will be between US$ and US$ per ADS. We intend to apply to list the ADSs representing our Class A ordinary shares on the [New York Stock Exchange]/[Nasdaq Global Market] under the symbol " PONY." The closing of this offering is conditioned upon the final approval from the [New York Stock Exchange]/[Nasdaq Global Market] of our listing application.

Neither the United States Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Following the completion of this offering, our issued and outstanding share capital will consist of Class A ordinary shares and Class B ordinary shares. Dr. Jun Peng, our Chief Executive Officer and director, and Dr. Tiancheng Lou, our Chief Technology Officer and director, will collectively beneficially own all of our issued Class B ordinary shares and will collectively be able to exercise % of the total voting power of our issued and outstanding share capital immediately following the completion of this offering, assuming the underwriters do not exercise their option to purchase additional ADSs. Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. Each Class A ordinary share is entitled to one vote and each Class B ordinary share is entitled to ten (10) votes. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any sale, transfer, assignment or disposition of any Class B ordinary share by a holder thereof to any non-affiliate to such holder, each of such Class B ordinary share will be automatically and immediately converted into one Class A ordinary share. See "Description of Share Capital." Immediately following the completion of this offering, we will be a "controlled company" within the meaning of the [NYSE/Nasdaq] rules. See "Principal Shareholders."

Pony AI Inc. ("**Pony.ai**" or the "**Company**") is a Cayman Islands holding company which does not have any substantive business operations by itself. In China, Pony AI Inc. conducts operations through its PRC subsidiaries and consolidated variable interest entities (the "**VIEs**" or "**VIE Entities**"). The VIEs are owned by certain nominee shareholders, not Pony AI Inc. The VIEs are consolidated for accounting purpose only and Pony AI Inc. does not own any equity interest in the VIEs. Pony AI Inc. is not a Chinese operating company and does not conduct operations directly in the PRC. While a VIE structure is typically used to provide investors with exposure to foreign investment in China-based companies where the PRC law prohibits foreign investment in the operating companies, the VIEs currently do not engage in any business that is subject to such foreign investment restrictions. Pony AI Inc. operates its businesses this way primarily in order to preserve the flexibility to engage in businesses in future that are subject to foreign investment restrictions under applicable PRC laws and regulations. In the United States, Pony AI Inc. operates its business through Pony.AI, Inc, a Delaware corporation. For a summary of such contractual arrangements, see "Our History and Corporate Structure — Contractual Arrangements with the VIEs and Their Shareholders." Investors in the ADSs are purchasing equity securities of a Cayman Islands holding company rather than equity securities of Pony.ai's subsidiaries and the VIEs. Investors may never directly held equity interest in the VIEs. As used in this prospectus, "we," "us," "our company," "our," or "Pony.ai" refers to Pony AI Inc. and its subsidiaries, and, in the context of describing our consolidated financial information, business operations and operating data, refers to Pony AI Inc. and its subsidiaries and the consolidated VIEs. We refer to Beijing (ZX) Pony.AI Technology Co., Ltd. and Guangzhou (ZX) Pony.AI Technology Co., Ltd. and their subsidiaries as the VIEs in the context of describing their activities and contractual arrangements.

Our corporate structure involves unique risks to investors in the ADSs. As of December 31, 2021 and 2022, total assets of the VIEs, excluding amounts due from the group companies, equaled to 6.8% and 10.1% of our consolidated total assets as of the same dates, respectively. In 2021 and 2022, total revenues generated from the VIEs accounted for 98.9% and 22.5% of our total revenues on a consolidated basis. Our contractual arrangements with the VIEs and their respective shareholders have not been tested in a court of law in the PRC. If the PRC regulatory authority deems that our contractual arrangements with the VIEs do not comply with PRC laws, or if these laws, or the interpretation of existing laws, change in the future, we could be subject to material penalties or be forced to relinquish our interests in those operations or otherwise significantly change our corporate structure. We and our investors face significant uncertainty about potential future actions by the PRC regulatory authority that could affect the legality and enforceability of the contractual arrangements with the VIEs and, consequently, significantly affect our ability to consolidate the financial results of the VIEs and the financial performance of our company as a whole. Our ADSs may decline in value or become worthless, if we are unable to claim our contractual control rights over the assets of the VIEs that conduct a material portion of our operations in China. See "Risk Factors — Risks Related to Our Corporate Structure" for detailed discussion.

As of December 31, 2022, Pony AI Inc. had made cumulative capital contributions and loans of US$530.0 million to its PRC subsidiaries through intermediate holding companies. Under relevant PRC laws and regulations, Pony AI Inc. is permitted to remit funds to the VIEs through loans rather than capital contributions. Hongkong Pony AI Limited ("**Hongkong Pony AI**"), one of Pony AI Inc.'s subsidiaries, offered a loan of US$105.0 million to Beijing (ZX) Pony, one of the VIEs, to support business expansion in China. Hongkong Pony AI further increased the loan by US$8.0 million in 2021 and US$5.0 million in 2022. There were also cash and non-cash assets transferred between the VIEs and non-VIEs. Non-cash assets were primarily intellectual property rights, and equipment and facilities. In 2021 and 2022, the total amount of service fees that the VIEs paid to the non-VIEs was US$4.7 million and US$1.0 million, respectively. In 2021 and 2022, the aggregate amount of the underlying non-cash assets transferred through our organization was US$0.2 million and US$0.2 million, respectively.

Pony AI Inc. has not previously declared or paid any cash dividend or dividend in kind, and has no plan to declare or pay any dividends in the near future on our shares or the ADSs representing our Class A ordinary shares. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business. See "Prospectus Summary — Holding Company Structure — Transfer of Funds and Other Assets."

To the extent our cash in the business is in the PRC or a PRC entity, the funds may not be available to distribute dividends to our investors, or for other use outside of the PRC, due to interventions in or the imposition of restrictions and limitations on the ability of us, our subsidiaries, or the VIEs by the PRC regulatory authority to transfer cash. The PRC regulatory authority imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. Our cash dividends, if any, will be paid in U.S. dollars. As a consequence, we might not be able to pay dividends in foreign currencies to our shareholders. If we are considered a PRC tax resident enterprise for tax purposes, any dividends we pay to our overseas shareholders may be regarded as China-sourced income and as a result may be subject to PRC withholding tax. In addition, relevant PRC laws and regulations permit the PRC companies to pay dividends only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Our company's PRC subsidiaries may pay dividends only out of their accumulated after-tax profits upon satisfaction of relevant statutory conditions and procedures, if any, determined in accordance with Chinese accounting standards and regulations; each of the PRC subsidiaries is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. Additionally, our company's PRC subsidiaries and the VIE Entities can only distribute dividends upon approval of the shareholders after they have met the PRC requirements for appropriation to the statutory reserves. Such laws and regulations would limit our ability to transfer cash between our company, our WFOEs, the VIE Entities, or investors. See "Risk Factors — Risks Related to Doing Business in China — We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business." and "Regulation — Regulations on Foreign Exchange Control and Dividend Distribution."

The PRC regulatory authorities have significant oversight and discretion over the conduct of our business and may intervene with or influence our operations as they deem appropriate to further economic, regulatory, political and societal goals. The PRC regulatory authorities have recently published new policies that affected certain industries with respect to matters such as cybersecurity, data privacy, antitrust and competition, foreign investments, and overseas listings, and we cannot rule out the possibility that it will in the future release regulations or policies regarding our industry that could adversely affect our business, financial condition and results of operations. Furthermore, the PRC regulatory authority has recently issued new laws and regulations to exert more oversight and control over overseas securities offerings and other capital markets activities and foreign investment in China-based companies like us. Any such action, once taken by the PRC regulatory authority, could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or in extreme cases, become worthless. For more details, see "Risk Factors — Risks Related to Doing Business in China — Uncertainties regarding the enforcement of laws, and changes in policies, laws and regulations in China, could materially and adversely affect us."

Trading in our securities on U.S. markets, including [the NYSE / Nasdaq], may be prohibited under the Holding Foreign Companies Accountable Act (the "**HFCAA**") if the Public Company Accounting Oversight Board (the "**PCAOB**") determines that it is unable to inspect or investigate completely our auditor for two consecutive years. On December 16, 2021, the PCAOB issued the HFCAA Determination Report to notify the SEC of its determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong (the "2021 Determinations"), including our auditor. On December 15, 2022, the PCAOB announced that it was able to conduct inspections and investigations of PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong in 2022. The PCAOB vacated its previous 2021 Determinations accordingly. As a result, we do not expect to be identified as a "Commission-Identified Issuer" under the HFCAA. However, whether the PCAOB will continue to be able to satisfactorily conduct inspections and investigations of PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong is subject to uncertainty and depends on a number of factors out of our, and our auditor's, control, including positions taken by authorities of the PRC. The PCAOB is expected to continue to demand complete access to inspections and investigations against accounting firms headquartered in mainland China and Hong Kong in the future and states that it has already made plans to resume regular inspections in early 2023 and beyond. The PCAOB is required under the HFCAA to make its determination on an annual basis with regards to its ability to inspect and investigate completely accounting firms based in the mainland China and Hong Kong. The possibility of being a "Commission-Identified Issuer" and risk of delisting could continue to adversely affect the trading price of our securities. If the PCAOB determines in the future that it no longer has full access to inspect and investigate accounting firms headquartered in mainland China and Hong Kong and we continue to use such accounting firm to conduct audit work, we would be identified as a "Commission-Identified Issuer" under the HFCAA following the filing of the annual report for the relevant fiscal year, and if we were so identified for two consecutive years, trading in our securities on U.S. markets would be prohibited under the HFCAA. For more details, see "Risk Factors — Risks Related to Doing Business in China — Trading in our securities may be prohibited under the Holding Foreign Companies Accountable Act if the PCAOB determines that it is unable to inspect or investigate completely our auditor, and as a result,U.S. national securities exchanges, such as the [NYSE/Nasdaq], may determine to delist our securities."

We are an "emerging growth company" under the U.S. federal securities laws and will be subject to reduced public company reporting requirements. Investing in the ADSs involves risks. See "Risk Factors" beginning on page 24 of this prospectus.

	Per ADS	Total
Public offering price	US$	US$
Underwriting discounts and commissions[(1)]	US$	US$
Proceeds, before expenses, to us	US$	US$

(1) For a description of the compensation payable to the underwriters, see "Underwriting."

The underwriters have an over-allotment option to purchase up to an additional ADSs from us at the initial public offering price, less the underwriting discounts and commissions, within days from the date of this prospectus.

The underwriters expect to deliver the ADSs against payment in U.S. dollars in New York, New York on , 2023.

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

The date of this prospectus is , 2023.

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No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the ADSs offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

Neither we nor any of the underwriters has done anything that would permit this offering or possession or distribution of this prospectus or any filed free writing prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus or any free writing prospectus must inform themselves about, and observe any restrictions relating to, the offering of the ADSs and the distribution of this prospectus or any free writing prospectus outside of the United States. This offering is being made in the United States and elsewhere solely on the basis of the information contained in this prospectus. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or any sale of the ADSs representing our Class A ordinary shares.

Our business, financial condition, results of operations and prospects may have changed since the date on the front cover of this prospectus.

Until , 2023 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade the ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements and the related notes appearing elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in the ADSs discussed under "Risk Factors," "Business," and information contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations" before deciding whether to buy the ADSs. This prospectus contains certain information from an industry report commissioned by us and prepared by Frost & Sullivan, Inc., Shanghai Branch Co., or Frost & Sullivan, a third-party industry research firm.

Our Vision

We aim to mass commercialize our revolutionary autonomous driving technology to deliver safe, sustainable, and accessible mobility to people and businesses around the world.

Our Company

Pony.ai is a global leader in achieving large-scale commercialization of autonomous mobility.

On the public roads of Yizhuang, Beijing and Nansha, Guangzhou, Pony.ai has achieved what was once only depicted in science fictions — building a car that drives itself. Today, a commute in a driverless Pony.ai robotaxi is not merely a display of groundbreaking technology, but becoming a part of the daily lives for many residents in these communities. As intuitive as a trip in a traditional taxi, hailing a ride with Pony.ai's robotaxi offers everyone a revolutionary mobility option to make our streets safer and greener, changing the way the world moves.

After one summons a ride on the *PonyPilot+* mobile app, a robotaxi shows up at the designated pick-up spot quickly — looking no different from a traditional taxi, except for the equipped sensors watching and coping with the streets. But the difference lies beneath the surface — no one is behind the driving wheel.

Passengers, wide-eyed with wonder, unlock the door using the app and climb into the back seat. The robotaxi hits the road and navigates the crowded urban districts confidently and smoothly, expertly handling unexpected snags with ease and intelligently identifying all the obstacles in its path, including other cars, pedestrians, construction zones, and even in inclement weather conditions. As the steering wheel turns itself with seamless precision, the car brakes and accelerates without any human intervention, until it pulls over steadily at the destination.

Stepping out of the car, the passengers pay the fare through the app and conclude this awe-inspiring ride. Meanwhile, the robotaxi drives itself away to pick up the next passenger, leaving one to ponder what other marvels the future holds.

Starting from the scratch and bringing our technology to people's lives is by itself a testament to our commitment to autonomous mobility. Yet the progress we have made to date is what sets Pony.ai apart from our peers:

- We are the only company in China that has obtained licenses to operate fully driverless vehicles in Beijing and Guangzhou, the first two cities that have issued fully driverless permits.
- We currently operate a fleet of over 290 robotaxis, which has accumulated over 18 million kilometers of autonomous driving mileages, including over 800,000 kilometers of driverless mileages.
- We were among the first to offer fare-charging, public-facing robotaxi services. Our average daily orders received per robotaxi exceeded 10 in the first four months of 2023, setting a key milestone towards large-scale commercialization of Level 4 robotaxis.
- We currently operate a fleet of over 140 robotrucks, which has amassed over 2.3 million kilometers of autonomous driving mileages. Over the course of its commercial operations, our robotruck fleet offers hub-to-hub long-haul freight transportation across China, accumulating approximately 268.7 million freight ton-kilometers.

- We have built a thriving ecosystem of industry partners, including leading OEMs, TNCs and logistics platforms such as Toyota, SAIC, SANY, OnTime Mobility and Sinotrans. From these partnerships, we have gained invaluable experience to mass commercialize our *Virtual Driver* technology with a goal to achieve positive unit economics for our next-generation autonomous driving solution.

With these milestones, Pony.ai is on track to achieve large-scale commercialization of our *Virtual Driver* technology. Specifically, we aim to develop a commercially viable and sustainable business model that enables the mass production and deployment of vehicles equipped with our *Virtual Driver* technology across transportation use cases, providing autonomous mobility to people and businesses around the world.

Our Strengths

- Technological readiness for Level 4 large-scale commercialization
- Actionable large-scale commercialization roadmaps
- Thriving collaborative ecosystem
- World-class team led by visionary and experienced senior management

Our Growth Strategies

- Accelerate commercialization across our portfolio of solutions
- Invest in technology to drive the future of autonomous mobility
- Deepen our partnerships and expand our collaborative ecosystem

Summary of Risk Factors

An investment in our ADSs involves significant risks. You should consider carefully all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our ADSs. Below is a summary of material risks we face, organized under relevant headings. Full-fledged discussion of each of these summary risk factors can be found under the same subheading in the section headed "Risk Factors."

Risks Related to Our Business and Industry

- Autonomous driving is an emerging and rapidly evolving technology and involves significant risks and uncertainties. (page 24)
- Our limited operating history makes it difficult to predict our future prospects, business and financial performance. Our historical revenue mix and growth, cost mix, margin profile and financial results in general are not indicative of future trends as we are still in a nascent stage of commercializing our technologies and diversifying our customer base based on our go-to market strategies. (page 24)
- Since the markets for autonomous driving technology are still at relatively early stages of growth, if such markets do not continue to grow, grow more slowly than expected, fail to grow as large as expected, or if our autonomous driving technology fails to gain acceptance or traction from users and other stakeholders in such markets, our business, prospects, operating results, and financial condition could be materially harmed. (page 25)
- We face risks associated with autonomous driving technology and may not be able to develop solutions on schedule, or at all, and we may experience significant delays in the design, commercialization and launch of new solutions. We may fail to develop partnerships with other companies to offer autonomous driving technologies in a timely manner. (page 26)
- The autonomous driving industry is highly competitive. We face competition against a large number of both established competitors and new market entrants. If we are not able to compete effectively with others, our business, financial condition and results of operations may be materially and adversely affected. (page 26)

- Any failure to commercialize our strategic plans at scale would have an adverse effect on our operating results and business, harm our reputation and could result in substantial liabilities that exceed our resources. (page 27)
- We have been and intend to continue investing significantly in research and development, and our attempt to develop new solutions and services may be unsuccessful, which may negatively impact our profitability and operating cash flow in the short-term and may not generate the results we expect to achieve. (page 31)
- Our business is subject to substantial regulations and may be adversely affected by changes in automotive safety regulations or concerns that drive further regulation of the automobile safety market. (page 31)

Risks Related to Our Corporate Structure

- There are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations, and rules relating to the agreements that establish the VIE structure for our operations in China, including potential future actions by the PRC regulatory authority, which could affect the enforceability of our contractual arrangements with the VIEs and, consequently, significantly affect our financial condition and results of operations. If the PRC regulatory authority finds such agreements non-compliant with relevant PRC laws, regulations, and rules, or if these laws, regulations, and rules or the interpretation thereof change in the future, we could be subject to severe penalties or be forced to relinquish our interests in the VIEs. (page 56)
- Any failure by the VIEs or their respective shareholders to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business. (page 58)
- Substantial uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law of the PRC and how it may impact the viability of our current corporate structure, corporate governance and business operations. (page 58)
- The contractual arrangements with the VIEs and their respective shareholders may not be as effective as direct ownership in providing operational control. (page 59)

Risks Related to Doing Business in China

- Uncertainties regarding the enforcement of laws, and changes in policies, laws and regulations in China, could materially and adversely affect us. (page 61)
- The current tensions in international trade and rising political tensions, particularly between the United States and China, may adversely impact our business, financial condition, and results of operations. (page 61)
- We are subject to U.S. export controls that could restrict our ability to transfer certain of our products and technologies, both within our company or to external parties, including potential customers; increasingly restrictive U.S. export controls directed toward China, in particular its artificial intelligence industry, could also limit our ability to obtain advanced semiconductors and other technology that could be needed to develop our products. (page 63)
- The approval, filing or other requirements of the China Securities Regulatory Commission or other PRC regulatory authorities is required under PRC law in connection with our issuance of securities overseas, and we cannot predict whether or for how long we will be able to obtain such approval or complete such filing. (page 64)

Risks Related to the ADS and this Offering

- An active trading market for our shares or our ADSs may not develop and the trading price for our ADSs may fluctuate significantly. (page 75)
- The trading price of our ADSs is likely to be volatile, which could result in substantial losses to investors. (page 75)
- Because our initial public offering price is substantially higher than our net tangible book value per share, you will experience immediate and substantial dilution. (page 76)

- Our dual-class share structure with different voting rights will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial. (page 76)
- As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the [NYSE/Nasdaq] corporate governance listing standards. These practices may afford less protection to shareholders than they would enjoy if we complied fully with the [NYSE/Nasdaq] corporate governance listing standards. (page 78)

Permissions Required from the PRC Authorities for Our Operations and This Offering

Regulatory Licenses, Permits and Approvals Required for Operations

Except as disclosed in "Risk Factors — Risk Related to Our Business and Industry — We are required to comply with laws and regulations across jurisdictions, including obtaining and maintaining permits and licenses to operate certain aspects of our business operations", we believe that our PRC subsidiaries and the VIEs have obtained the material requisite licenses and permits from the PRC regulatory authorities that are necessary for their business operations in China.

Given the uncertainties of interpretation and implementation of relevant laws and regulations and the enforcement practice by relevant government authorities, we may be required to obtain additional licenses, permits, filings, or approvals for our business operations in the future. If we or any of the VIEs is found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. In addition, if we had inadvertently concluded that such approvals, permits, registrations or filings were not required, or if applicable laws, regulations or interpretations change in a way that requires us to obtain such approval, permits, registrations or filings in the future, we may be unable to obtain such necessary approvals, permits, registrations or filings in a timely manner, or at all, and such approvals, permits, registrations or filings may be rescinded even if obtained. Any such circumstance may subject us to fines and other regulatory, civil or criminal liabilities, and we may be ordered by the competent government authorities to suspend relevant operations, which will materially and adversely affect our business operation. For details of the associated risks, see "Risk Factors — Risks Related to Our Business and Industry — Our business is subject to substantial regulations and may be adversely affected by changes in automotive safety regulations or concerns that drive further regulation of the automobile safety market." and "Risk Factors — Risk Related to Our Business and Industry — We are required to comply with laws and regulations across jurisdictions, including obtaining and maintaining permits and licenses to operate certain aspects of our business operations."

Cybersecurity Review

On December 28, 2021, the Cyberspace Administration of China (the "**CAC**") and several other regulatory authorities in China jointly promulgated the amended Cybersecurity Review Measures (the "**Cybersecurity Review Measures**"), which came into effect on February 15, 2022. Pursuant to the Cybersecurity Review Measures, (i) where the relevant activity affects or may affect national security, a "critical information infrastructure operator ("**CIIO**")" that purchases network products and services, or an internet platform operator that conducts data process activities, shall be subject to the cybersecurity review, (ii) an application for the cybersecurity review shall be made by an issuer who is an internet platform operator holding personal information of more than one million users before such issuers apply to list its securities on a foreign stock exchange, and (iii) relevant regulatory authorities in the PRC may initiate cybersecurity review if they determine an operator's network products or services or data processing activities affect or may affect national security.

As of the date of this prospectus, uncertainties still exist in relation to the interpretation and implementation of the Cybersecurity Review Measures. Although we have not received any regulatory notice that identifies us as a CIIO from any PRC regulatory authority, we cannot rule out the possibility that we or certain of our customers, may be deemed as a CIIO. If we are deemed as a CIIO, our purchases

of network products or services, if deemed to be affecting or may affect national security, will need to be subject to cybersecurity review, before we can enter into agreements with relevant suppliers, and before the conclusion of such procedures, we are not allowed to purchase products or services from our suppliers. Additionally if any of our customers is deemed as a CIIO, our provision of products or services, if deemed to be affecting or may affect national security, will need to be subject to cybersecurity review, before we can enter into agreements with relevant customer, and before the conclusion of such procedures, the customer will not be allowed to use our products or services.

We also have not been involved in any cybersecurity-related investigation initiated by the CAC or any other mainland China regulatory authority, and have not received any cybersecurity-related warning, penalty or sanction from the PRC regulatory authorities, or any notice from relevant authorities requiring us to file for a cybersecurity review. As the definitions for terms such as "internet platform operator" and "national security" are broad, and the government will likely retain significant discretion as to the interpretation and enforcement of these terms as well as the Cybersecurity Review Measures and any implementation rules, we may be subject to additional requirements and risks associated with such regulatory requirements. For details of the associated risks, see "Risk Factors — Risks Related to Our Business and Industry — Complying with evolving laws and regulations across multiple jurisdictions regarding cybersecurity, information security, privacy and data protection and other related laws and requirements may be expensive and force us to make adverse changes to our business. Many of these laws and regulations are subject to changes and uncertain interpretations, including in ways that may result in conflicting requirements among various jurisdictions. Any failure or perceived failure to comply with these laws and regulations could result in negative publicity, legal and regulatory proceedings, suspension or disruption of operations, fines, increased cost of operations, remediation costs, indemnification expenditures or otherwise harm our business."

As announced by the CAC, the China Cybersecurity Review Technology and Certification Center (the "**CCRC**") is entrusted by the Cybersecurity Review Office and under its guidance, to undertake specific work of the cybersecurity review such as receipt of materials and formal review of such materials and setup a hotline for the consultation regarding cybersecurity review. In connection with this offering, we have received confirmation from the CCRC that we are not required to apply for a cybersecurity review in connection with this offering and our proposed listing in the U.S. if we do not possess over one million users' personal information prior to the completion of this offering and our proposed listing. Accordingly, as the number of users whose personal information is processed by us does not reach one million as of the date of this prospectus, we are not required under the Cybersecurity Review Measures to apply for a cybersecurity review in connection with this offering and the contemplated listing of our ADSs on the NYSE/Nasdaq.

CSRC Filing and Reporting Requirements

On February 17, 2023, the China Securities Regulatory Commission (the "**CSRC**") published the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines, collectively the Overseas Listing Filing Rules, which came into effect from March 31, 2023 and regulate both direct and indirect overseas offering and listing of PRC-based companies by adopting a filing-based regulatory regime. According to the Overseas Listing Filing Rules, if the issuer meets both of the following criteria, the overseas securities offering and listing conducted by such issuers shall be deemed as indirect overseas offering and listing: (i) more than 50% of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent accounting year is accounted for by domestic companies; and (ii) the main parts of the issuer's business activities are conducted in China, or its main places of business are located in China, or the senior managers in charge of its business operation and management are majority Chinese citizens or domiciled in China. Therefore, we shall comply with the relevant requirements under the Overseas Listing Filing Rules in connection with this offering.

The Overseas Listing Filing Rules provide that (i) the filing applications be submitted to the CSRC within three business days after the issuer submits its application documents relating to the initial public offering and/or listing in overseas; (ii) a timely report be submitted to the CSRC and update its CSRC filing within three business days after the occurrence of any of the following material events, if any of the following events occurs before the completion of the overseas offering and/or listing but after the completion of its CSRC filing: (a) any material change to principal business, licenses or qualifications of the issuer,

(b) a change of control of the issuer or any material change to equity structure of the issuer, and (c) any material change to the offering and listing plan; (iii) after the completion of the listing, a report relating to the issuance information of such offering and/or listing be submitted to the CSRC and a report be submitted to the CSRC within three business days upon the occurrence and public announcement of any of the following material events after the overseas offering and/or listing: (a) a change of control of the issuer, (b) the investigation, sanction or other measures undertaken by any foreign securities regulatory agencies or relevant competent authorities in respect of the issuer, (c) change of the listing status or transfer of the listing board, and (d) the voluntary or mandatory delisting of the issuer; and (iv) where there is material change in the main business of the issuer after overseas offering and listing, which does not apply to the Overseas Listing Filing Rules therefore, such issuer shall submit to the CSRC a report and a relevant legal opinion issued by a domestic law firm within three business days after occurrence of such change.

On February 17, 2023, the CSRC also held a press conference for the release of the Overseas Listing Filing Rules and issued the Notice on the Management Arrangements for the Filing of Overseas Offering and Listing by Domestic Companies, which clarifies, among others, that (i) the CSRC will solicit opinions from relevant regulatory authorities and complete the filing of the overseas listing of companies with VIE contractual arrangements which duly meet the compliance requirements, and support the development and growth of these companies; and (ii) the issuer that has already submitted applications overseas but has not yet obtained the consent from overseas regulators on or prior to the effective date of the Overseas Listing Filing Rules, is permitted to conduct its filing with the CSRC under a "reasonable arrangement" but in any event before the completion of the overseas offering and/or listing.

We plan to make the required filing to the CSRC in connection with this offering in accordance with the Overseas Listing Filing Rules. However, we cannot assure you that we will be able to complete such filing with the CSRC in a timely manner, or at all. Any failure or perceived failure of us to fully comply with such new regulatory requirements could significantly limit or completely hinder our ability to offer or continue to offer securities to investors, cause significant disruption to our business operations, and severely damage our reputation, which could materially and adversely affect our financial condition and results of operations and could cause the value of our securities to significantly decline or be worthless.

In addition, our future financing activities may also need to be filed with and/or reported to the CSRC according to the Overseas Listing Filing Rules. However, as there remain substantial uncertainty with respect to the interpretation and implementation of the Overseas Listing Filing Rules which have just been released recently, we cannot assure you that we will be able to complete such filings in a timely manner and fully comply with such rules in connection with this offering or our continued listing overseas and our overseas securities offerings in the future. As of the date of this prospectus, we have not received any official inquiry, notice, warning and investigation from the CSRC in connection with this offering in this regard. For details of the associated risks, see "Risk Factors — Risks Related to Our Corporate Structure — There are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations, and rules relating to the agreements that establish the VIE structure for our operations in China, including potential future actions by the PRC regulatory authority, which could affect the enforceability of our contractual arrangements with the VIEs and, consequently, significantly affect our financial condition and results of operations. If the PRC regulatory authority finds such agreements non-compliant with relevant PRC laws, regulations, and rules, or if these laws, regulations, and rules or the interpretation thereof change in the future, we could be subject to severe penalties or be forced to relinquish our interests in the VIEs" and "Risk Factors — Risks Related to Doing Business in China — The approval, filing or other requirements of the China Securities Regulatory Commission or other PRC regulatory authorities is required under PRC law in connection with our issuance of securities overseas, and we cannot predict whether or for how long we will be able to obtain such approval or complete such filing." As the regulatory environments continue to evolve, we will continue to closely monitor developments in the PRC regarding requirements of the CSRC, the CAC, or other PRC regulatory authorities in connection with overseas listings and securities offerings.

Implication of the Holding Foreign Companies Accountable Act

Trading in our securities on U.S. markets, including [the NYSE/Nasdaq], may be prohibited under the Holding Foreign Companies Accountable Act (the "**HFCAA**") if the Public Company Accounting Oversight

Board (the "**PCAOB**") determines that it is unable to inspect or investigate completely our auditor for two consecutive years. On December 16, 2021, the PCAOB issued the HFCAA Determination Report to notify the SEC of its determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong (the "**2021 Determinations**"), including our auditor. On December 15, 2022, the PCAOB announced that it was able to conduct inspections and investigations of PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong in 2022. The PCAOB vacated its previous 2021 Determinations accordingly. However, whether the PCAOB will continue to be able to satisfactorily conduct inspections and investigations of PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong is subject to uncertainty and depends on a number of factors out of our, and our auditor's, control, including positions taken by authorities of the PRC. The PCAOB is expected to continue to demand complete access to inspections and investigations against accounting firms headquartered in mainland China and Hong Kong in the future and states that it has already made plans to resume regular inspections in early 2023 and beyond.

The PCAOB is required under the HFCAA to make its determination on an annual basis with regards to its ability to inspect and investigate completely accounting firms based in the mainland China and Hong Kong. The possibility of being a "Commission-Identified Issuer" and risk of delisting could continue to adversely affect the trading price of our securities. If the PCAOB determines in the future that it no longer has full access to inspect and investigate accounting firms headquartered in mainland China and Hong Kong and we continue to use such accounting firm to conduct audit work, we would be identified as a "Commission-Identified Issuer" under the HFCAA following the filing of the annual report for the relevant fiscal year, and if we were so identified for two consecutive years, trading in our securities on U.S. markets would be prohibited under the HFCAA. For more details, see "Risk Factors — Risks Related to Doing Business in China — Trading in our securities may be prohibited under the Holding Foreign Companies Accountable Act if the PCAOB determines that it is unable to inspect or investigate completely our auditor, and as a result,U.S. national securities exchanges, such as the [NYSE/Nasdaq], may determine to delist our securities.

Corporate Structure

Pony AI Inc. ("**Pony.ai**" or our "**Company**") was incorporated in November 2016 as an exempted company with limited liability in the Cayman Islands. In the same month, we incorporated Pony.AI, Inc., a Delaware corporation. We then commenced our U.S. operations in Silicon Valley, California through Pony.AI, Inc.

In December 2016, Hongkong Pony AI Limited ("**Hongkong Pony AI**"), a wholly-owned subsidiary of Pony.ai, was incorporated under the laws of Hong Kong.

In April 2017, Beijing (HX) Pony AI Technology Co., Ltd. ("**Beijing (HX) Pony**"), was incorporated in the PRC. Beijing (HX) Pony is currently a wholly-owned subsidiary of Hongkong Pony AI.

In January 2018, Guangzhou (HX) Pony AI Technology Co., Ltd. ("**Guangzhou (HX) Pony**"), was incorporated in the PRC. Guangzhou (HX) Pony is currently a wholly-owned subsidiary of Hongkong Pony AI.

In June 2019, Beijing (YX) Pony AI Technology Co., Ltd. ("**Beijing (YX) Pony**") was incorporated in the PRC. Beijing (YX) Pony is currently a wholly-owned subsidiary of Hongkong Pony AI.

In April 2021, Shenzhen (YX) Pony AI Technology Co., Ltd. ("**Shenzhen (YX) Pony**") was incorporated in the PRC. Shenzhen (YX) Pony is currently a wholly-owned subsidiary of Hongkong Pony AI.

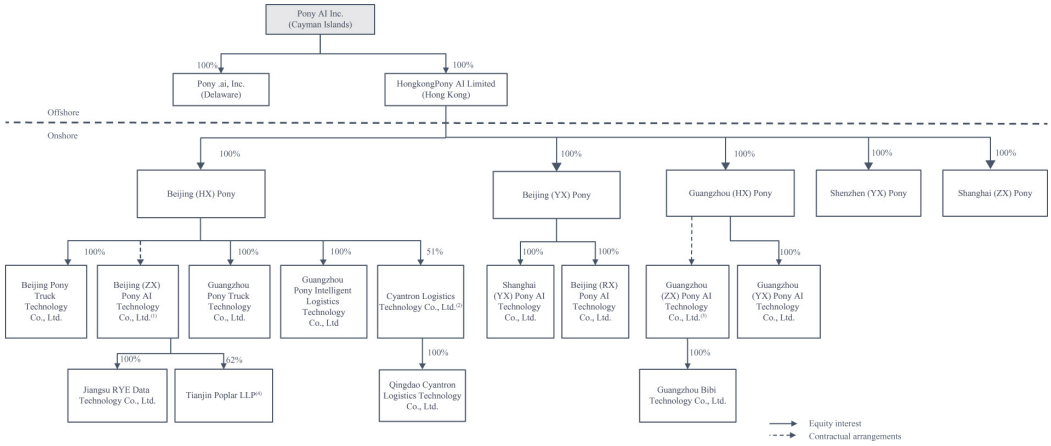
In March 2022, Shanghai (ZX) Pony AI Technology Development Co., Ltd. ("**Shanghai (ZX) Pony**") was incorporated in the PRC, which is a wholly-owned subsidiary of Hongkong Pony AI.

Beijing (HX) Pony and Hongkong Pony AI entered into a series of contractual arrangements, as amended and restated, with Beijing (ZX) Pony and its shareholders, through which we obtained control over Beijing (ZX) Pony and its subsidiaries. In addition, Guangzhou (HX) Pony and Hongkong Pony AI entered into a series of contractual arrangements, as amended and restated, with Guangzhou (ZX) Pony and its shareholders, through which we obtained control over Guangzhou (ZX) Pony and its subsidiaries. Pony

AI Inc. operates its businesses this way primarily in order to preserve the flexibility to engage in businesses that are subject to foreign investment restrictions under applicable PRC laws and regulations.

As a result, we are regarded as the primary beneficiary of Beijing (ZX) Pony, Guangzhou (ZX) Pony and their subsidiaries. For financial reporting purposes, we consolidated the operation results and financial position of the VIEs in accordance with U.S. GAAP. We refer to each of Beijing (HX) Pony and Guangzhou (HX) Pony as our wholly foreign owned entity (the "WFOE"), and to each of Beijing (ZX) Pony and Guangzhou (ZX) Pony and their respective subsidiaries as the consolidated variable interest entity (the "**VIE**" or "**VIE Entity**") in this prospectus. For more details and risks related to the consolidated variable interest entity structure, please see "— Contractual Arrangements with the VIEs and Their Shareholders" and "Risk Factors — Risks Related to Our Corporate Structure."

The following chart illustrates our corporate structure, including our subsidiaries and the VIEs, as of the date of this prospectus:



Notes:

(1) Shareholders of Beijing (ZX) Pony are Dr. Tiancheng Lou (our director and Chief Technology Officer), Mr. Fengheng Tang, Dr. Haojun Wang (our Chief Financial Officer), Ms. Suping Xu, Mr. Jun Zhou (our employee) and Mr. Hengyu Li (our vice president), each holding approximately 49.0%, 30.9%, 10.0%, 5.0%, 5.0% and 0.1% of Beijing (ZX) Pony's equity interests, respectively.

(2) In February 2022, Cyantron Logistics Technology Co., Ltd. was incorporated under the laws of the PRC. Shareholders of Cyantron Logistics Technology Co., Ltd. are Beijing (HX) Pony and Sinotrans, each holding 51.0% and 49.0% of its equity interests, respectively.

(3) Shareholders of Guangzhou (ZX) Pony are Dr. Tiancheng Lou (our director and Chief Technology Officer), Mr. Fengheng Tang and Dr. Luyi Mo (our vice president), each holding 50.0%, 49.9% and 0.1% its interests, respectively.

(4) Tianjin Poplar LLP is a limited partnership incorporated under the laws of the PRC. Beijing (ZX) Pony AI Technology Co., Ltd. is the general partner of Tianjin Poplar LLP, holding approximately 62% of its interest. The remaining 38% interest in Tianjin Poplar LLP is held by an individual as the limited partner.

Contractual Arrangements

Pony AI Inc. is a Cayman Islands exempted company which does not have any substantive business operations. It currently conducts a material portion of its business operations in the PRC through subsidiaries incorporated in the PRC, and the VIEs. Through a series of contractual arrangements, including exclusive business cooperation agreements, share pledge agreements, exclusive option agreements, powers of attorney and spousal consents, entered into by and among (i) Beijing (HX) Pony, Hongkong Pony AI, Beijing (ZX) Pony and the shareholders of Beijing (ZX) Pony, and (ii) Guangzhou (HX) Pony, Hongkong Pony AI, Guangzhou (ZX) Pony and the shareholders of Guangzhou (ZX) Pony, respectively, Pony AI Inc.'s PRC subsidiaries control the VIEs in the PRC for accounting purposes. For a detailed summary of these contractual arrangements, see "Our History and Corporate Structure — Contractual Arrangements with the VIEs and Their Shareholders." Pony AI Inc. operates its businesses this way primarily in order to preserve the flexibility

to engage in businesses that are subject to foreign investment restrictions under applicable PRC laws and regulations. These contractual arrangements entered into with the VIEs allow Pony AI Inc. to (i) have the power to direct the operation and activities of the VIEs, (ii) receive substantially all of the economic benefits of the VIEs, and (iii) have an exclusive option to purchase all or part of the equity interests in the VIEs when and to the extent permitted by PRC law. These contractual arrangements include the exclusive business cooperation agreements, share pledge agreements, exclusive option agreements, power of attorneys and spousal consents, as the case may be. As a result of these contractual arrangements, for accounting purposes, Pony AI Inc. exerts effective control over, and is considered the primary beneficiary of, the VIEs and consolidate their operating results in its financial statements under U.S. GAAP.

Pony AI Inc. does not have any equity interests in the VIEs who are owned by certain nominee shareholders. As a result, control through these contractual arrangements may be less effective than direct ownership, and Pony AI Inc. could face heightened risks and costs in enforcing these contractual arrangements, because there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations, and rules relating to the legality and enforceability of these contractual arrangements. If the PRC regulatory authority finds such agreements to be illegal, Pony AI Inc. could be subject to severe penalties or be forced to relinquish our interests in the VIEs.

Certain Risks Associated with Our Corporate Structure

Pony AI Inc. is an exempted company incorporated under the laws of the Cayman Islands that conducts a material portion of its operations in China through subsidiaries incorporated in the PRC and the VIEs. In addition, all our senior executive officers reside within China for a significant portion of the time. As a result, it may be difficult for our shareholders to effect service of process upon us or those persons inside China.

The recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the Cayman Islands or many other countries and regions. Therefore, recognition and enforcement in China of judgments of a court in any of these non-PRC jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or impossible. In addition, according to the PRC Civil Procedures Law, the PRC courts will not enforce a foreign judgment if it is decided as having violated the basic principles of PRC laws or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or the Cayman Islands.

The SEC, U.S. Department of Justice and other U.S. authorities often have substantial difficulties in bringing and enforcing actions against non-U.S. companies and non-U.S. persons, including company directors and officers, in certain emerging markets, including China. Legal and other obstacles to obtaining information needed for investigations or litigation or to obtaining access to funds outside the United States, lack of support from local authorities, and other various factors make it difficult for the U.S. authorities to pursue actions against non-U.S. companies and individuals, who may have engaged in fraud or other wrongdoing. Additionally, public shareholders investing in the ADSs have limited rights and few practical remedies in emerging markets where we operate, as shareholder claims that are common in the United States, including class actions under securities law and fraud claims, generally are difficult or impossible to pursue as a matter of law or practicality in many emerging markets, including China. See also “Risk Factors — Risks Related to Doing Business in China — You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in China against us or our management named in the prospectus based on foreign laws” of this prospectus.

Transfer of Funds and Other Assets

Pony AI Inc. transfers cash to Hongkong Pony AI Limited, its wholly-owned Hong Kong subsidiary, through primarily loans, and Hongkong Pony AI Limited transfers cash to our PRC subsidiaries through capital contributions and loans. Because Pony AI Inc. and its subsidiaries control the VIEs through contractual arrangements, they are not able to make direct capital contributions to the VIEs. However, under relevant

PRC laws and regulations, they are permitted to remit funds to the VIEs through loans or by making payment to the VIEs for intragroup transactions. Hongkong Pony AI, one of our subsidiaries, offered a loan of US$105 .0 million to Beijing (ZX) Pony, one of the VIEs, to support our business expansion in China. Hongkong Pony AI further increased the loan by US$8.0 million in 2021 and US$5.0 million in 2022. The VIEs fund their operations primarily using cash generated from operating and financing activities.

In 2021 and 2022, Pony AI Inc. provided loans to Hongkong Pony AI Limited in an aggregate amount of US$216.1 million and US$147.0 million, respectively, which were used by Hongkong Pony AI Limited to fund the operations of the PRC subsidiaries and the VIEs through capital contributions and loans. In 2021 and 2022, the VIEs received debt financing of US$8.0 million and US$5.0 million, respectively.

There were also cash and non-cash assets transferred between the VIEs and non-VIEs. Non-cash assets were primarily intellectual property rights, and equipment and facilities. In 2021 and 2022, the total amount of service fees that the VIEs paid to the non-VIEs was US$4.7 million and US$1.0 million, respectively. In 2021 and 2022, the aggregate amount of the underlying non-cash assets transferred through our organization was US$0.2 million and US$0.2 million, respectively.

For any amounts owed by the VIEs to our PRC subsidiaries under the contractual arrangements, unless otherwise required by PRC tax authorities, we are able to settle such amounts without limitations under the current effective PRC laws and regulations, provided that the VIEs have sufficient funds to do so. Pony AI Inc. has not previously declared or paid any cash dividend or dividend in kind, and has no plan to declare or pay any dividends in the near future on our shares or the ADSs representing our Class A ordinary shares. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business. See “Dividend Policy.”

For the purpose of illustration, the below table reflects the hypothetical taxes that might be required to be paid within China, assuming that: (i) we have taxable earnings, and (ii) we determine to pay a dividend in the future:

	Taxation Scenario
	Statutory Tax and Standard Rates
Hypothetical pre-tax earnings	100%
Tax on earnings at statutory rate of 25%	-25%
Net earnings available for distribution	75%
Withholding tax at standard rate of 10%	-7.5%
Net distribution to Parent/Shareholders	67.5%

The table above has been prepared under the assumption that all profits of the VIEs will be distributed as fees to our PRC subsidiaries under tax neutral contractual arrangements. If in the future, the accumulated earnings of the VIEs exceed the fees paid to our PRC subsidiaries, or if the current and contemplated fee structure between the intercompany entities is determined to be non-substantive and disallowed by Chinese tax authorities, we have other tax-planning strategies that can be deployed on a tax neutral basis.

Restrictions on Foreign Exchange and our Ability to Transfer Cash Between Entities, Across Borders and to U.S. Investors

In the future, if and when we are profitable, Pony AI Inc.’s ability to pay dividends, if any, to its shareholders and ADS holders and to service any debt it may incur will depend upon dividends paid by our PRC subsidiaries. Under PRC laws and regulations, our PRC subsidiaries are subject to certain restrictions with respect to paying dividends or otherwise transferring any of their net assets offshore to Pony AI Inc. In particular, under the current effective PRC laws and regulations, dividends may be paid only out of distributable profits. Distributable profits are the net profit as determined under PRC GAAP, less any recovery of accumulated losses and appropriations to statutory and other reserves required to be made. Each of our PRC subsidiaries is required to set aside at least 10% of its after-tax profits each year, after making up previous years’ accumulated losses, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. As a result, our PRC subsidiaries may not have sufficient distributable profits to pay dividends to us in the near future.

Furthermore, if certain procedural requirements are satisfied, the payment of current account items, including profit distributions and trade and service related foreign exchange transactions, can be made in foreign currencies without prior approval from State Administration of Foreign Exchange (the "**SAFE**") or its local branches. However, where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses, such as the repayment of loans denominated in foreign currencies, approval from or registration with competent government authorities or its authorized banks is required. Access to foreign currencies for current account or capital account transactions may be further restricted in the future as the applicable laws, regulations and policies evolve. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our offshore intermediary holding companies or ultimate parent company, and therefore, our shareholders or investors in our ADSs. Further, we cannot assure you that new regulations or policies will not be promulgated in the future, which may further restrict the remittance of RMB into or out of the PRC. We cannot assure you, in light of the restrictions in place, or any amendment to be made from time to time, that our current or future PRC subsidiaries will be able to satisfy their respective payment obligations that are denominated in foreign currencies, including the remittance of dividends outside of the PRC. If any of our subsidiaries incurs debt on its own behalf in the future, the instruments governing such debt may restrict its ability to pay dividends to Pony AI Inc. In addition, our PRC subsidiaries are required to make appropriations to certain statutory reserve funds, which are not distributable as cash dividends except in the event of a solvent liquidation of the companies.

For PRC and United States federal income tax consideration of an investment in the ADSs, see "Taxation."

Our Corporate Information

Our principal executive offices are located at 1301 Pearl Development Building, 1 Mingzhu 1st Street, Hengli Town, Nansha District, Guangzhou, People's Republic of China, 511458. Our telephone number at this address is +86 020-3466 7656. Our registered office in the Cayman Islands is located at the offices of Osiris International Cayman Limited, Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman KY1-1209, Cayman Islands. Our agent for service of process in the United States is Cogency Global Inc. located at 122 East 42nd Street, 18th Floor, New York, NY 10168, (212)947-7200.

Investors should contact us for any inquiries through the address and telephone number of our principal executive office. Our principal website is www.pony.ai. The information contained on our website is not a part of this prospectus.

Implications of Being an Emerging Growth Company

As a company with less than US$1.235 billion in revenue for the last fiscal year, we qualify as an "**emerging growth company**" pursuant to the Jumpstart Our Business Startups Act of 2012 (as amended by the Fixing America's Surface Transportation Act of 2015), or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002, in the assessment of the emerging growth company's internal control over financial reporting. The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards.

We will remain an emerging growth company until the earliest of (i) the last day of our fiscal year during which we have total annual gross revenues of at least US$1.235 billion; (ii) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (iii) the date on which we have, during the previous three-year period, issued more than US$1.0 billion in non-convertible debt; or (iv) the date on which we are deemed to be a "large accelerated filer" under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which would occur if the market value of the ADSs that are held by non-affiliates exceeds US$700 million as of the last business day of our most recently completed second fiscal quarter. Once we cease to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act discussed above. We have elected to take advantage of the extended transition period for complying with new or revised accounting standards and acknowledge such election is irrevocable pursuant to

Section 107 of the JOBS Act. See "Risk Factors — Risks Related to the ADSs and this Offering — We expect to incur increased costs and become subject to additional rules and regulations as a result of being a public company, particularly after we cease to qualify as an 'emerging growth company.'"

Implications of Being a Foreign Private Issuer

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt under the Exchange Act from, among other things, the rules under the Exchange Act requiring the filing of quarterly reports on Form 10-Q or current reports on Form 8-K with the SEC, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. We will be required to file an annual report on Form 20-F within four months of the end of each fiscal year and we intend to publish our results on a quarterly basis. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers.

In addition, as a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the [NYSE/Nasdaq] corporate governance listing standards. These practices may afford less protection to shareholders than they would enjoy if we complied fully with the [NYSE/Nasdaq] corporate governance listing standards.

Implication of Being a Controlled Company

Immediately following the completion of this offering, Dr. Jun Peng, our Chief Executive Officer and director will beneficially own % of our total issued and outstanding ordinary shares, representing % of our total voting power, assuming that the underwriters do not exercise their option to purchase additional ADSs, or % of our total issued and outstanding ordinary shares, representing % of our total voting power, assuming that the option to purchase additional ADSs is exercised by the underwriters in full. As a result, we will be a "controlled company" as defined under the [NYSE/Nasdaq] Stock Market Rules because Dr. Jun Peng, our Chief Executive Officer and director, will hold more than 50% of the voting power for the election of directors upon the completion of this offering. As a "controlled company," we are permitted to elect not to comply with certain corporate governance requirements. If we rely on these exemptions, you will not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements.

Conventions which Apply to This Prospectus

Unless we indicate otherwise, all information in this prospectus reflects the following:

- "2016 Share Plan" refers to our share-based awards scheme adopted in November 2016 and amended in 2019 and 2020, respectively;
- "ADAS" refers to advanced driver-assistance system;
- "ADSs" refers to the American depositary shares, each representing Class A ordinary shares;
- "AI" refers to artificial intelligence;
- "AMD" refers to Advanced Micro Devices, Inc. and its subsidiaries and/or affiliates;
- "autonomous driving mileage" refers to the total distance covered by vehicles driving autonomously both with and without the presence of a safety driver behind the driving wheel;
- "AV" refers to autonomous vehicle;
- "Beijing (HX) Pony" refers to Beijing (HX) Pony.AI Technology Co., Ltd.;
- "Beijing (ZX) Pony" refers to Beijing (ZX) Pony.AI Technology Co., Ltd.;
- "CAGR", also known as compounded annual growth rate, refers to the mean annual growth rate of an investment over a specified period of time longer than one year;

- "China" or "PRC" refers to the People's Republic of China and only in the context of describing PRC laws, regulations and other legal or tax matters in this prospectus, excludes Hong Kong, Macau and Taiwan;
- "Class A ordinary share" refers to our Class A ordinary shares, par value US$0.0005 per share;
- "Class B ordinary share" refers to our Class B ordinary shares, par value US$0.0005 per share;
- "CPU" refers to a computer's central processing unit, which is the portion of the computer that retrieves and executes instructions;
- "driverless mileage" refers to the total distance covered by vehicles driving without the presence of a safety driver behind the driving wheel;
- "FAW" refers to China FAW Group Corp., Ltd. and its subsidiaries and/or affiliates;
- "freight ton-kilometers" is a metric used to measure the total amount of freight transported by a particular mode of transport over a specified distance; when calculating the freight ton-kilometers for our robotrucks, based on our management's estimate of the carrying tons of cargo transportable by our robotrucks;
- "GAC" refers to Guangzhou Automobile Group Co., Ltd. and its subsidiaries and/or affiliates;
- "GNSS," also known as global navigation satellite system, refers to a constellation of satellites providing signals from space that transmit positioning and timing data to receivers;
- "GPU" refers to graphics processing unit, a specialized electronic circuit designed to rapidly process large amounts of visual data, such as data generated by sensors such as cameras and LiDAR;
- "GTV" refers to gross transaction value;
- "Guangzhou (HX) Pony" refers to Guangzhou (HX) Pony.AI Technology Co., Ltd.;
- "Guangzhou (ZX) Pony" refers to Guangzhou (ZX) Pony.AI Technology Co., Ltd.;
- "Hesai" refers to Hesai Group and its subsidiaries and/or affiliates;
- "IMU," or inertial measurement unit, refers to an electronic device that measures and reports a vehicle's acceleration, angular rate, and sometimes its magnetic field, using a combination of accelerometers, gyroscopes, and sometimes magnetometers;
- "KMPCI" refers to kilometers per critical intervention, a performance metric used to measure the safety and reliability of autonomous vehicles, which means the number of kilometers an autonomous vehicle can travel before necessary intervention is required to prevent an accident or other potentially dangerous situation;
- "LiDAR," also known as light detection and ranging, refers to a sensor that uses lasers to detect and measure distances to objects in the environment;
- "Luminar" refers to Luminar Technologies, Inc. and its subsidiaries and affiliates;
- "NHTSA" refers to the National Highway Traffic Safety Administration;
- "NVIDIA" refers to NVIDIA Corporation and its subsidiaries and/or affiliates;
- "OEMs," also known as original equipment manufacturers, refers to vehicle and other manufacturers in the context of autonomous driving;
- "Pony.ai," "we," "us," "our company," and "our" refer to Pony AI Inc., a Cayman Islands exempted company and its subsidiaries. When referring to our consolidated financial information, business operations and operating data, the results of the VIEs are included in such information and data;
- "POV" refers to personally-owned vehicles;
- "RMB" or "Renminbi" refers to the legal currency of the People's Republic of China;
- "RoboSense" refers to Suteng Innovation Technology Co., Ltd. and its subsidiaries and/or affiliates;
- "SANY" refers to SANY Group and its subsidiaries and/or affiliates;

- "SAIC" refers to SAIC Motor and its subsidiaries and/or affiliates;
- "shares" or "ordinary shares" refer to our Class A ordinary shares and Class B ordinary shares, par value US$0.0005 per share;
- "Sinotrans" refers to Sinotrans Limited and all its subsidiaries and/or affiliates;
- "TNCs" refers to transportation network companies, including online mobility and ride hailing platforms;
- "Toyota" refers to Toyota Motor Corporation and its subsidiaries and/or affiliates;
- "US$," "dollars" or "U.S. dollars" refers to the legal currency of the United States;
- "U.S. GAAP" refers to the accounting principles generally accepted in the United States of America.
- "VIEs" refers to Beijing (ZX) Pony and Guangzhou (ZX) Pony and their subsidiaries;
- "WFOEs" refers to Beijing (HX) Pony and Guangzhou (HX) Pony;

Unless otherwise noted, all translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this prospectus are made at RMB6.8972 to US1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 30, 2022. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, the rates stated below, or at all.

This prospectus contains information derived from various public sources and certain information from an industry report commissioned by us and prepared by Frost & Sullivan, a third-party industry research firm, to provide information regarding our industry and market position. Such information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and reports. The industry in which we operate is subject to a high degree of uncertainty and risk due to variety of factors, including those described in the "Risk Factors" section. These and other factors could cause results to differ materially from those expressed in these publications and reports.

THE OFFERING

Offering price range	We currently estimate that the initial public offering price will be between US$ and US$ per ADS.
ADSs offered by us	ADSs (or ADSs if the underwriters exercise their over-allotment option in full).
The ADSs	Each ADS represents Class A ordinary shares, par value US$0.0005 per share. The depositary will hold the Class A ordinary shares underlying the ADSs. You will have rights as provided in the deposit agreement. We do not expect to pay dividends in the foreseeable future. If, however, we declare dividends on our Class A ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our Class A ordinary shares, after deducting its fees and expenses in accordance with the terms set forth in the deposit agreement. You may turn in the ADSs to the depositary in exchange for our Class A ordinary shares. The depositary will charge you fees for any exchange. We may amend or terminate the deposit agreement without your consent. If you continue to hold the ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended. To better understand the terms of the ADSs, you should carefully read the "Description of American Depositary Shares" section of this prospectus. You should also read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.
Ordinary shares	We will issue Class A ordinary shares represented by the ADSs in this offering (or Class A ordinary shares if the underwriters exercise their option to purchase additional ADSs in full). Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. Each Class A ordinary share is entitled to one vote and each Class B ordinary share is entitled to ten (10) votes. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any sale, transfer, assignment or disposition of any Class B ordinary share by a holder thereof to any non-affiliate of such holder, each of such Class B ordinary share will be automatically and immediately converted into one Class A ordinary share. All options and restricted share units, regardless of grant dates, will entitle holders to the equivalent number of Class A ordinary shares once the vesting and exercising conditions on such share-based compensation awards are met. See "Description of Share Capital."

Ordinary shares outstanding immediately after this offering	Class A ordinary shares, par value US$0.0005 per share (or Class A ordinary shares if the underwriters exercise their option to purchase additional ADSs in full) and 81,088,770 Class B ordinary shares, par value US$0.0005 per share.
Over-allotment option	We have granted the underwriters the right to purchase up to an additional Class A ordinary shares from us within 30 days of the date of this prospectus, to cover over-allotments, if any, in connection with the offering.
Listing	We intend to apply to list the ADSs representing our Class A ordinary shares on the [New York Stock Exchange, or NYSE,]/ [Nasdaq Global Market, or Nasdaq] under the symbol "PONY".
Use of proceeds	We estimate that the net proceeds to us from the offering will be approximately US$. We intend to use the net proceeds from the offering for (i) execution of our go-to market strategies in order to carry out the large-scale commercialization of our autonomous driving technology in our key addressable markets; (ii) continued investments in research and development of our autonomous driving technology; and (iii) general corporate purposes, and potential strategic investments and acquisitions to strengthen our technological capabilities and overall ecosystem. See "Use of Proceeds."
Lock-up	We, our directors, executive officers and existing shareholders have agreed with the underwriters, without the prior written consent of the representatives, not to offer, pledge, sell, or dispose of any shares of our share capital or securities convertible into or exchangeable or exercisable for any shares of our share capital during the 180-day period following the date of this prospectus. See "Shares Eligible for Future Sale" and "Underwriting" for more information.
Payment and settlement	The underwriters expect to deliver the ADSs against payment therefor through the facilities of The Depository Trust Company on , 2023.
Depositary	
[Directed share program	At our request, the underwriters have reserved for sale, at the initial public offering price, up to an aggregate of ADSs offered in this offering to our directors, officers, employees, business associates and related persons.]
Taxation	For Cayman Islands, PRC and U.S. federal income tax considerations with respect to the ownership and disposition of the ADSs, see "Taxation."
Risk Factors	See "Risk Factors" and other information included in this prospectus for discussions of the risks relating to investing in the ADSs. You should carefully consider these risks before deciding to invest in the ADSs.

Unless otherwise indicated, all information contained in this prospectus assumes no exercise of the option granted to the underwriters to purchase up to additional Class A ordinary shares to cover over-allotments, if any, in connection with the offering.

Unless otherwise indicated, the number of ordinary shares that will be outstanding immediately after this offering:

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

- is based upon ordinary shares (including Class A ordinary shares and Class B ordinary shares) outstanding as of the date of this prospectus;
- assumes no exercise of the underwriters' option to purchase additional ADSs representing Class A ordinary shares;
- excludes (i) Series D preferred shares issuable upon the exercising of a warrant held by China-UAE Investment Cooperation Fund, L.P. with an aggregate exercise price up to US$25,000,000, (ii) 133,096 Series D preferred shares issuable upon the exercising of a warrant held by Hainan Kaibeixin Investment Limited Partnership, and (iii) 39,928 Series D preferred shares issuable upon the exercising of a warrant held by Shenzhen ZY Venture Investment Limited;
- excludes 36,072,906 Class A ordinary shares issuable upon the exercise of 14,855,045 share options and upon the vesting of 21,217,861 restricted share units granted and are outstanding under our 2016 Share Plan as of the date of this prospectus; and
- excludes 20,083,729 additional Class A ordinary shares reserved for future issuances pursuant to equity awards to be granted under the 2016 Share Plan as of the date of this prospectus.

See "Management — Share Incentive Plans" for more information about the 2016 Share Plan.

OUR SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated statements of operations for the years ended December 31, 2021 and 2022, summary consolidated balance sheet data as of December 31, 2021 and 2022 and summary consolidated cash flow data for the years ended December 31, 2021 and 2022 have been derived from audited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States of America ("**U.S. GAAP**"). Our historical results are not necessarily indicative of results expected for future periods. You should read this Summary Consolidated Financial and Operating Data section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

The following table presents our summary consolidated statements of operations for the periods presented.

	Year Ended December 31,			
	2021		2022	
	US$	%	US$	%
	(in thousands, except for percentages)			
Summary Consolidated Statements of Comprehensive Loss Data				
Revenues	8,117	100.0	68,386	100.0
Cost of revenues	(1,807)	(22.3)	(36,322)	(53.1)
Gross profit	**6,310**	**77.7**	**32,064**	**46.9**
Operating expenses:				
Research and development expenses[(1)]	(170,597)	(2,101.7)	(153,601)	(224.6)
Selling, general and administrative expenses[(1)]	(51,018)	(628.5)	(49,178)	(71.9)
Total operating expenses	**(221,615)**	**(2,730.2)**	**(202,779)**	**(296.5)**
Loss from operations	**(215,305)**	**(2,652.5)**	**(170,715)**	**(249.6)**
Investment income	3,605	44.4	8,890	13.0
Changes in fair value of warrant liabilities	(13,303)	(163.9)	3,887	5.7
Other income – net	846	10.4	9,614	14.1
Loss before income tax	**(224,157)**	**(2,761.6)**	**(148,324)**	**(216.8)**
Income tax (expenses) benefits	(547)	(6.7)	74	0.1
Net loss	**(224,704)**	**(2,768.3)**	**(148,250)**	**(216.7)**
Net income attributable to noncontrolling interests	—	—	(232)	(0.3)
Net loss attributable to Pony AI Inc.	**(224,704)**	**(2,768.3)**	**(148,018)**	**(216.4)**

Note:

(1) Includes share-based compensation expenses:

	Year Ended December 31,	
	2021	2022
	US$	US$
	(in thousands)	
Research and development expenses	37,159	13,405
Selling, general and administrative expenses	3,903	5,178

The following table presents our summary consolidated balance sheet data as of December 31, 2021 and 2022.

	As of December 31,	
	2021	2022
	US$	US$
	(in thousands)	
Summary Consolidated Balance Sheet Data:		
Cash and cash equivalents	242,541	316,262
Restricted cash, current	—	1,806
Short-term investments	176,212	261,643
Accounts receivable, net	159	25,899
Amounts due from related parties, current	2,010	8,306
Prepaid expenses and other current assets	21,218	29,654
Total current assets	**442,140**	**643,570**
Restricted cash, non-current	450	450
Property, equipment and software, net	33,914	26,827
Operating lease right-of-use assets	—	8,138
Amounts due from related parties, non-current	3,052	2,969
Long-term investments	227,170	80,653
Other non-current assets	2,210	8,907
Total non-current assets	**266,796**	**127,944**
Total assets	**708,936**	**771,514**
Accounts payable and other current liabilities	30,105	44,042
Operating lease liabilities, current	—	4,058
Total current liabilities	**30,105**	**48,100**
Other non-current liabilities	1,140	1,714
Operating lease liabilities, non-current	—	3,788
Total liabilities	**31,245**	**53,602**
Total mezzanine equity	**1,075,902**	**1,257,497**
Total shareholders' deficit	**(398,211)**	**(539,585)**
Total liabilities, mezzanine equity and shareholders' deficit	**708,936**	**771,514**

The following table presents our summary consolidated cash flow data for the years ended December 31, 2021 and 2022.

	Year Ended December 31,	
	2021	2022
	US$	US$
	(in thousands)	
Summary Consolidated Cash Flow Data:		
Net cash used in operating activities	(146,144)	(154,768)
Net cash provided by investing activities	54,833	49,329
Net cash provided by financing activities	121,874	191,573
Effect of exchange rate changes on cash and cash equivalents	2,383	(10,607)
Increase in cash and cash equivalents	32,946	75,527
Cash, cash equivalents and restricted cash at beginning of year	210,045	242,991
Cash, cash equivalents and restricted cash at end of year	242,991	318,518

Condensed Consolidating Schedule

The following tables present the condensed consolidating schedules for Pony AI Inc., its subsidiaries (excluding WFOEs), the WFOEs that are the primary beneficiaries of the VIEs under the U.S. GAAP ("WFOEs as primary beneficiaries"), and the VIEs and their subsidiaries for the periods presented and as of the dates presented.

Condensed consolidating statements of operations information

	For the Year Ended December 31, 2021					
	Pony.AI	Other subsidiaries	WFOEs as primary beneficiaries	VIEs and their subsidiaries	Eliminations	Consolidated
	(US$ in thousands)					
Revenues from external parties	—	91	—	8,026	—	**8,117**
Revenues from intra-group entities	—	80,804	3,641	3,011	(87,456)	—
Revenue	**—**	**80,895**	**3,641**	**11,037**	**(87,456)**	**8,117**
Cost from external parties	—	(895)	(454)	(458)	—	**(1,807)**
Cost from intra-group entities	—	(1,927)	(2,104)	(5,861)	9,892	—
Cost of revenue	**—**	**(2,822)**	**(2,558)**	**(6,319)**	**9,892**	**(1,807)**
Operating expenses	(81,935)	(159,294)	(41,120)	(17,557)	78,291	**(221,615)**
Equity in loss of subsidiaries/ VIEs[1]	(131,395)	(49,013)	(12,870)	—	193,278	—
Others, net	(11,374)	(614)	2,302	832	2	**(8,852)**
Income (loss) before income tax expenses	**(224,704)**	**(130,848)**	**(50,605)**	**(12,007)**	**194,007**	**(224,157)**
Income tax expenses	—	(547)	—	—	—	**(547)**
Net income (loss)	**(224,704)**	**(131,395)**	**(50,605)**	**(12,007)**	**194,007**	**(224,704)**

	For the Year Ended December 31, 2022					
	Pony.AI	Other subsidiaries	WFOEs as primary beneficiaries	VIEs and their subsidiaries	Eliminations	Consolidated
	(US$ in thousands)					
Revenues from external parties	—	45,431	7,577	15,378	—	**68,386**
Revenues from intra-group entities	—	71,621	3,624	6,009	(81,254)	—
Revenue	**—**	**117,052**	**11,201**	**21,387**	**(81,254)**	**68,386**
Cost from external parties	—	(30,076)	(4,461)	(1,785)	—	**(36,322)**
Cost from intra-group entities	—	(3,566)	(2,663)	(6,050)	12,279	—
Cost of revenue	**—**	**(33,642)**	**(7,124)**	**(7,835)**	**12,279**	**(36,322)**
Operating expenses	(70,196)	(141,234)	(40,136)	(20,996)	69,783	**(202,779)**
Equity in loss of subsidiaries/ VIEs[1]	(85,742)	(38,463)	(9,271)	—	133,476	—
Others, net	7,920	10,220	5,233	(981)	(1)	**22,391**
Income (loss) before income tax expenses	**(148,018)**	**(86,067)**	**(40,097)**	**(8,425)**	**134,283**	**(148,324)**
Income tax benefits/(expenses)	—	93	(19)	—	—	**74**
Net income (loss)	**(148,018)**	**(85,974)**	**(40,116)**	**(8,425)**	**134,283**	**(148,250)**

Note:

(1) The eliminations are mainly related to the investment loss picked up from our subsidiaries (excluding WFOEs), WFOEs as primary beneficiaries, and the VIEs and their subsidiaries.

Condensed consolidating balance sheets information

	As of December 31, 2021					
	Pony.AI	Other Subsidiaries	WFOEs as primary beneficiaries	VIEs and their subsidiaries	Eliminations	Consolidated
	(US$ in thousands)					
Assets						
Cash and cash equivalents	23,849	123,786	76,467	18,439	—	**242,541**
Short-term investments	176,212	—	—	—	—	**176,212**
Accounts receivable, net	—	52	—	107	—	**159**
Amounts due from related parties, current	—	—	—	2,010	—	**2,010**
Amount due from group companies, current	464,655	6,898	13,477	—	(485,030)	**—**
Prepaid expenses and other current assets	1,281	9,526	7,780	2,631	—	**21,218**
Total current assets	**665,997**	**140,262**	**97,724**	**23,187**	**(485,030)**	**442,140**
Restricted cash, non-current	—	450	—	—	—	**450**
Amounts due from related-parties, non-current	3,052	—	—	—	—	**3,052**
Property, equipment and software, net	—	18,412	1,341	14,161	—	**33,914**
Amounts due from group companies, non-current	—	30,042	18,746	—	(48,788)	**—**
Long-term investments	216,534	—	—	10,636	—	**227,170**
Other non-current assets	—	2,350	1,869	221	(2,230)[2]	**2,210**
Total non-current assets	**219,586**	**51,254**	**21,956**	**25,018**	**(51,018)**	**266,796**
Total assets	**885,583**	**191,516**	**119,680**	**48,205**	**(536,048)**	**708,936**
Liabilities						
Accounts payable and other current liabilities	1,167	20,235	5,337	3,366	—	**30,105**
Amount due to group companies, current	6,706	454,756	6,463	17,105	(485,030)	**—**
Total current liabilities	**7,873**	**474,991**	**11,800**	**20,471**	**(485,030)**	**30,105**
Amount due to group companies, non current	—	—	—	48,788	(48,788)	**—**
Accumulated deficit/(equity) in subsidiaries and VIEs[1]	203,907	(101,970)	1,341	—	(103,278)	**—**
Other non current liabilities	—	944	—	196	—	**1,140**
Total non-current liabilities	**203,907**	**(101,026)**	**1,341**	**48,984**	**(152,066)**	**1,140**
Total liabilities	**211,780**	**373,965**	**13,141**	**69,455**	**(637,096)**	**31,245**
Total mezzanine equity	1,075,902	—	—	—	—	**1,075,902**
Non-controlling interests	—	—	—	3,888	—	**3,888**
Total Pony AI Inc. shareholders' equity	**(402,099)**	**(182,449)**	**106,539**	**(25,138)**	**101,048**	**(402,099)**

	As of December 31, 2022					
	Pony.AI	Other subsidiaries	WFOEs as primary beneficiaries	VIEs and their subsidiaries	Eliminations	Consolidated
	(US$ in thousands)					
Assets						
Cash and cash equivalents	124,160	122,180	38,315	31,607	—	**316,262**
Restricted cash, current	—	—	—	1,806	—	**1,806**
Short-term investments	210,124	47,208	4,311	—	—	**261,643**
Accounts receivable, net	—	21,332	3,224	1,343	—	**25,899**
Amounts due from related parties, current	—	6,475	—	1,831	—	**8,306**
Amounts due from group companies, current	624,551	6,517	37,635	2,047	(670,750)	**—**
Prepaid expenses and other current assets	1,523	14,794	6,492	7,073	(228)[3]	**29,654**
Total current assets	**960,358**	**218,506**	**89,977**	**45,707**	**(670,978)**	**643,570**
Restricted cash, non-current	—	450	—	—	—	**450**
Amounts due from related parties, non-current	2,969	—	—	—	—	**2,969**
Property, equipment and software, net	—	14,129	1,140	11,558	—	**26,827**
Amounts due from group companies, non-current	—	35,071	17,087	—	(52,158)	**—**
Operating lease assets	—	4,922	1,539	1,677	—	**8,138**
Long-term investments	50,471	15,793	—	14,389	—	**80,653**
Other non-current assets	—	2,437	1,157	6,327	(1,014)[2]	**8,907**
Total non-current assets	**53,440**	**72,802**	**20,923**	**33,951**	**(53,172)**	**127,944**
Total assets	**1,013,798**	**291,308**	**110,900**	**79,658**	**(724,150)**	**771,514**
Liabilities						
Accounts payable and other current liabilities	5,147	26,138	4,653	8,104	—	**44,042**
Operating lease liabilities, current	—	2,608	551	899	—	**4,058**
Amounts due to group companies, current	1,778	612,155	16,982	39,835	(670,750)	**—**
Total current liabilities	**6,925**	**640,901**	**22,186**	**48,838**	**(670,750)**	**48,100**
Amounts due to group companies, non current	—	—	—	52,158	(52,158)	**—**
Accumulated deficit/(equity) in subsidiaries and VIEs[1]	300,863	(99,162)	(9,576)	—	(192,125)	**—**
Operating lease liabilities, non-current	—	2,089	904	795	—	**3,788**
Other non current liabilities	—	1,558	156	—	—	**1,714**
Total non-current liabilities	**300,863**	**(95,515)**	**(8,516)**	**52,953**	**(244,283)**	**5,502**
Total liabilities	**307,788**	**545,386**	**13,670**	**101,791**	**(915,033)**	**53,602**
Total mezzanine equity	**1,257,497**	—	—	—	—	**1,257,497**
Non-controlling interests	**—**	**(987)**	**—**	**5,351**	**7,538**	**11,902**
Total Pony AI Inc. shareholders' equity	**(551,487)**	**(253,091)**	**97,230**	**(27,484)**	**183,345**	**(551,487)**

Note:

(1) The eliminations are mainly related to the investments in our subsidiaries (excluding WFOEs), WFOEs as primary beneficiaries, and the VIEs and their subsidiaries.

(2) The amounts represent the intra-group transactions related to internally developed intangible assets which are subject to the elimination with the offsetting effect included in the Pony AI Inc. shareholders' equity balance.

(3) The amount represents the intra-group transaction related to other current assets which is subject to the elimination with the offsetting effect included in the Pony AI Inc. shareholders' equity balance.

Condensed consolidating cash flows information

	For the Year Ended December 31, 2021					
	Pony.AI	Other subsidiaries	WFOEs as primary beneficiaries	VIEs and their subsidiaries	Eliminations	Consolidated
	(US$ in thousands)					
Net cash used in operating activities	**(67,604)**	**(44,344)**	**(29,402)**	**(4,794)**	**—**	**(146,144)**
Investing/loan to group companies	(216,050)	(70,000)	(18,037)	—	304,087	—
Other investing activities	84,265	(14,049)	(6,640)	(8,743)	—	**54,833**
Net cash (used in) provided by investing activities	**(131,785)**	**(84,049)**	**(24,677)**	**(8,743)**	**304,087**	**54,833**
Borrowing from group companies	—	234,087	62,000	8,000	(304,087)	—
Other financing activities	120,319	—	—	1,555	—	**121,874**
Net cash (used in) provided by financing activities	**120,319**	**234,087**	**62,000**	**9,555**	**(304,087)**	**121,874**

	For the Year Ended December 31, 2022					
	Pony.AI	Other subsidiaries	WFOEs as primary beneficiaries	VIEs and their subsidiaries	Eliminations	Consolidated
	(US$ in thousands)					
Net cash (used in) provided by in operating activities	**(67,653)**	**(55,931)**	**(46,745)**	**15,561**	**—**	**(154,768)**
Investing/loan to group companies	(147,000)	(43,000)	(17,804)	—	207,804	—
Other investing activities	128,622	(69,476)	(6,837)	(2,980)	—	**49,329**
Net cash (used in) provided by investing activities	**(18,378)**	**(112,476)**	**(24,641)**	**(2,980)**	**207,804**	**49,329**
Borrowing from group companies	—	164,804	38,000	5,000	(207,804)	—
Other financing activities	186,342	6,111	(312)	(568)	—	**191,573**
Net cash (used in) provided by financing activities	**186,342**	**170,915**	**37,688**	**4,432**	**(207,804)**	**191,573**

Detail information of loans to the VIEs and their subsidiaries is set forth below:

Amounts due to group companies from the VIEs and their subsidiaries, non-current	As of December 31,		Maturity dates	Repayment terms
	2021	2022		
	US$ in thousands			
Guangzhou (HX) Pony AI Technology Co., Ltd.	4,726	4,307	August 2024	Interest due annually, principal due at maturity.
Guangzhou (HX) Pony AI Technology Co., Ltd.	14,020	12,779	January 2024	Interest due annually, principal due at maturity.
Hongkong Pony AI Limited	25,030	30,056	May 2024	Interest and principal due at maturity.
Hongkong Pony AI Limited	5,012	5,016	November 2024	Interest and principal due at maturity.
Total	**48,788**	**52,158**		

RISK FACTORS

Risks Related to Our Business and Industry

Autonomous driving is an emerging and rapidly evolving technology and involves significant risks and uncertainties.

The autonomous driving industry can be characterized by a significant number of technical and commercial challenges, including an expectation for better-than-human driving performance, substantial funding requirements, long vehicle development lead times, specialized skills and expertise requirements of personnel, inconsistent and evolving regulatory frameworks, a need to build public trust and brand image, and real-world operation of new technologies. If we are not able to overcome these challenges, our business, prospects, financial condition, and results of operations will be negatively impacted and our efforts to create a commercially viable business may not materialize at all.

Our autonomous driving technology is highly dependent on, among other factors, our proprietary AV software modules, as well as on our partnerships with various third parties such as OEMs, service providers and other suppliers. We develop our autonomous driving technology, and work with OEMs, TNCs, logistics platforms, service providers and other suppliers to deploy and scale our technology.

Although we believe that our autonomous driving technology, including our algorithms, data analytics, and artificial intelligence technologies are promising, we cannot assure you that our technology will succeed commercially. In addition, there can be no assurance that our data analytics and artificial intelligence technologies can predict every single potential issue that may arise during the operation of the autonomous vehicles deployed with our technologies. For example, while we have been optimizing our technology and algorithms in terms of handling non-compliant driving behavior of other cars on the road, we may not always be able to accurately predict the trajectory that a particular road agent is contemplating, and plan and execute our autonomous vehicle's route accordingly.

Specifically, the successful development of our autonomous driving technologies involves many challenges and uncertainties, including:

- achieving sufficiently safe autonomous driving performance and earning recognition from regulatory agencies, our partners, users and the general public;
- finalizing autonomous driving system design, specification, and vehicle integration;
- successfully completing system testing, validation, and safety approvals;
- obtaining additional approvals, licenses or certifications from regulatory agencies, if required, and maintaining current approvals, licenses and certifications;
- building and maintaining business partnerships for our R&D and commercialization activities;
- complying with laws and regulations that constantly evolve, such as laws and regulations with respect to accidents and product liabilities;
- preserving intellectual property rights; and
- continuing to fund and maintain our technology development activities.

Our limited operating history makes it difficult to predict our future prospects, business and financial performance. Our historical revenue mix and growth, cost mix, margin profile and financial results in general are not indicative of future trends as we are still in a nascent stage of commercializing our technologies and diversifying our customer base based on our go-to market strategies.

We commenced our operations in 2016, began testing on public roads in 2017, and launched our first public facing services in 2018. Our relatively limited operating history makes it difficult to evaluate our current business and prospects and to forecast our future growth. The risks and challenges we have faced or expect to face include our ability to:

- continue to develop and successfully commercialize our autonomous driving technology at scale;

- properly price our products and services;
- plan for and manage capital expenditures for our current and future products;
- hire, integrate and retain talented people at all levels of our organization;
- establish and expand our customer base;
- forecast our revenue, budget for and manage our expenses as well as improving operational efficiency;
- attract new partners and retain existing partners;
- navigate an evolving and complex regulatory environment;
- manage our supply chain and supplier relationships;
- maintain a reliable, secure, high-performance, and scalable technology infrastructure;
- anticipate and respond to changes in the markets in which we operate, including technological developments and changes in competitive landscape;
- build a well-recognized and reputable brand;
- effectively manage our growth and business operations, including the impacts of unforeseen market changes on our business; and
- successfully develop new solutions, features and applications to enhance user experience.

If we fail to address the risks and difficulties that we face, including those associated with the challenges listed above, as well as those described elsewhere in this section, our business, financial condition and results of operations could be adversely affected.

Further, because we have limited historical financial data and operate in a rapidly evolving market, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market. In particular, our historical revenues, cost mix, margin profile and financial results in general are not indicative of future trends as we are still in a nascent stage of commercializing our technologies and diversifying our customer base based on our go-to market strategies. For example, our robotruck services had a relatively lower gross margin at its current early stage of commercialization and our robotaxi services had historically only generated a minimal amount of passenger fare revenues due to promotions and discounts offered by us, both of which may not be indicative of their respective future trends. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition and results of operations could be adversely affected.

Since the markets for autonomous driving technology are still at relatively early stages of growth, if such markets do not continue to grow, grow more slowly than expected, fail to grow as large as expected, or if our autonomous driving technology fails to gain acceptance or traction from users and other stakeholders in such markets, our business, prospects, operating results, and financial condition could be materially harmed.

Demands for the autonomous driving technology depend to a large extent on general, economic, political, and social conditions in a given market. The market opportunities we are pursuing are at an early stage of development, and it is difficult to predict user demand or adoption rates for our technology and service offerings, or the future growth of the markets in which we operate. Despite the fact that the automotive industry has engaged in considerable effort to research and test Level 2 and Level 3 autonomous vehicles, our technology targeting Level 4 autonomous vehicles requires significant investment and may never be commercially successful on a large scale, or at all.

Further, even if we succeed in operating at a commercial scale, key industry participants may not accept our robotaxi, robotruck or other service offerings, develop competing solutions, or otherwise seek to subvert our efforts, because of the disruptive nature of our business to both personal mobility and freight transportation industries. Any such occurrences could materially harm our future business.

Additionally, regulatory, safety, and reliability issues, or the perception thereof, many of which are outside of our control, could also cause the public or our potential partners and users to lose confidence in autonomous driving solutions in general. For example, there have been several crashes involving automobiles of certain manufacturers resulting in death or personal injury where autopilot features were engaged. Even though these incidents were unrelated to our autonomous driving solutions, such cases resulted in significant negative publicity and, in the future, could result in suspension or prohibition of autonomous vehicles. If safety and reliability issues for autonomous driving technology cannot be addressed properly, our business, prospects, operating results, and financial condition could be materially harmed.

We face risks associated with autonomous driving technology and may not be able to develop solutions on schedule, or at all, and we may experience significant delays in the design, commercialization and launch of new solutions. We may fail to develop partnerships with other companies to offer autonomous driving technologies in a timely manner.

Our autonomous driving technologies are highly technical and complex, and their commercial applications require that we meet very high standards for technological performance and safety. We may be unable to timely release new or upgraded solutions that meet our intended commercial use cases, and we may therefore experience difficulty in the monetization of our technology. These risks are particularly relevant for factors such as our autonomous driving solutions' operational areas, which includes variables such as traversable road networks, speeds, and weather patterns. It is possible that there will be additional limitations in our operating capabilities depending upon a number of factors, including, for example, vehicle type (e.g., car and truck) and actor density (e.g., pedestrians and cyclists). If that is the case, our addressable market opportunities may be restricted.

We collaborate with OEMs to develop autonomous driving solutions, and we continue to devote resources towards developing our proprietary autonomous driving technologies. Our initiatives may not perform as expected, which would reduce the return on our investments, and our partners may decide to terminate their partnerships with us. If we are unable to efficiently develop and maintain partnerships with the OEMs to offer mobility solutions deployed with our autonomous driving technology, or if we do so at a slower pace or at a higher cost, or if our technology is less capable relative to our competitors, our business, financial condition and results of operations could be adversely affected.

Commercial deployment has taken longer in the autonomous driving industry than anticipated, and it may take us more time than currently projected to complete our own technology development and commercialization. The achievement of broadly applicable autonomous driving technology will require further technology improvements including, for example, handling non-compliant or unexpected actor behavior and inclement weather conditions. These improvements may take us longer than expected to achieve, which would increase our capital requirements for technology development, delay our timeline to commercialization, and reduce the potential financial returns that may be expected from the business.

The autonomous driving industry is highly competitive. We face competition against a large number of both established competitors and new market entrants. If we are not able to compete effectively with others, our business, financial condition and results of operations may be materially and adversely affected.

The market for autonomous driving solutions is highly competitive. Many companies are seeking to develop autonomous driving solutions. Competition in these markets is based primarily on technology, innovation, quality, safety, reputation, and price. Our future success will depend on our ability to further develop and protect our technology in a timely manner and to stay ahead of existing and new competitors. If our competitors commercialize their technology at scale before we do, develop superior technology, or are perceived to have better technology, they may capture market opportunities and establish relationships with users and partners that might otherwise have been available to us.

In addition, we also face competition from traditional taxi and ride hailing companies as well as freight transportation companies. Traditional carriers operating with human drivers are still the predominant operators in the market. Because of the long history of such traditional transportation companies serving the transportation market, there may be many constituencies in the market that would resist a shift towards autonomous transport, which could include lobbying and marketing campaigns, particularly because our technology will displace taxi and truck drivers. In addition, the market leaders in the automotive industry may

start, or have already started, pursuing large-scale deployment of autonomous driving technology on their own. These companies may have more operational and financial resources than we do. We cannot guarantee that we will be able to effectively compete with them. We may also face competition from other technology and automotive supply companies if they decide to expand vertically and develop their own autonomous driving technology, some of whom have significantly greater resources than we do. We do not know how close these competitors are to commercializing autonomous driving solutions.

Furthermore, although we believe that we have the first-mover advantage in the competitive autonomous driving segment, many established and new market participants have entered or have announced plans to enter the autonomous driving market. Many of these participants have significantly greater financial, manufacturing, marketing, and other resources than we do and may be able to devote greater resources to the development, commercialization, promotion, sale, and support of their solutions. If existing competitors or new entrants are able to commercialize their autonomous driving technology earlier than expected, our competitive advantage could be adversely affected.

Any failure to commercialize our strategic plans at scale would have an adverse effect on our operating results and business, harm our reputation and could result in substantial liabilities that exceed our resources.

We are a relatively new enterprise that is ramping up our business scale, many of which are beyond our control, including unknown future challenges and opportunities, substantial risks and expenses in the course of entering new markets and undertaking marketing activities. Furthermore, with our evolving business model, liabilities allocation among our passengers, business partners and third parties pose uncertainties to us and may cause a heightened risk of disputes. The likelihood of our success must be considered in light of these risks, expenses, complications, delays, and the competitive environment in which we operate. There is, therefore, substantial uncertainty that our business model will prove successful and sustainable, and we may not be able to generate significant revenue, raise additional capital, or operate profitably. We will continue to encounter risks and difficulties frequently experienced by early commercial stage companies, including scaling up our infrastructure and headcount, and may be exposed to unforeseen expenses, difficulties, or delays in connection with our growth. In addition, because of the capital-intensive nature of our business, we may be expected to continue to sustain substantial operating expenses without generating sufficient revenue to cover expenditures. Any investment in us is therefore highly speculative and could result in the loss of your entire investment.

Our future business depends in large part on our ability to continue to develop and successfully commercialize our autonomous driving technology and other mobility solutions we plan to offer. Our ability to develop, deliver, and commercialize at scale our autonomous driving software and systems to support or perform autonomous operation of various types of vehicles is still unproven.

Our continued enhancement of our autonomous driving technology is and will be subject to risks, including with respect to:

- our ability to continue to enhance data analytics and software technology;
- designing, developing, and securing necessary hardware on acceptable terms and in a timely manner;
- our ability to attract, recruit, hire, and train skilled employees; and
- our ability to enter into strategic relationships with key players in the mobility industries, as well as hardware and software suppliers.

We have limited experience to date in applying our autonomous driving technology at scale. While we currently operate robotaxi and robotruck fleets equipped with our autonomous driving technology, we have not yet achieved large-scale deployment of our robotaxis or robotrucks, and neither have we achieved large-scale commercialization of our licensing and applications business. Even if we are successful in developing and commercializing our technology, we could face unexpected difficulties, delays, and cost overruns, which may be due to factors beyond our control, such as unforeseen issues with our technology, problems with OEM partners and/or suppliers, and adverse regulatory developments. Any failure to develop our autonomous driving technology within our projected cost budgets and timelines could have a material adverse effect on our business, prospects, operating results and financial condition.

Our business plans rely in large part upon certain assumptions and analyses. If these assumptions or analyses prove to be incorrect, our actual results of operations may be materially different from our projections and our estimates of certain financial metrics may prove inaccurate.

We use various estimates in formulating our business plans. We base our estimates upon a number of assumptions that are inherently subject to significant business and economic uncertainties and contingencies, many of which are beyond our control. Our estimates therefore may prove inaccurate, causing the actual amount to differ from our estimates. These factors include, without limitation:

- the degree of utilization achieved by our autonomous driving technology;
- the prices our customers and users of our autonomous driving solutions are willing to pay;
- the timing and breadth of our technology's operational areas;
- operating costs of our autonomous driving technology and their useful life;
- growth in core development and operating expenses;
- our ability to maintain and strengthen our relationships with key business partners;
- which elements of technology and service are delivered in-house by us versus our partners, and associated impacts on expenses and capital requirements;
- the extent to which our technology is successfully and efficiently operated by third-party fleet partners we cooperate with, and our market penetration more broadly;
- the timing of when our technology is commercialized at a large scale could be delayed for issues in relation to regulatory, safety or reliability;
- the timing of future autonomous driving system hardware generations and vehicle platforms;
- competitive pricing pressures, including from established and future competitors;
- whether we can obtain sufficient capital to continue investing in core technology development and sustain and grow our business;
- the overall strength and stability of our targeted markets, including robotaxi services, robotruck services and licensing and applications; and
- other risk factors set forth in this prospectus.

In particular, our total addressable market and opportunity estimates, growth forecasts, pricing, cost, and customer demand included in this prospectus are subject to significant uncertainty and are based on assumptions and estimates that may prove inaccurate. The projections, forecasts and estimates in this prospectus relating to the expected size and growth of the markets for autonomous driving technology may prove similarly imprecise. We are pursuing prospects in multiple markets that are undergoing rapid changes, including in technological and regulatory areas, and it is difficult to predict the timing and size of the opportunities.

Unfavorable changes in any of the above or other factors, including around the total addressable market and market opportunity, most of which are beyond our control, could materially and adversely affect our business, prospects, financial condition and results of operations.

We may not be able to successfully implement our go-to market strategies on a timely basis, or at all. If we are unable to manage our growth effectively, our business may be materially and adversely affected.

We plan to continue to drive the large-scale commercialization of our technology, including our robotaxi and robotruck services. Our expansion increases the complexity of our business and has placed, and will continue to place, significant constrains on our management, personnel, operations, technology infrastructure, systems, technical performance, financial resources, and internal financial control and reporting functions. Due to these factors, we may not be able to effectively manage our growth, which could damage our reputation and negatively affect our business, results of operations and prospects.

As we continue to grow our business, we anticipate that we will need to implement a variety of new and upgraded operational systems, procedures and controls, as well as establishing consistent policies and procedures across functions, business lines, and geographic regions. Our failure to upgrade our infrastructure to support our growth could result in unanticipated system disruptions, slow response times, or poor experience for our customers and partners.

Properly managing our growth will also require us to continue to hire, train, and manage a sufficient number of qualified employees, including qualified research and development personnel. All these endeavors involve risks and will require substantial management efforts and skills and significant expenditures. In addition, our growth rates are impacted by various factors, many of which are beyond our control, including competition, growth of autonomous mobility industry in China and other regions around the world, the emergence of alternative technologies or business models, or changes in government policies or general economic conditions. If we are unable to effectively address these challenges, our business operations may be adversely affected and may cause our customers and partners to switch to our competitors' offerings, which would adversely affect our business, financial condition, and operating results.

The operation of vehicles equipped with our autonomous driving technology is different from non-autonomous vehicles, and may be unfamiliar to users.

We have specifically developed our autonomous driving technology to provide a superior ability to sense, predict, and react to real-world driving situations. We have developed our proprietary *Virtual Driver* capability to meet the demands of autonomous vehicles, specifically the robotaxi and robotruck fleets we operate. In certain instances, these protections triggered under our technology may cause the vehicle to behave in ways that are unfamiliar to drivers of non-autonomous vehicles. For example, the autonomous vehicles equipped with our autonomous driving solutions adhere strictly to safety rules, which may not be strictly adhered to by human drivers, and thus may be unfamiliar or come as a surprise to other drivers on the road.

Furthermore, there can be no assurance that our users will be able to properly adapt to the different operation processes for the autonomous vehicles equipped with our autonomous driving solutions. Any accidents resulting from such failure to operate the autonomous vehicles equipped with our solutions properly could harm our brand and reputation, result in adverse publicity, and product liability claims, and have a material adverse effect on our business, prospects, financial condition, and operating results.

Our success is contingent on our ability to successfully maintain, manage, execute and expand on our existing partnerships and obtain new partnerships with other companies.

Strategic business relationships are and will continue to be an important factor in the growth and success of our business. We have alliances and partnerships with other companies in the automotive and logistics industries to help us to continue to enhance our technology, commercialize our solutions, and drive market acceptance. We have established partnerships with leading OEMs to co-develop and commercialize autonomous vehicles using our technology. We have developed strategic partnerships with major chip manufacturers to secure automotive-grade computing units and other chips used in our autonomous vehicle's hardware deck. We have collaborated with sensor companies to customize sensor solutions for targeted autonomous vehicles. We also collaborate with TNCs and logistics platforms on the ongoing operations and maintenance of our robotaxi and robotruck fleets, respectively. We also partner with leading logistic players to commercialize our hub-to-hub freight service. Due to the reliance on these business partners, any interruption of their operations, any failure of them to accommodate our fast-growing business scale, any termination or suspension of our partnership arrangements, any change in cooperation terms, or any deterioration of cooperative relationships with them may materially and adversely affect our business operations and financial condition. We will also need to identify and negotiate additional relationships with other third parties, such as those who can provide data and cloud infrastructure services and financial services. We may not be able to successfully identify and negotiate definitive agreements with these third parties to provide the services we would require on attractive terms or at all, which would cause us to incur increased costs to develop and provide these capabilities.

Furthermore, cooperation with our OEM partners also provides us with real-world driving and vehicle data necessary to continuously refine our algorithms. Any adverse change to our relationships with our OEM

partners may slow down our ability to train and improve our algorithms and improve our autonomous driving technology, which, if realized, may have a material adverse effect on our business, financial condition, and results of operations.

Collaboration with these third parties is subject to risks, some of which are outside our control. For example, we could experience delays in the timeline for the large-scale commercialization of our robotaxi and robotruck services to the extent our OEM partners do not meet agreed upon timelines or experience capacity constraints. Furthermore, as we depend on our collaborations with OEMs to produce vehicles that incorporate our technology, we cannot guarantee the quality of our autonomous vehicles and other products produced by the OEMs. There is risk of potential disputes with our OEM partners, and we could be affected by adverse publicity related to our OEM partners whether or not such publicity is related to their collaboration with us. Our ability to successfully build a premium brand could also be adversely affected by perceptions about the quality of our OEM partners' vehicle platforms and supplies. Additionally, if any of our partnership agreements with OEMs are terminated, it may delay or prevent our efforts to commercialize our autonomous driving technology at scale. Our current agreements with our OEM partners generally do not prohibit them from working with our competitors. Our competitors may be more effective in providing incentives to our OEM partners to prioritize their cooperation. If these OEM partners commence significant engagement with our competitors, our business and results of operations may be harmed.

In addition, to the extent such agreements contain certain exclusivity provisions, we may be precluded from working with other businesses. We could experience delays to the extent our partners do not meet agreed timelines or experience capacity constraints. We could also experience disagreement in budget or funding for the joint development project. There is also a risk of other potential disputes with partners in the future, including with respect to intellectual property and proprietary rights.

If our existing partner agreements were to be terminated, we may be unable to timely enter into new agreements on terms and conditions acceptable to us or at all. The expense and time required to complete any transition, and to ensure that vehicles provided by the new third-party partners comply with our quality standards and regulatory requirements, may be greater than anticipated. Any of the foregoing could adversely affect our business, results of operations, and financial condition.

Any flaws or misuse of autonomous driving technologies, whether actual or perceived, intended or inadvertent, committed by us or by other third parties, could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

Autonomous driving technologies are at early stages of development and continue to evolve. Similar to many innovations, autonomous driving technologies present risks and challenges, such as potential misuse by third parties for inappropriate purposes or biased applications which breach public confidence or violate applicable laws and regulations, or litigation or other proceedings initiated by certain individuals claiming for infringement of legitimate rights such as privacy or personality rights. Such misuse could affect customer perception, public opinions, views of policymakers and regulators and result in decreased adoption of autonomous driving technologies. We have adopted a series of measures to prevent the misuse of our technologies, including implementation of relevant policies and management system in relation to data security and privacy. For further information, see "Business — Data Security and Privacy." However, we cannot assure you that any of our existing and future measures will be sufficient. So far, there had been no material litigation or other proceedings arising from or in relation to any infringement of legitimate rights against us. We cannot assure you that the measures we take to prevent the misuse of our technologies and data protection will always be effective, or that our technologies will not be misused or applied in a way that is inconsistent with our intention or public expectation.

Furthermore, any inappropriate or abusive usage of autonomous driving technologies, whether actual or perceived, intended or inadvertent and by us or by third parties, may impair the general acceptance of autonomous driving products and services by the society, attract negative publicity and adversely impact our reputation and violate applicable laws and regulations, and subject us to legal or administrative proceedings, pressures from certain shareholders and/or other organizations and heightened scrutiny by the regulators. Each of the foregoing events may in turn materially and adversely affect our business, financial condition and

results of operations. Any flaws or deficiencies in autonomous driving technologies and products and services, whether actual or perceived, could materially and adversely affect our business, reputation, results of operations and prospects.

We have been and intend to continue investing significantly in research and development, and our attempt to develop new solutions and services may be unsuccessful, which may negatively impact our profitability and operating cash flow in the short-term and may not generate the results we expect to achieve.

We have been investing heavily in our research and development efforts. Our research and development expenses were US$170.6 million and US$153.6 million in 2021 and 2022, respectively. The industry in which we operate is subject to rapid technological changes and is evolving quickly with technological innovation. We need to invest significant resources, including financial resources, in research and development to make technological advances in order to expand our offerings and make our autonomous driving solutions innovative and competitive in the market. As a result, we expect that our research and development expenses will remain at a relatively high level.

However, our investments in research and development may not generate corresponding benefits. Development activities are inherently uncertain, and we may not be able to obtain and retain sufficient resources including qualified research and development personnel. Even if we succeed in our research and development efforts and generate the results we expect, we may still encounter practical difficulties in commercializing our development results. Given the fast pace with which autonomous driving technology has been and will continue to be developed, we may not be able to timely upgrade our technologies in an efficient and cost-effective manner, or at all. Despite our research and development expenditures, new technological advancements in the autonomous driving industry could render the technologies and solutions that we develop or expect to develop in the future obsolete or commercially not viable, thereby limiting our ability to recover related research and development expenses, which could result in a decline in our revenues and market share.

Our business is subject to substantial regulations and may be adversely affected by changes in automotive safety regulations or concerns that drive further regulation of the automobile safety market.

Our autonomous driving technology and solutions are subject to substantial regulations in China and the United States in which we operate. See “Regulations” for details. These regulations could include requirements or otherwise that have the effect of significantly delaying or limiting the commercialization of autonomous driving technologies, limiting the number of self-driving vehicles manufactured by our OEM partners, imposing restrictions on the number of vehicles in robotaxi operation and the locations where self-driving fleets may be operated or imposing significant liabilities on manufacturers or operators of autonomous vehicles or developers of autonomous vehicle technology.

In addition, regulations designed to govern autonomous vehicle manufacture and operations, surveying and mapping, driverless road testing, and the collection, processing, storage and use of vehicle and other data, among other things, are still in the early stage of development and the specific regulatory practices vary on different levels of PRC authorities or in different places. For example, on July 27, 2021, the Ministry of Industry and Information Technology (the “MIIT”), the Ministry of Security and the Ministry of Transport jointly promulgated the Administration of Road Tests and Demonstrative Application of Intelligent and Connected Vehicles (for Trial Implementation), which regulates the activity of road testing and demonstrative application of autonomous vehicles within the PRC at the national level; however, only a few cities have released detailed implementing rules in this regard at the regional level. These laws and regulations are relatively new and evolving. If more stringent regulations are implemented, we may not be able to commercialize our autonomous vehicle technology in the manner we expect or at all. We cannot assure you that we will be in full compliance with these applicable laws and regulations in the future. In addition, the costs of complying with such regulations could prevent us from operating our business in the manner we intend. Fines, penalties, costs or liabilities associated with such existing or new regulations or laws, including as a result of our failure to comply, could be substantial and in certain cases joint and several, and could adversely impact our business, prospects, financial condition, and operating results.

In particular, government vehicle safety regulations have a substantial impact on our business, prospects, and future plans. Government safety regulations are subject to change based on a number of factors that

are not within our control, including new scientific or technological data, adverse publicity regarding industry recalls and safety risks associated with autonomous driving technology, accidents involving autonomous vehicles, domestic and foreign political developments or considerations, and litigation relating to autonomous vehicles. Changes in government regulations, especially in our industry could adversely affect our business. If government priorities shift and we are unable to adapt to changing regulations, our business may be materially and adversely affected.

The costs of complying with safety regulations could increase as regulators impose more stringent compliance and reporting requirements in response to product recalls and safety issues in the automotive industry. As the autonomous vehicles that carry our systems go into production, we would be subject to existing stringent requirements under relevant laws and regulations. On July 30, 2021, the MIIT issued the Opinion on Strengthening the Access Administration of Intelligent Connected Vehicles Manufacturing Enterprises and Their Products, which strengthens the safety management of products with autopilot function and provides that where the enterprises find any serious problem in any automobile product manufactured or sold by them with respect to driving assistance and autonomous driving security, they shall, in accordance with the laws and regulations, immediately cease the production or sale of the relevant product, take measures to rectify, as well as report to the MIIT and its the local competent departments. In the United States, we are subject to the requirements under the National Traffic and Motor Vehicle Safety Act of 1966 (the "Vehicle Safety Act"), including a duty to report, subject to strict timing requirements, safety defects. The Vehicle Safety Act imposes potentially significant civil penalties for violations including the failure to comply with such reporting actions. We are also subject to the existing Transportation Recall Enhancement, Accountability and Documentation Act (the "TREAD Act"), which requires motor vehicle equipment manufacturers to comply with "Early Warning" requirements by reporting certain information to the NHTSA such as information related to defects or reports of injury. The TREAD Act imposes criminal liability for violating such requirements if a defect subsequently causes death or bodily injury. In addition, the Vehicle Safety Act authorizes the NHTSA to require a manufacturer to recall and repair vehicles that contain safety defects or fail to comply with the United States federal motor vehicle safety standards. Sales into foreign countries outside of the United States may be subject to similar regulations. The United States Department of Transportation issued regulations in 2016 that require manufacturers of certain autonomous vehicles to provide documentation covering specific topics to regulators, such as how automated systems detect objects on the road, how information is displayed to drivers, what cybersecurity measures are in place and the methods used to test the design and validation of autonomous driving solutions. If the obligations associated with complying with safety regulations increase, it may require increased resources, divert management's attention, and adversely affect our business. If we fail to timely address any safety concerns with our solutions or products equipped with our solutions, our business, results of operations, and financial condition will be adversely affected.

We have incurred net losses and recorded negative cash flows from operating activities historically. We are expected to incur significant expenses and experience significant cash outflows in the foreseeable future. Our ability to generate profits and positive cash flow in the future is uncertain.

We have experienced significant cash outflow from operating activities historically. We had net cash used in operating activities of US$146.1 million and US$154.8 million for the years ended December 31, 2021 and 2022, respectively. We cannot guarantee that we will achieve positive cash flows in the future. The cost of continuing operations could further reduce our cash position, and an increase in our net cash outflow from operating activities could adversely affect our operations by reducing the amount of cash available for our operations and business expansion. Failure to generate positive cash flow from operations may adversely affect our ability to raise capital for our business on reasonable terms, if at all. It may also diminish the willingness of our customers, OEM partners, or suppliers or other parties to enter into transactions with us, and have other adverse effects that harm our long-term viability.

Our business will require a significant amount of capital expenditure to support our growth. For example, we expect to continue incur substantial capital expenditure primarily relating to maintaining, upgrading and scaling our robotaxi and robotruck fleets to serve our users and remain competitive. The aging of our fleets will require us to make regular capital expenditures to maintain our level of service. In addition, changing competitive conditions or the emergence of any significant advances in autonomous driving technology could require us to invest significant capital in additional equipment or capacity in order

to remain competitive. If we are unable to fund any such investment or otherwise fail to invest in new vehicles, our business, financial condition or results of operations could be materially and adversely affected. Our future liquidity and ability to make additional capital investments will depend primarily on our ability to maintain sufficient cash generated from operating activities and to obtain adequate external financing. There can be no assurance that we will be able to obtain equity or other sources of financing.

Furthermore, we have incurred net losses historically. For the years ended December 31, 2021 and 2022, we incurred net loss of US$224.7 million and US$148.3 million, respectively. Our significant losses resulted primarily from the investments we made to grow our business, including research and development of new technologies and enhancement of our current technologies, development and launch of new solution features, increase in the scale of our robotaxi and robotruck services, expansion into existing and new markets, increase in sales and marketing efforts and continued investment in our commercialization. We expect that these costs and investments will increase and fluctuate as our business continue to scale and evolve. We also expect to incur additional general and administrative expenses and compliance costs. These expenditures may make it difficult for us to achieve profitability, and we cannot predict whether we will achieve profitability in the near term or at all. Furthermore, the costs actually incurred could exceed our expectations, and the investments may be unsuccessful and therefore cannot generate adequate revenue and cash flow, if any at all.

We sourced from third-party suppliers key materials and components used in the production of our robotaxi and robotruck fleets, which involves certain risks that may result in increased costs, pricing fluctuations, delayed deliveries of our products or services and other quality or compliance issues. If one or more of these third-party suppliers becomes inoperable, capacity-constrained or if operations are disrupted, our business, results of operations or financial condition could be materially and adversely affected.

We source from third-party suppliers certain key components that are used on autonomous vehicles equipped with our autonomous driving technology, including our robotaxi and robotruck fleets. Such components include LiDAR, high-resolution camera, radars, chips, sensors, GNSS/IMU and computation platform. Our engineers customize and develop hardware solutions on top of the components purchased from these suppliers, such as sensor fusion module and computation system, to bring high performance components together with our proprietary software, resulting in an integrated full-stack system. As we have limited control over quality, manufacturing yield, development, enhancement and delivery schedules with respect to these key components, delays or other problems experienced by our suppliers in their design, manufacturing, assembly or testing process could affect our business operations negatively.

We are subject to the risk of shortages and long lead times in the supply of these components and the risk that our suppliers discontinue or modify components used in our hardware solutions. In addition, most of our agreements with our third-party suppliers are non-exclusive. Our suppliers may dedicate more resources to other companies, including our competitors. We may in the future experience component shortages and price fluctuations of certain key components and materials, and the predictability of the availability and pricing of these components may be limited. In the event of a component shortage, supply interruption or material pricing change from suppliers of these components, we may not be able to develop alternative sources in a timely manner or at all in the case of sole or limited sources. Developing alternative sources of supply for these components may be difficult, time-consuming and costly and we may not be able to source these components on terms that are acceptable to us, or at all, which may undermine our ability to meet our requirements or to maintain and expand our robotaxi and robotruck fleets in a cost-effective manner. Any interruption or delay in the supply of any of these parts or components, or the inability to obtain these parts or components from alternative sources at acceptable prices and within a reasonable amount of time, would adversely affect our ability to meet scheduled deliveries of our integrated hardware solutions. This could adversely affect our relationships with our customers, business partners and passengers, and could cause delays in our ability to expand our operations of robotaxi and robotruck fleets. Even where we are able to pass increased component costs along to our customers, there may be a lapse of time before we are able to do so such that we must absorb the increased cost initially. If we are unable to purchase these components in quantities sufficient to meet our requirements on a timely basis, we will not be able to have sufficient ability to meet user demands, which may result in users selecting competitive services instead of ours.

We have been and may continue to be negatively impacted by the ongoing global chip shortage.

Various macro-economic events may cause disruptions in supply chains and logistics, which in turn impacted the production and supply of chips around the world. The increase in global demand for products such as personal computers owing to some countries' shift to a stay-at-home economy has further increased the demand for chips and exacerbated the shortage. To date, the global chip shortage is still ongoing and it remains uncertain when it will ease or whether it will worsen. The shortage in chip supplies has led to increases in the prices of chips and has caused chip manufacturers to allocate available chips more selectively among their customers across these industries. As the shortage continues or even worsens, we may not be able to obtain adequate supplies of chips on commercially acceptable terms or at all, and as a result our technology development plans and commercialization strategies may not be executed as expected in a cost-effective manner, which in turn could negatively affect our business, prospects and results of operation.

We historically had a small number of customers due to the nascent stage of our commercialization, which may not be indicative of trends in our future revenues and customer base and profiles. Failure to continue to attract new customers and retain existing customers, manage our relationship with them or increase their reliance on our solutions could materially and adversely affect our business, results of operations and financial condition.

At the current stage of commercialization, our customers consist primarily of (i) OEMs and TNCs with respect to our robotaxi services, (ii) OEMs and logistics platforms with respect to our robotruck services, and (iii) sensor and hardware component suppliers and other industry participants with respect to our licensing and applications business. In addition to individual customers who are passengers of our robotaxi services, we had 5 and 20 corporate customers in 2021 and 2022, respectively. These customers include Chinese companies and multinational companies operating at various scales along the autonomous driving value chain, including vehicle manufacturing, logistics, and AV software and hardware design and manufacturing. Given our early stage of commercial developments, we have historically generated modest amounts of revenues from a small group of customers when we transitioned from technology development to commercialization. Our top three customers in the aggregate accounted for 99.6% and 58.7% of our revenues in 2021 and 2022, respectively. There was no overlap between these top customers in 2021 and 2022. As we continue to commercialize our autonomous driving technology through executing our go-to-market strategies, our customer profiles may constantly and materially change, and accordingly we anticipate our revenue streams to continue to expand, which will diversify our customer base and profiles, although there is no guarantee that we will be able to achieve such goals. Furthermore, if we fail to maintain relationship with these customers, or fail to continue to attract new customers, or if our customers or passengers reduce the use of our solutions for any reason, our business, results of operations and financial condition may be adversely affected.

The implementation and validation processes of our solutions could be lengthy and unpredictable, and are subject to risks of contract cancellation, postponement, supply chain shortages, or unsuccessful solution implementation.

Our autonomous driving solutions are technologically complex and designed for applications in settings with high safety standards. Depending on the complexity of the autonomous driving solutions, the implementation and validation processes of the solutions may be lengthy and unpredictable. As such, we must typically invest significant resources before generating any revenues, which presents a risk to our ability to forecast our results of operations and manage our business operations. In addition to the large upfront investment required prior to commercialization, our partners may cancel or postpone implementation of our solutions due to an internal strategy shift or other reasons beyond our control, which may adversely affect our business and financial performance.

Failure to address the service requirements and expectations of our users could harm our reputation and may materially and adversely affect our business, results of operations or financial condition.

We believe our focus on customer services and support is critical to attracting new users, retaining existing users and growing our business. We have invested in training our customer support team and improving the quality of our customer services. However, we have limited experience servicing our users,

and our customer services team may not be able to maintain a high standard for themselves going forward for reasons such as budgetary constraints and employee losses, which could adversely affect our reputation and ability to retain and bring in users.

We use third-party providers of cloud infrastructure to operate our business. Any disruption in the operations of these third-party providers, limitations on capacity or interference with our use could adversely affect our business, financial condition and results of operations.

Our research and development efforts and day-to-day operations are highly dependent on cloud infrastructure, including those operated by third-party vendors. We do not control, or in some cases have limited control over, the operation of this cloud infrastructure. Any limitation on the capacity of such cloud infrastructure could impede our ability to onboard new customers or expand the usage of our existing customers, which could adversely affect our business, financial condition and results of operations. In addition, any incident affecting the cloud infrastructure we use that may be caused by cyber-attacks, natural disasters, fire, flood, severe storm, earthquake, power loss, outbreaks of contagious diseases, telecommunications failures, terrorist or other attacks, geopolitical conflict, physical security threats or other events beyond our control could negatively affect the cloud portion of our platform. A prolonged service disruption affecting our cloud infrastructure for any of the foregoing reasons would negatively impact our ability to serve our customers and partners and could damage our reputation with current and potential customers and partners, expose us to liability, cause us to lose customers and partners or otherwise harm our business. We may also incur significant costs for using alternative providers or taking other actions in preparation for, or in response to, events that damage the third-party hosting services we use. In the event that our service agreements relating to our cloud infrastructure are terminated, or there is a lapse of service, elimination of services or features that we utilize, interruption of internet service provider connectivity or damage to such facilities, we could experience interruptions in access to our systems and services, as well as significant delays and additional expense in arranging or creating new facilities and services or re-architecting our services for deployment on a different cloud infrastructure service provider, which could adversely affect our business, financial condition and results of operations.

We may be subject to insufficient computing resources, transmission bandwidth and storage space, which could result in disruptions and our business, results of operations and financial condition could be adversely affected.

Our operations are dependent in part upon transmission bandwidth provided by third-party telecommunications network providers, access to data centers to house our servers and other computing resources. There can be no assurance that we are adequately prepared for unexpected increases in bandwidth and data center demands by our customers and partners. The bandwidth and data centers we use may become unavailable for a variety of reasons, including service outages, payment disputes, network providers going out of business, natural disasters, networks imposing traffic limits, or governments adopting regulations that impact network operations. These bandwidth providers may become unwilling to sell us adequate transmission bandwidth at fair market prices, if at all. This risk is heightened where market power is concentrated with one or a few major networks. We also may be unable to move quickly enough to augment capacity to reflect growing traffic or security demands. Failure to put in place the capacity we require could result in a reduction in, or disruption of, service to our customers and ultimately a loss of those customers which could, in turn, have a material adverse effect on our business, results of operations, financial condition, and prospect.

We require a significant amount of capital to fund our operations and growth. If we cannot obtain sufficient capital on acceptable terms, our business, financial condition and prospects may be materially and adversely affected.

The development and commercialization of our autonomous driving technology and solutions are capital-intensive. We require a significant amount of capital and resources for our operations, research and development, large-scale production and deployment of our autonomous vehicles, and continued growth. In particular, we expect to incur substantial and potentially increasing research and development costs. It may take a long time to realize returns on such investments, if at all.

To date, we have financed our operations primarily through the issuance of equity securities in private placements. We will need to raise additional capital to continue to fund our research and development and

commercialization activities and to improve our liquidity position. Our ability to obtain the necessary financing to carry out our business plan is subject to a number of factors, including general market volatility, our financial condition, investor acceptance of our business plan, regulatory requirements, and the successful development of our autonomous driving technology. These factors may make the timing, amount, terms, and conditions of such financing unattractive or unavailable to us.

We may raise these additional funds through the issuance of equity, equity-related, or debt securities. To the extent that we raise additional financing by issuing equity securities or equity-linked securities, our shareholders may experience substantial dilution, and to the extent we engage in debt financing, we may become subject to restrictive covenants that could limit our flexibility in conducting future business activities. Financial institutions may request credit enhancement such as third-party guarantees and pledges of equity interest in order to extend loans to us. We cannot be certain that additional funds will be available to us on attractive terms when required, or at all. If we cannot raise additional funds when we need them, our financial condition, results of operations, business, and prospects could be materially adversely affected.

It is possible that the unit economics of our autonomous vehicles do not materialize as expected, which could adversely affect our business, financial condition and results of operations.

Our business model is partially premised on our future expectations and assumptions regarding unit economics of our robotaxi and robotruck services, as labor costs associated with human drivers are largely removed from the overall cost structure and each vehicle can operate for extended hours. There are uncertainties in these assumptions, and we may not be able to achieve the unit economics we expect for many reasons, including but not limited to costs of hardware, other fixed and variable costs associated with autonomous vehicle production and operation, useful life of autonomous vehicles, vehicle utilization and product and service pricing. To manage hardware costs, we must engineer cost-effective designs for our sensors, computers and vehicles, achieve adequate scale, and continue to enable software improvements. In addition, we must continuously push initiatives to optimize other cost components such as maintenance and insurance costs. This will require significant coordination with our business partners and suppliers. Adequate cost management may not materialize as expected, or at all, which would have material adverse effects on our business prospects.

Autonomous driving technology and solutions are new to market, and the appropriate pricing is still being assessed by the market. To date, we have not yet begun large-scale production of our robotaxi and robotruck fleets and are exploring with our partners to commence such production under our go-to market strategies. Additionally, increased competition may result in pricing pressure and reduced margins and may impede our ability to increase revenue or cause us to lose market share, any of which could materially and adversely affect our business, financial condition and results of operations. Unfavorable changes in any of these or other economics-related factors, many of which are beyond our control, could materially and adversely affect our business, prospects, financial condition and results of operations.

We are required to comply with laws and regulations across jurisdictions, including obtaining and maintaining permits and licenses to operate certain aspects of our business operations.

We operate in the autonomous driving industry, which is subject to substantial uncertainty relating to laws and regulations across jurisdictions in which we operate. The laws and regulations governing the autonomous driving industry are relatively new and evolving, and their interpretation and enforcement involve significant uncertainties. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations and furthermore, we cannot assure you that we have complied or will be able to comply with all applicable laws at all times. Consequently, we could face the risks of being subject to governmental investigations, orders by competent authorities for rectification, administrative penalties or other legal proceedings and our ability to expand our business and sustain our growth may be negatively affected.

For example, we experienced an accident in October 2021 where one of our vehicles operating under our driverless permit in Fremont, California hit a road center divider and a traffic sign during a lane change. There were no injuries or third parties involved in this accident. Following our internal investigation, we concluded that this incident was caused by a software glitch, and therefore we corrected the software that was then integrated in three vehicles. We subsequently filed a recall notice at NHTSA's request. The NHTSA

initiated a review in relation to this accident and our recall announcement, and the California Department of Motor Vehicles suspended our driverless testing permit. As of the date of this prospectus, we have responded to all of the NHTSA's requests during its review, and we have not received any further inquiry, notice or investigation from the NHTSA.

Furthermore, the regulatory framework governing the autonomous driving industry in China has been constantly evolving. See "Regulation — Regulations on Autonomous Driving" for more information. The interpretation and application of existing and new PRC laws, regulations and policies related to the autonomous driving industry involve certain uncertainties that could impact our business. For example, our cooperation with third parties to engage in business may be subject to license, approval or other regulatory requirements if regulatory authorities required us to obtain such license rather than relying upon third parties or obtain such approval in relation to our collaborations with third parties. If the PRC regulatory authorities consider that we operate our business without the necessary licenses or approvals, or failed to fully comply with the regulatory requirements, it can impose various sanctions, including fines, income confiscation, business license revocation, discontinuation of our relevant business, adjustment of our current operations and restrictions on our affected business area. Any of these actions by the PRC regulatory authorities could adversely affect our business and results of operations.

We may be subject to product liability, be compelled to undertake product recalls or other actions, which could adversely affect our brand image, financial condition, results of operations, and growth prospects.

Our vehicle domain controller products or autonomous driving technology in generally present the risk of significant injury, including fatalities. We may be subject to claims if our products or technology is involved in accidents and passenger injuries. The occurrence of any errors or defects in our vehicle domain controller products or autonomous vehicles integrated with our technology could make us liable for damages and legal claims. In addition, we could incur significant costs to correct such issues, potentially including product recalls. Any negative publicity related to the perceived quality of our products or technology and the perceived safety of vehicles deploying our technology could affect our brand image, partners and end-customer demands, and could materially and adversely affect our business, financial condition and results of operations. Also, liability claims may result in litigation, including class actions, the occurrence of which could be costly, lengthy and distracting and could materially and adversely affect our business, financial condition and results of operations.

Any product recall of ours or our partners may result in adverse publicity, damage our brand and could materially and adversely affect our business, financial condition and results of operations. We have in the past initiated, and may in the future initiate recalls voluntarily or involuntarily if any of our products or vehicles powered by our autonomous driving technology prove to be defective or non-compliant with applicable motor vehicle safety standards in China and other regions around the world. Such recalls involve significant expense and diversion of management attention and other resources, which could materially and adversely affect our brand image in our target markets, as well as our business, prospects, financial condition and results of operations.

Along with the commercialization of our technology, we may be required to obtain specialized insurance, which may not be available to the capacity or on the terms that we require to achieve the economics we expect. Further, any insurance that we carry may not be sufficient or it may not apply to all situations. Similarly, our partners could be subjected to claims as a result of such accidents and bring legal claims against us to attempt to hold us liable. Any of these events could materially and adversely affect our brand, relationships with partners, business, financial condition or results of operations.

We rely on patents, unpatented proprietary know-how, trade secrets and contractual restrictions to protect our intellectual property and other proprietary rights. Failure to adequately obtain, maintain, enforce and protect our intellectual property and other proprietary rights may undermine our competitive position and could materially and adversely affect our business, prospects, results of operations or financial condition.

We rely on proprietary technology and we are dependent on our ability to protect such technology. In particular, our success depends on our ability to obtain, maintain, enforce and protect our brand, trademarks, patents, domain names, copyrights, trade secrets, know-how, confidential information, proprietary software and other proprietary methods and technologies, whether registered or not, that we developed under

intellectual property laws of the PRC, the United States and other jurisdictions, so that we can prevent others from using our inventions and proprietary information. We generally attempt to protect our technology through a combination of patent, trademark, copyright and trade secret laws, license agreements, intellectual property assignment agreements, employee and third-party nondisclosure and confidentiality agreements and other similar contractual provisions. However, despite our efforts to obtain, maintain, enforce and protect our intellectual property and proprietary information, there can be no assurance that such efforts will be adequate to prevent unauthorized use of our confidential information, intellectual property, or technology, or to prevent our competitors or other third parties from unintentionally or willfully copying, reverse engineering or otherwise obtaining and using our technology, solutions, or proprietary information. Intellectual property rights are generally territorial and we may not be able to obtain protection (e.g. in connection with patents or trademarks) in certain jurisdictions where we do business because of local laws, local filings or other reasons. Monitoring unauthorized use and disclosures of our intellectual property, proprietary technology, or proprietary information can be difficult and expensive and we cannot be sure that the steps we have taken will prevent misappropriation or infringement of our intellectual property rights or proprietary information.

We cannot be certain that we are the first party to file a patent application in relation to a certain invention. If another party has filed a patent application to the same subject matter as we have, and such application has priority against our patent application, our patent application may be rejected or invalidated for lack of novelty or obviousness. In addition, we cannot assure you that our intellectual property rights will not be challenged, invalidated or circumvented, or that our intellectual property will be sufficient to provide us with competitive advantages. Because of the rapid pace of technological change, we cannot assure you that all of our innovative solutions and proprietary technologies will be patented in a timely or cost-effective manner, or at all. Failure to adequately obtain, maintain, enforce and protect our intellectual property could result in our competitors offering identical, similar or superior products, potentially resulting in the loss of our competitive advantage and a decrease in our revenue, which would adversely affect our business, market share, prospects, financial condition and results of operation.

The measures we generally take to obtain, maintain, protect and enforce our intellectual property and proprietary information, including preventing unauthorized use by third parties, may not be effective for various reasons, including the following:

- the patent applications we file may not be granted;
- we may not be the first party to file a patent application in relation to a certain invention;
- the scope of our issued patents may not be broad enough to protect our inventions and proprietary technology;
- our issued patents may be challenged by our competitors or other third parties, which could result in a court or governmental agency invalidating, narrowing the scope of, or rendering unenforceable our patents;
- patents have a finite term, and competitors and other third parties may offer products identical or similar to those covered by our patent after the patent expiration;
- we may fail to enter into the necessary agreements to prevent disclosure, third-party infringement or misappropriation of our proprietary information, and even if entered into, these agreements may be limited as to their term and may not provide an adequate remedy in the event of unauthorized disclosure or use of proprietary information;
- our employees, contractors or business partners may willfully breach their confidentiality, non-disclosure and non-use obligations;
- our proprietary information and technology may become otherwise known or be independently developed by our competitors and other third parties;
- the costs associated with enforcing patents or other intellectual property rights, confidentiality provisions, invention assignment or similar agreements may make enforcement impracticable; and
- competitors and other third parties may circumvent or otherwise design around our patents or other intellectual property rights.

Third parties may seek to invalidate our patents, trademarks, copyrights, trade secrets or other intellectual property rights, or applications for any of the foregoing, which, if successful, could permit our competitors or other third parties to develop and commercialize products and technologies that are identical, similar or superior to ours.

While we have registered and applied for trademarks in an effort to protect our brand and goodwill with customers or passengers, competitors or other third parties may oppose our trademark applications, seek to invalidate our trademarks or otherwise challenge our use of the trademarks. Such oppositions and challenges can be expensive and may adversely affect our ability to maintain the goodwill gained in connection with a particular trademark. Furthermore, we may lose some of our current, applied-for trademarks if we are unable to submit statements of use with relevant regulatory authorities across jurisdictions by the applicable deadline to perfect such trademark rights. Additionally, if we lose the ability to use our domain name "www.pony.ai", whether due to trademark claims, failure to renew the applicable registration, or any other cause, we may be forced to market our offerings under a new domain name, which could cause us substantial harm, or to incur significant expense in order to purchase rights to the domain name in question. We may also be unable to prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of our brand or our trademarks. Protecting, maintaining, and enforcing our rights in the domain name may require litigation, which could result in substantial costs and diversion of resources, which could in turn adversely affect our business, financial condition, and operating results.

Preventing any unauthorized use of our intellectual property and proprietary information is difficult and costly and the steps we generally take may be inadequate to prevent the infringement, misappropriation or other violation of our intellectual property and proprietary rights. Litigation may be necessary to enforce our intellectual property and proprietary rights, determine the validity and scope of our rights or those of another party, or defend against claims of infringement, misappropriation, violation or invalidity. Such litigation could be costly, time-consuming and distracting to management, result in a diversion of significant resources, the narrowing or invalidation of portions of our intellectual property, all of which would have an adverse effect on our business, operating results and financial condition. Our efforts to enforce our intellectual property rights may be undermined by defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights or alleging that we infringe, misappropriate or otherwise violate the counterclaimant's own intellectual property rights. Any of our patents, trade secrets, copyrights, trademarks or other intellectual property rights could be challenged by others or invalidated through administrative process or litigation. We can provide no assurance that we will prevail in such litigation. In addition, our proprietary methods and technologies that are regarded as trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors or other third parties, and in these cases we would not be able to assert any trade secret rights against those parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our trade secrets, and failure to obtain or maintain protection for our proprietary information could adversely affect our competitive business position. To the extent that our employees, consultants, contractors, and other third parties use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

There can be no assurance that our particular methods of protecting our intellectual property and proprietary rights, including business decisions about when to file patent applications and trademark applications, will be adequate to protect our business or that our competitors will not independently develop similar or superior technology. Monitoring unauthorized use and disclosures of our proprietary technology or confidential information can be difficult and expensive. If we fail to protect and enforce our intellectual property and proprietary rights adequately, our competitors might gain access to our technology and this could adversely affect our business, operating results and financial condition.

We may be sued by third parties for alleged infringement, misappropriation or other violation of their proprietary technology or other intellectual property rights, which could be time-consuming and costly and result in significant legal liability or require us to cease using certain technology or other intellectual property rights, which could harm our business, financial condition, operating results, and reputation.

We cannot be certain that the conduct of our business does not and will not infringe or misappropriate intellectual property or proprietary rights of third parties. Companies, organizations or individuals, including

our current and future competitors, may hold or obtain patents, trademarks or other proprietary rights that would prevent, limit or interfere with our ability to make, use, develop or sell our solutions, which could affect the operation of our business. From time to time, we may receive inquiries from patent or trademark holders inquiring whether we are infringing their intellectual property or other proprietary rights and/or seek court declarations that third party patent and trademarks holders do not infringe upon our intellectual property rights and/or our application to register trademarks or patents may be rejected due to their similarity with certain existing registered trademarks or patents owned by third parties. Companies holding patents or other intellectual property rights relating to autonomous driving technology or other related technology may bring suits alleging infringement of such rights or otherwise asserting their rights and/or seeking licenses. We may fail to conduct, from time to time, freedom to operate or clearance searches before launching new products, brands or services. If we are determined to have infringed upon a third party's intellectual property or other proprietary rights, we may be required to do one or more of the following:

- cease selling, incorporating or using solutions that incorporate the third party's intellectual property or proprietary information;
- pay for substantial damages;
- obtain a license from the holder of the infringed intellectual property, which license may not be available on reasonable terms or at all; or
- redesign our technology.

A successful claim of infringement against us and our failure or inability to obtain a license to the infringed technology could materially and adversely affect our business, financial condition, results of operations and reputation. In addition, any litigation or claims, whether successful or not, could result in substantial costs and diversion of resources and management's attention.

We also license intellectual property rights from third parties, including in connection with commercial partnership and collaboration agreements and we may face claims by third parties that our use of such licensed intellectual property infringes their rights. In such cases, we may seek indemnification from our licensors under our license contracts with them. However, our rights to indemnification may be unavailable or insufficient to cover our costs and losses, depending on our use of the technology, whether we choose to retain control over conduct of the litigation, and other factors.

We use certain open source technology in our business, which could expose us to information security vulnerabilities, result in failures, errors and defects, or subject us to possible litigation or to certain unfavorable conditions, including requirements that we offer our products that incorporate the open source software for no cost or that we make publicly available our confidential, proprietary source code and any other intellectual property that we developed using or derived from such open source software.

We use open source software in connection with certain of our technologies. Use and distribution of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide support, warranties, indemnification, or other contractual protections regarding infringement claims or the quality of the code. Accordingly, we cannot assure that the authors of such open source software will implement or push updates to address security risks or will not abandon further development and maintenance. In addition, the public availability of such software may make it easier for others to compromise our technology. Many of the risks associated with the use of open source software cannot be eliminated, and could, if not properly addressed, negatively affect our business, our intellectual property and the security of our systems, products and services. To the extent that our systems depend upon the successful operation of the open source software it uses, any undetected errors or defects in such open source software could prevent the deployment or impair the functionality of our systems or applications, delay the introduction of new solutions, result in a failure of our systems, products or services, and injure our reputation. For example, undetected errors or defects in open source software could render it vulnerable to breaches or security attacks and make our systems more vulnerable to data breaches.

Furthermore, some open source software licenses require users who distribute open source software as part of their proprietary software, or derive proprietary software from or based on open source software, or link proprietary code to open source software, to publicly disclose all or part of the source code to such

proprietary software and/or make available any derivative works of the open source code on unfavorable terms or at no cost. In some circumstances, distribution of our software that is derived from open source software or incorporating or linking to or otherwise in connection with open source software could require that we disclose and license some or all of our proprietary source code in that software, as well as distribute our products that use particular open source software at no cost to the user. We generally try to use open source software in a manner that will not require the disclosure of the source code to our proprietary software or prevent us from charging fees to our customers or passengers for the use of our proprietary software. However, we cannot guarantee that these efforts will be successful, and thus, there is a risk that the use of open source may ultimately preclude us from charging fees for the use of certain software, require us to replace certain code used in our products and/or services, pay a royalty to use some open source code, make the source code publicly available, or discontinue certain software. The release of the source code of our proprietary software, could substantially help our competitors develop products that are similar to or better than ours with lower development effort and time and ultimately could result in a loss of our competitive advantage.

Open source license terms are often ambiguous and there is little legal precedent governing their interpretation. Accordingly, there is a risk that these licenses could be construed in a way that could impose unanticipated obligations, conditions or restrictions regarding our ability to provide or distribute our products and technologies. Companies that incorporate open source software into their products have, in the past, faced claims seeking enforcement of open source license provisions and claims asserting ownership of open source software incorporated into their product. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open source software or claiming non-compliance with the terms and conditions of an open source license, and we could incur significant legal costs defending ourselves against such allegations. If we were held to have breached or to have failed to fully comply with such terms and conditions, we could face infringement claims or other liability, or could be required to seek costly licenses from third parties to continue providing our technology on terms that are not economically feasible, to re-engineer our system, or to make generally available, in source code form our proprietary code, any of which could adversely affect our business, financial condition and operating results.

Any unauthorized access, collection, control, manipulation, interruption, compromise or improper disclosure of personal information, cyber-attacks or other security incidents or data breaches that affect our networks or systems, or those of our service providers or our customers and/or passengers, whether inadvertent or purposeful, could degrade our ability to conduct our business, compromise the integrity of our products and services or our platform and data, result in significant data losses or the theft of our intellectual property, damage our reputation, expose us to liability to third parties and require us to incur significant additional costs to maintain the security of our networks and data, in any case of the foregoing, which could adversely affect our business, financial condition and results of operations.

We depend significantly on our technology infrastructure, IT systems, data and other equipment and systems to conduct virtually all of our business operations, ranging from our internal operations and research to development activities and communications with our users, partners and suppliers. In connection therewith, our business operations, including our autonomous driving solutions, collect, store, transmit and otherwise process data from vehicles, users, employees, drivers and/or other third parties, some of which may include personal, confidential, sensitive or proprietary information. Organizations such as ours are increasingly subject to various attacks on their networks, systems and endpoints, and, given the nature of the data that we collect, use and store, internal or external individuals or entities may attempt to penetrate our network security, or that of our products and solutions, including by sabotaging or misappropriating our proprietary information or that of our users, partners, employees and suppliers, or by causing interruptions to our solutions. For example, we may experience cyber-attacks of varying degrees and other attempts to gain unauthorized access to our systems from time to time, including by way of malware, phishing attacks, ransomware attacks, denial of service attacks, brute-force attacks or other means, any of which can result in disclosure of confidential information and intellectual property, product defects, production downtimes or compromised data, including personal information. These cybersecurity threats and attacks can originate from various sources, such as individuals, groups of hackers and sophisticated organizations, who may in the future attempt to gain unauthorized access to modify, alter and use our vehicles, products and systems in order to (i) gain control of, (ii) change the functionality, user interface and performance characteristics of or (iii) gain access to data stored in or generated by, our vehicles, products and systems, and such attempts may

even culminate in “mega breaches” targeted against cloud services and other hosted software. As the techniques used to obtain unauthorized access or sabotage information systems and networks change frequently and generally are not identified until they are launched against a target, even if we take all reasonable precautions, including to the extent required by law, we may be unable to anticipate these attacks or to implement adequate preventative measures, and we may not become aware in a timely manner of such a security breach, which may exacerbate any damage we experience.

While we take reasonable measures to prevent unauthorized access to our products, solutions and systems, including measures to protect and maintain the security of any personal, confidential and/or proprietary information stored thereon, there can be no assurance that such systems and measures will not be compromised as a result of intentional or unintentional misconduct. For example, outside parties may attempt to fraudulently induce our employees, service providers, customers and/or passengers to disclose sensitive information in order to gain access to our data or the data or accounts of our users or other parties, and although we have policies restricting access to the information we store, there is a risk that these policies may not be effective in all cases. We depend on our employees, service providers and contractors to appropriately handle confidential and sensitive information, including personal information, and to deploy our IT resources in a safe and secure manner that does not expose our network systems to security breaches or the loss of data. Any data security incidents, including internal malfeasance by our employees, unauthorized access or usage, virus or similar breach or disruption against us or our service providers could result in loss of confidential or proprietary or personal information, damage to our reputation, loss of customers and/or passengers, loss of revenue, private claims and litigation (including class action lawsuits), regulatory investigations, governmental fines, penalties and other liabilities.

We also rely on systems provided by third parties, which may also suffer security breaches or unauthorized access to or disclosure of personal, confidential or proprietary information. Our systems and those of third parties on which we rely may also be subject to damage or interruption from physical theft, fire, terrorist attacks, natural disasters, power loss, war, telecommunications failures, computer viruses, computer denial or degradation of service attacks, malware, ransomware, phishing attacks, social engineering schemes, domain name spoofing, insider theft or misuse or other attempts to harm our products, solutions and systems.

Third parties using our solutions (including customers, passengers, or partners) could experience successful cyberattacks, security incidents or disruptions in service which could cause customers and/or passengers to lose confidence in the security of our solutions, including where such incidents involve a failure by those third parties to adequately deploy protection measures or updates to our solutions and regardless of whether any actual loss or theft of data occurred. Such cyberattacks and other security incidents aimed at our products and services could further lead to third-party claims that our product failures have caused damage to our customers and/or passengers, a risk that is enhanced by the increasingly connected nature of our products and solutions, which could lead not only to loss of customer, end user and partner confidence in the security of our products and solutions, but also to indemnity obligations, impairment to our business and resulting fees, costs, expenses, loss of revenues and other potential liabilities and harms to our business. See “Risk Factors — Risks Related to Our Business and Industry — Our products and solutions rely on the stable performance of both internal and external servers, networks, IT infrastructure and data processing systems, and any error, bug, vulnerability, systems defect or failure, disruption or unauthorized access, such as cyber-attacks, to such servers, networks, assets or systems due to internal or external factors could diminish demand for our products and services, harm our business, our reputation, our financial condition and results of operations and subject us to liability.” In addition, if a high-profile security breach occurs within our industry, our current and potential customers and/or passengers may lose trust in the security and safety of our systems, products, solutions and information even if we are not directly affected. Furthermore, regardless of their veracity, reports of unauthorized access to our vehicles, systems or data, as well as other factors that may result in the perception that our vehicles, systems or data are capable of being “hacked,” could negatively affect our brand and customer confidence in our products and solutions.

Our products and solutions rely on the stable performance of both internal and external servers, networks, IT infrastructure and data processing systems, and any error, bug, vulnerability, systems defect or failure, disruption or unauthorized access, such as cyber-attacks, to such servers, networks, assets or systems due to internal or external factors could diminish demand for our products and services, harm our business, our reputation, our financial condition and results of operations and subject us to liability.

We rely in part upon the stable performance of our servers and third-party servers, networks, IT infrastructure, including third-party cloud infrastructure, and data processing systems for the provision of our products and solutions, and our success relies on our passengers' ability to access our solutions at any time. Disruptions to such servers, networks, assets or systems may occur due to internal or external factors, such as inappropriate maintenance, infrastructure changes, hardware or software defects or other defects or malfunctions in the servers, distributed denial-of-service and other cyber-attacks or other malicious attacks or hacks targeted at us or such third parties, occurrence of catastrophic events, such as earthquakes, hurricanes, floods, fires, natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks, computer viruses, ransomware, malware or human errors. For example, our data centers or our third-party service providers' or vendors' data centers could be subject to break-ins, sabotage, theft and intentional acts of vandalism, including by employees, causing potential disruptions that could result in lengthy interruptions in our service. We have experienced and will likely continue to experience system failures and other events or conditions from time to time that interrupt the availability or reduce or affect the speed or functionality of our products and solutions. Minor interruptions can result in new customer acquisition losses that are never recovered. Affected customers and/or passengers could seek monetary recourse from us for their losses and such claims, even if unsuccessful, would likely be time-consuming and costly for us to address. Further, in some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. A prolonged interruption in the availability or reduction in the availability, speed or other functionality of our products and solutions could adversely affect our business, brand, and reputation and could result in fewer new customers and/or passengers using our products and solutions.

We can provide no assurance that our current information systems or those of third-party providers are fully protected against third party intrusions, viruses, hacker attacks, information or data theft or other similar threats, and any such cyber-attack that bypasses our or a third-party provider's information security systems causing a security breach may lead to a material disruption of our business systems or the loss of business information. Any such event could have a material adverse effect on our business unless and until we recover using our back-up information. Such disruptions could result in negative publicity, loss of or delay in market acceptance of our products and solutions, loss of competitive position, lower customer retention or claims by customers and/or passengers for losses sustained by them or loss, destruction or unauthorized use of, or access to, data (including personal information for which we may incur liability under applicable data protection laws). In such an event, we may need to expend additional resources to bring the incident to an end, mitigate the liability associated with the fallout of such incident, make notifications to regulators and individuals affected, replace damaged systems or assets, defend ourselves in legal proceedings and compensate customers or passengers. In addition, our disaster recovery planning may not be sufficient for all eventualities. As a result, our reputation and our brand could be harmed, and our business, results of operations and financial condition may be adversely affected.

Finally, as our services incorporate highly technical and complex technologies, such technologies and software may, now or in the future, contain undetected errors, bugs or vulnerabilities, some of which may only be discovered after the code has been released. Any error, bug or vulnerability in our products or solutions, systems or control failures, cybersecurity incidents, data security breaches or attacks on or compromise of our security or the security of our business partners could result in the loss, theft or inaccessibility of, unauthorized access to, or improper use or disclosure of, our customers', passengers' or employees' information and could result in governmental or regulatory action, including resulting in fines or penalties, litigation, and financial and legal exposure, which could seriously harm our reputation, brand and business, and impair its ability to attract and retain users and customers. See "Risk Factors — Risks Related to Our Business and Industry — Any unauthorized access, collection, control, manipulation, interruption, compromise or improper disclosure of personal information, cyber-attacks or other security incidents or data breaches that affect our networks or systems, or those of our service providers or our customers and/or passengers, whether inadvertent or purposeful, could degrade our ability to conduct our

business, compromise the integrity of our products and services or our platform and data, result in significant data losses or the theft of our intellectual property, damage our reputation, expose us to liability to third parties and require us to incur significant additional costs to maintain the security of our networks and data, in any case of the foregoing, which could adversely affect our business, financial condition and results of operations."

Complying with evolving laws and regulations across multiple jurisdictions regarding cybersecurity, information security, privacy and data protection and other related laws and requirements may be expensive and force us to make adverse changes to our business. Many of these laws and regulations are subject to changes and uncertain interpretations, including in ways that may result in conflicting requirements among various jurisdictions. Any failure or perceived failure to comply with these laws and regulations could result in negative publicity, legal and regulatory proceedings, suspension or disruption of operations, fines, increased cost of operations, remediation costs, indemnification expenditures or otherwise harm our business.

Because our solutions, products, and services may provide us with access to sensitive, confidential or personal information, we are subject to laws and regulations relating to the security and privacy of such information, including restrictions on the collection, use, storage and other processing of personal information as well as requirements to take steps to protect such information from improper disclosure, theft or tampering.

Despite our efforts to comply with such applicable laws, regulations and other obligations relating to privacy, data protection and information security, it is possible that our interpretations of the law, our practices or our platform could be inconsistent with, or fail or be alleged to fail to meet all requirements of, such laws, regulations or obligations. Any such failure to comply with the increasing number of data protection laws in the jurisdictions in which we operate, as well as concerns about our practices with regard to the collection, use, storage, retention, transfer, disclosure, security and other processing of personal information, biometric information or other privacy-related matters, including concerns from our customers and/or passengers, employees and third parties with whom we conduct business, even if unfounded, could result in fines, investigations or proceedings by governmental agencies and private claims and litigation (including class actions), any of which could adversely affect our business, financial condition and operating results. Even if not subject to legal challenge, the perception of privacy concerns, whether or not valid, could damage or harm our reputation and brand or could require that we make changes to or restrict our processing activities which may cause us to incur significant costs and expenses, each of which could materially and adversely affect our business, financial condition and operating results.

Additionally, as we seek to expand our business, we are, and may increasingly become, subject to various laws, regulations and standards, as well as contractual obligations, relating to data privacy and security in the jurisdictions in which we operate. The regulatory and legal frameworks regarding data privacy and security issues in many jurisdictions are constantly evolving and developing and can be subject to significant changes from time to time, including in ways that may result in conflicting requirements among various jurisdictions. Interpretation and implementation standards and enforcement practices are similarly in a state of flux and are likely to remain uncertain for the foreseeable future. As a result, we may not be able to comprehensively assess the scope and extent of our compliance responsibility at a global level, and may fail to fully comply with applicable data privacy and security laws, regulations and standards. Moreover, these laws, regulations and standards may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that may be inconsistent with our existing practices and in ways that may have a material and adverse impact on our business, financial condition and results of operations.

With regard to our commercial arrangements, we and our counterparties, including business partners and external service providers, might be subject to contractual obligations regarding the processing of personal information. While we believe our and our counterparties' conduct under these agreements is in material compliance with all applicable laws, regulations, standards, certifications and orders relating to data privacy or security, we or our counterparties may fail, or be alleged to have failed, to be in full compliance. In the event that our acts or omissions result in alleged or actual failure to comply with applicable laws, regulations, standards, certifications and orders relating to data privacy or security, we may incur liability. While we endeavor to include indemnification provisions or other protections in such agreements to mitigate

liability and losses stemming from our counterparties' acts or omissions, we may not always be able to negotiate for such protections and, even where we can, there is no guarantee that our counterparties will honor such provisions or that such protections will cover the full scope of our liabilities and losses.

In general, negative publicity of us or our industry regarding any actual or perceived failure, by us, or by our third-party partners, to maintain the security of our user data or to comply with these existing or new privacy or data security laws, regulations, policies, contractual provisions, industry standards, and other requirements, may result in civil or regulatory liability, including governmental or data protection authority enforcement actions and investigations, fines, penalties, enforcement orders requiring us to cease operating in a certain way, litigation, or adverse publicity, and may require us to expend significant resources in responding to and defending against allegations and claims. In addition, users' consciousness and attitudes towards data privacy are evolving, and users' concerns over the extent to which their data is collected by us may adversely affect our ability to gain access to data and improve our technologies, products and services. Moreover, claims or allegations that we have failed to adequately protect our users' data, or otherwise violated applicable privacy and data security laws, regulations, policies, contractual provisions, industry standards, or other requirements, may result in damage to our reputation and a loss of confidence in us by our users or our partners, potentially causing us to lose users, other business partners and revenues, which could have a material adverse effect on our business, financial condition and results of operations and could cause our price of our ADSs to drop significantly.

Regulations that apply to us in the PRC

The PRC Cybersecurity Law, which took effective in June 2017, created China's first national-level data protection regime for "network operators," which may include all organizations within the territory of the PRC that provide services over the internet or other information network. Specifically, the Cybersecurity Law provides that China adopts a multi-level protection scheme, under which network operators are required to perform obligations of security protection to ensure that the network is free from interference, disruption or unauthorized access, and prevent network data from being disclosed, stolen or tampered.

In addition, the PRC Data Security Law took effect on September 1, 2021. The Data Security Law establishes a tiered system for data protection in terms of their importance. Data categorized as "important data," which will be determined by regulatory authorities in the form of catalogs, are required to be treated with higher level of protection. Specifically, the Data Security Law provides that processors processing "important data" are required to appoint a "data security officer" and a "management department" to take charge of data security. In addition, such processors are required to evaluate the risks of its data activities periodically and file assessment reports with relevant regulatory authorities.

Numerous regulations, guidelines and other measures have been or are expected to be adopted under the umbrella of, or in addition to, the Cybersecurity Law and Data Security Law. For example, Regulations on the Security Protection of Critical Information Infrastructure (the "CII Protection Regulations") became effective on September 1, 2021. According to the CII Protection Regulations, critical information infrastructure (the "CII") refers to any important network facilities or information systems of the important industry or field such as public communication and information service, energy, transportation, water conservancy, finance, public services, e-government affairs and national defense science, which may endanger national security, people's livelihood and public interest in the case of damage, function loss or data leakage. Regulators supervising specific industries are required to formulate detailed guidance to identify CII in the respective sectors, and a critical information infrastructure operator (the "CIIO") must take the responsibility to protect the CII's security by performing certain prescribed obligations. For example, CIIOs are required to conduct network security test and risk assessment at least once a year, timely rectify the issues identified and report to relevant regulatory authorities according to their requirements. As of the date of this prospectus, we have not received any notices from any authorities identifying us or any of our PRC entities as a CIIO.

The Personal Information Protection Law took effect on November 1, 2021, integrates the various rules with respect to personal information rights and privacy protection and applies to the processing of personal information within the PRC as well as certain personal information processing activities outside the PRC, including those for the provision of products and services to natural persons within the PRC or for the analysis and assessment of acts of natural persons within the PRC. Specifically, Article 38 of the Personal

Information Protection Law describes that any personal information processor which needs to provide personal information outside the PRC territory due to business or other needs shall meet any of the following conditions: (i) to pass the security evaluation organized by the CAC, (ii) to be certified by a specialized agency for protection of personal information in accordance with the provisions of the CAC, (iii) to enter into a contract with the overseas recipient under the standard contract formulated by the CAC, specifying the rights and obligations of both parties; and (iv) to meet other conditions prescribed by laws, administrative regulations or the CAC. Based on this, the CAC and the relevant authorities have formulated the relevant detailed rules, among which the Security Assessment Measures for Cross-border Data Transferring taking effect on September 1, 2022 describes that a data processor providing data abroad under any of the following circumstances shall declare security assessment for data cross-border transferring to the CAC: (i) where a data processor provides important data abroad; (ii) where a CIIO or a data processor processing the personal information of more than one million people provides personal information abroad; (iii) where a data processor has provided personal information of 100,000 people or sensitive personal information of 10,000 people in total abroad since January 1 of the previous year; and (iv) other circumstance prescribed by the CAC. If a data processor has activities of transferring personal information abroad but does not reach the data scale threshold mentioned in the above articles, it could choose to be certified by a specialized agency or to enter into a contract with the overseas recipient under the standard contract formulated by the CAC. As of the date of this prospectus, we have not conducted any cross-border transferring activities involving the personal information or important data we hold. However, we cannot assure you that the PRC regulatory authorities will not take a view contrary to ours, thus requiring us to comply with applicable data localization, security assessment and other requirements under these proposed laws and regulations. As our business continues to grow, there may arise circumstances where we engage in such cross-border transfers of personal information and important data, including in order to satisfy the legal and regulatory requirements, in which case we may need to comply with the foregoing requirements as well as any other limitations under PRC laws then applicable. Complying with these laws and requirements could cause us to incur substantial expenses or require us to alter or change our practices in ways that could harm our business. Additionally, to the extent we are found to be not in compliance with these laws and requirements, we may be subject to fines, regulatory orders to suspend our operations or other regulatory and disciplinary sanctions, which could materially and adversely affect our business, financial condition and results of operations.

Additionally, in December 2021, the CAC and several other administrations jointly promulgated Cybersecurity Review Measures, which took effect on February 15, 2022. Pursuant to the Cybersecurity Review Measures, where the relevant activity affects or may affect national security, a CIIO that purchases network products and services, or an internet platform operator that carries out data processing activities, shall be subject to the cybersecurity review. The Cybersecurity Review Measures further provides that "internet platform operators" in possession of personal information of over one million users shall apply for cybersecurity review, if such operators intend to list their securities in a foreign country. See "— Risks Related to Doing Business in China — The approval, filing or other requirements of the China Securities Regulatory Commission or other PRC regulatory authorities may be required under PRC law in connection with our issuance of securities overseas, and we cannot predict whether or for how long we will be able to obtain such approval or complete such filing." Additionally, relevant regulatory authorities in the PRC may initiate cybersecurity review if they determine that network products or services or data processing activities affect or may affect national security. As the definitions for terms such as CIIO, internet platform operator and national security are broad, and the government will likely retain significant discretion as to the interpretation and enforcement of the Cybersecurity Review Measures and any implementation rules, we may be subject to related rules. We cannot preclude the possibility that the Cybersecurity Review Measures will subject us to the cybersecurity review by the CAC in relation to our operations or require us to adjust our business practices, in which case our business, financial condition and prospects and the price of our ADSs may be materially and negatively affected.

In the event that we are subject to the cybersecurity review by the CAC in relation to our operations, we may experience disruptions of our business. Such review could also result in negative publicity with respect to our company and diversion of our managerial and financial resources. Furthermore, if we were found to be in violation of applicable laws and regulations of mainland China during such review, we may be subject to administrative penalties, including fines and service suspension, which could have a material and adverse impact on our business, results of operations and financial condition and the value of our ADSs. We also cannot rule out the possibility that certain of our customers may be deemed CIIOs, in which case our

products or services, if deemed related to national security, will be submitted for cybersecurity review before we can enter into agreements with such customers. If the reviewing authority considers that the use of our products and services by certain of our customers who are CIIOs involves risks of disruption, is vulnerable to external attacks, or may negatively affect, compromise, or weaken the protection of national security, we may not be able to provide our products or services to such customers, which could have a material adverse effect on our results of operations and business prospects.

Furthermore, on November 14, 2021, Measures on Network Data Security Management (Draft for Comment) (the "Draft Measures on Network Data") was proposed by the CAC for public comments until December 13, 2021. The Draft Measures on Network Data requires data processors to apply for cybersecurity review in accordance with the relevant laws and regulations for carrying out activities including but not limited to: (i) a merger, reorganization, or division to be conducted by an internet platform operator who has amassed a substantial amount of data resources that concern national security, economic development or the public interest, which will or may impact national security; (ii) an overseas initial public offering to be conducted by a data processor processing the personal information of more than one million individuals; (iii) an overseas initial public offering in Hong Kong to be conducted by a data processor, which will or may impact national security; and (iv) other data processing activities that will or may have an impact national security. Any failure to comply with such requirements may subject us to, among others, suspension of services, fines, revoking relevant business permits or business licenses and penalties. The Draft Measures on Network Data was released for public comment only, there remains substantial uncertainty, including but not limited to its final content, adoption timeline, effective date or relevant implementation rules.

As of the date of this prospectus, none of us or the VIEs have been subject to any material claims, investigations or legal proceedings settled, pending or threatened for any material noncompliance with or violations of applicable PRC laws and regulations with respect to privacy and personal data protection and have received any cybersecurity-related warning or sanction from the PRC regulatory authorities, or any notice from relevant authorities requiring us to file for a cybersecurity review. We believe, to the best of our knowledge, our and the VIEs' business operations do not violate any of the above PRC laws and regulations currently in force in all material aspects except for the uncertainties as disclosed in this prospectus. We have been and will continue taking reasonable measures to comply with such laws and regulations; however, since these laws and regulations in the PRC are relatively new, uncertainties still exist in relation to their interpretation and implementation. We cannot assure you that relevant regulatory authorities will not interpret or implement the laws or regulations in ways that negatively affect us or the VIEs. In addition, any change in these laws and regulations relating to privacy, data protection and information security and any enhanced governmental enforcement action of such laws and regulations could greatly increase our cost in providing our solutions and services, limit their use or adoption or require certain changes to be made to our operations. If we fail to comply with these new laws and regulations described above, we may be ordered to rectify and terminate any actions that are deemed illegal by the government authorities and become subject to, among others, suspension of services, fines, revocation of relevant business permits or business licenses, and other government penalties, which may materially and adversely affect our business, financial condition, and results of operations.

Regulations that apply to us in the United States

In the United States, various federal regulators, including governmental agencies like the Federal Trade Commission, and states and state regulators, including in California, Colorado, Virginia, Utah, Connecticut and Illinois, have adopted, or are considering adopting, laws and regulations concerning personal information and data security that we will need to navigate as we consider expanding the scope of our United States operations. This patchwork of legislation and regulation has given, and will likely continue to give, rise to conflicting or differing legal and regulatory obligations with respect to personal privacy rights. For example, certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to personal information than federal, international or other state laws, and such laws may differ from each other, all of which may complicate compliance efforts. One such comprehensive privacy law in the United States is the California Consumer Privacy Act, which has since been amended by the California Privacy Rights Act (the "CPRA") that came into effect on January 1, 2023 (collectively, the "CCPA"). Among other things, the CCPA requires companies that process personal information of California residents to make detailed disclosures to consumers about such companies' data collection, use and sharing practices,

and gives California residents rights to access, correct and delete their personal information and to opt out of certain personal information sharing with and/or sales to, third parties. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information which is expected to increase the likelihood of, and risks associated with, data breach litigation.

As referenced above, following California's passage of the CCPA, other states have followed suit in passing similar laws. For example, over the past two years, regulators have introduced new state laws in Colorado, Virginia, Utah and Connecticut, all of which will come into effect in 2023 and give the applicable state's residents rights over the collection, use and disclosure of their personal information. These laws may lead other states or even the United States Congress to pass comparable legislation to which we may become subject. The effects of the CPRA, the CCPA and other similar statutes or federal laws, are significant, and once we expand our United States operations, may require us to modify our data processing practices and policies and incur substantial compliance-related costs and expenses that are likely to increase over time. Additionally, many laws and regulations relating to privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data are subject to varying degrees of enforcement and new and changing interpretations by courts and may require us to divert resources from other initiatives and projects to address these evolving compliance and operational requirements. These and other laws or regulations relating to privacy, data protection and information security, particularly any new or modified laws or regulations, or changes to the interpretation or enforcement of such laws or regulations, any of which may require enhanced protection of certain types of data or new obligations with regard to data retention, transfer, or disclosure, could greatly increase the cost of providing our services and require significant changes to our operations, which may have a material and adverse impact on our business, financial condition and results of operations.

Additionally, some members of the U.S. federal government, including certain members of Congress and the NHTSA, have recently focused on automotive cybersecurity issues and may in the future propose or implement regulations specific to automotive cybersecurity. Such regulations are also in effect, or expected to come into effect, in certain other international jurisdictions. These and other regulations could adversely affect the timing of our entry into other markets, and if such regulations and other future regulations are inconsistent with our approach to automotive cybersecurity, we would be required to modify our systems to comply with such regulations, which would impose additional costs and delays and could expose us to potential liability to the extent our automotive cybersecurity systems and practices are inconsistent with such regulations. In addition to government regulation, privacy advocates and industry groups have and may in the future propose self-regulatory standards, which may legally or contractually apply to us, or we may elect to comply with such standards. We expect that there will continue to be new proposed laws and regulations concerning cybersecurity, information security, privacy and data protection, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. New laws, amendments to or re-interpretations of existing laws, regulations, standards and other obligations may require us to incur additional costs and restrict our business operations. Because the interpretation and application of laws, regulations, standards and other obligations relating to data privacy and security are still uncertain, it is possible that these laws, regulations, standards and other obligations may be interpreted and applied in a manner that is inconsistent with our data processing practices and policies or the features of our products and services. If so, in addition to the possibility of fines, lawsuits, regulatory investigations, public censure, other claims and penalties and significant costs for remediation and damage to our reputation, we could be materially and adversely affected if legislation or regulations are expanded to require changes in our data processing practices and policies or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively impact our business, financial condition and results of operations. Furthermore, the developing requirements relating to clear and prominent privacy notices (including in the context of obtaining informed and specific consents to the collection and processing of personal information, where applicable) may potentially deter passengers from consenting to certain uses of their personal information.

We depend on the experience and expertise of our senior management team, technical engineers, and certain other key employees, and the loss of any executive officer or key employee, or the inability to identify and recruit executive officers and other key employees in a timely manner, could harm our business, operating results, and financial condition.

Our success depends largely upon the continued services of our key executive officers and certain key employees. We rely on our executive officers and key employees in the areas of business strategy, research and development, marketing, sales, services, and general and administrative functions. From time to time, there may be changes in our executive management team or key employees resulting from the hiring or departure of executives or key employees, which could disrupt our business. We do not maintain key-man insurance for any member of our senior management team or any other employee. We do not have employment agreements with our executive officers or other key personnel that require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time. The loss of one or more of our executive officers or key employees could have a serious adverse effect on our business.

To execute our growth plan, we must attract and retain highly qualified personnel. Competition for these personnel is intense in the technology industry, especially for engineers with high levels of experience in artificial intelligence and designing and developing autonomous driving related algorithms. We have experienced. and expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have and can offer more attractive compensation packages for new employees. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or our company have breached their legal obligations, resulting in a diversion of our time and resources and potentially in litigation. In addition, job candidates and existing employees often consider the value of the share incentive awards they receive in connection with their employment. If the perceived value of our share awards declines, it may adversely affect our ability to recruit and retain highly skilled employees. If we fail to attract new personnel on a timely basis or fail to retain and motivate our current personnel, we may not be able to commercialize and then expand our autonomous driving solutions in a timely manner and our business and future growth prospects could be adversely affected.

Misconduct or other improper activities, including non-compliance with regulatory standards and requirements, by our employees, consultants, independent contractors, suppliers and partners could expose us to potentially significant legal liabilities, reputational harm and/or other damages to our business.

Many of our employees play critical roles in the development of our technology and in ensuring the safety and reliability of our solutions and/or compliance with relevant laws and regulations. Certain of our employees have access to sensitive information and/or proprietary technologies and know-how. While we have adopted codes of conduct for all of our employees and have entered into agreements and implemented detailed policies and procedures relating to intellectual property, proprietary information and trade secrets, we cannot assure you that our employees will always comply with these codes, agreements, policies and procedures nor that the precautions we take to detect and prevent employee misconduct will always be effective. If any of our employees engage in any misconduct, illegal or suspicious activities, including but not limited to misappropriation or leakage of sensitive customer information, proprietary information or technology know-how, we and such employees could be subject to legal claims and liabilities and our reputation and business could be adversely affected.

In addition, while it is our policy to require our employees, consultants and independent contractors who may be involved in the conception or development of intellectual property or proprietary information to execute agreements assigning such intellectual property or proprietary information to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property or proprietary information that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property or proprietary information. Furthermore, individuals executing agreements with us may have preexisting or competing obligations to a third party and thus an agreement with us may be ineffective in perfecting ownership of inventions developed by that individual. If

there is any potential uncertainty with respect to the enforceability of the invention assignment, an employee may sell or license their invention to third parties, which could limit our ability to operate our business and could adversely affect our competitive business position. We cannot provide any assurances that such individuals will not breach the agreements and disclose proprietary information, including our trade secrets, and we cannot guarantee that adequate remedies will be available to rectify any subsequent damages or losses of confidential and proprietary information. Enforcing a claim that a party unlawfully disclosed or misappropriated a trade secret is difficult, expensive, and time consuming, and the outcome is unpredictable. Some courts in the United States and abroad are less willing or unwilling to protect trade secrets. Such claims could have a material adverse effect on our business, financial condition, results of operations, and prospects.

In addition, we may be required to pay monetary remuneration to employees who develop inventions, even if the rights to such inventions have been assigned to us and the employees have waived their rights to royalties or other compensation.

Growth of our business will partially depend on the recognition of our brand. Our brand and reputation could be harmed by negative publicity or safety and others concerns regarding our solutions. Failure to maintain, protect and enhance our brand could limit our ability to expand or retain our customer base, which could materially and adversely affect our business, financial condition and results of operations.

We must maintain and enhance our brand identity and increase market awareness of our autonomous driving technology and solutions. The successful promotion of our brand will depend on our efforts to achieve widespread acceptance of our technology and solutions, attract and retain customers and our ability to maintain our current market leadership and successfully differentiate our technology and solutions from competitors. These efforts require substantial expenditures, and we anticipate that they will increase as our market becomes more competitive and as we expand into new markets. These investments in brand promotion and thought leadership may not yield increased revenue. To the extent they do, the resulting revenue still may not be enough to offset the increased expenses we incur. Our brand value also depends on our ability to provide secure and trustworthy solutions as well as our ability to protect and use our customers', partners' and users' data in a manner that meets their expectations. Damage to our reputation and loss of brand equity may reduce demand for our solutions and thus have an adverse effect on our future financial results, as well as require additional resources to rebuild our reputation and restore the value of the brands and could also reduce the trading price of the ADSs.

We may, from time to time, receive negative publicity, including negative internet and blog postings, ratings or comments on social media platforms or through traditional media about our company, our business, our directors and management, our brands, our technology and solutions, our suppliers or other business partners. Certain of such negative publicity may be the result of malicious harassment or unfair competition acts by third parties. We may even be subject to government or regulatory investigation as a result of such third-party conduct and may be required to spend significant time and incur substantial costs to defend ourselves against such third-party conduct, and we may not be able to conclusively refute each of the allegations within a reasonable period of time, or at all.

We may receive complaints from our customers and passengers regarding our solutions, pricing and customer support. If we do not handle these complaints effectively, our brand and reputation may suffer, our customers and passengers may lose confidence in us and they may reduce or cease their use of our solutions. Our success depends, in part, on our ability to generate positive customer feedback and minimize negative feedback on social media channels where existing and potential customers and passengers seek and share information. If actions we take or changes we make to our solutions upset these customers and passengers, their online commentary could negatively affect our brand and reputation. Complaints or negative publicity about us, our technology and solutions could materially and adversely impact our ability to attract and retain customers and passengers, our business, results of operations and financial condition.

We face risks associated with our international operations, including unfavorable regulatory, political, trade, tax and labor conditions, which could harm our business.

We are subject to legal and regulatory requirements, political uncertainty and social, environmental and economic conditions in a number of jurisdictions, over which we have little control and which are inherently

unpredictable. Our operations in such jurisdictions create risks relating to conforming our solutions to regulatory and safety requirements; adapting to different driving behavior, traffic conditions, road designs and infrastructure in a range of countries; organizing local operating entities; establishing, staffing and managing foreign business locations; managing and staffing international operations and the increased operations, travel, and infrastructure costs; attracting local customers; effective pricing; navigating foreign government taxes, regulations and permit requirements; enforceability of our contractual rights; protectionist or national security policies; complexities of complying with current and future export controls and economic sanctions; trade restrictions, customs regulations and tariffs and price or exchange controls. Such conditions may increase our costs, impact our ability to attract and retain customers and require significant management attention, and may harm our business if we are unable to manage them effectively.

If our business development plans are not effective, our business development may be negatively affected.

We have invested and anticipate to continue investing in sales and marketing activities to promote our brand and to deepen our relationships with partners, customers and passengers. Our sales and marketing activities may not be well received by our existing customers and passengers, and may not attract new ones as anticipated. The evolving marketing landscape may require us to experiment with new marketing methods to keep pace with industry trends and customers' and passengers' preferences. Failure to refine our existing marketing approaches or to introduce new marketing approaches in a cost-effective manner could reduce our market share. We also rely on a number of business partners and our own business development team to attract new customers and passengers. Any disruption of our relationship with these intermediaries could harm our abilities to promote business. Therefore, there is no assurance that we will be able to recover the costs of these sales and marketing activities or that these activities will be effective in attracting new customers and users and retaining existing ones.

Our inability to obtain or agree on acceptable terms and conditions for all or a significant portion of the government grants, loans, subsidies, tax treatment and other incentives for which we may apply could have a material adverse effect on our business, results of operations or financial condition.

We enjoyed preferential tax treatment under relevant preferential tax policies historically. In particular, some of our PRC entities in Beijing, Guangzhou, Shenzhen and Jiangsu province had been recognized as the "High New Tech Enterprise". According to the tax incentives of the EIT Law for "High and New Tech Enterprise", these companies are subject to a reduced EIT rate of 15% for three years commencing from the year these companies are recognized as "High New Tech Enterprise". Such preferential tax treatments are subject to change and termination. Government agencies may decide to reduce, eliminate or cancel our tax preferences at any time. Therefore, we cannot assure you of the continued availability of such tax preferences as we currently enjoy. The discontinuation, reduction or delay of the preferential tax treatment could adversely affect our financial condition and results of operations.

We also received government grants, which may not be recurring. For the years ended December 31, 2021 and 2022, US$2.7 million and US$7.6 million were received and recognized as other income, net in the consolidated statements of operations and comprehensive loss, respectively. As these government grants are provided typically on a one-off basis, there is no guarantee that we will continue receiving or benefiting from them in the future. In some cases, we are required to satisfy certain conditions or contractual obligations before receiving government grants. However, there can be no assurance that we will be able to fully satisfy these conditions or perform such obligations, and it is possible that regulatory authorities may discontinue such grants, or require us to repay part or all of the government grants we previously received. Any reduction, cancellation, or repayment resulting from our failure to perform such obligations could adversely affect our business, financial condition and results of operations.

We have granted and may continue to grant share-based awards under our share incentive plan, which may result in increased share-based compensation expenses.

We have adopted a share option scheme in November 2016 (the "2016 Share Plan," as amended in 2019 and 2020). We account for compensation costs for all share-based awards using a fair-value based method and recognize expenses in our consolidated statements of operations and comprehensive loss in accordance with U.S. GAAP. The maximum aggregate number of shares that we are authorized to issue pursuant to

the 2016 Share Plan (as amended) is 58,427,257. As of December 31, 2022, share-based awards with options to purchase a total of 14,855,045 ordinary shares and 21,217,861 restricted share units had been granted and are outstanding under such plan. In 2021 and 2022, we recorded US$41.1 million and US18.6 million in share-based compensation expenses, respectively. Total unrecognized shared-based payments relating to these unvested options and restricted share units are US$13.5 million and US$89.2 million.

For more information on our share incentive plan, see "Management — Equity Incentive Plans." We will incur additional share-based compensation expenses in the future, as we continue to grant share-based incentives. We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based compensation to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

We face certain risks relating to our leased properties.

Under PRC law, lease agreements of commodity housing tenancy are required to be registered with the local construction (real estate) departments. As of the date of this prospectus, some of our lease agreements for our leased properties in China have not been registered with the relevant PRC regulatory authorities. Failure to complete the registration and filing of lease agreements will not affect the validity of the lease agreements. However, in case the parties of the lease agreements fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC regulatory authorities, they may be exposed to potential fines ranging from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. Besides, the decoration projects of some of our leased properties used as vehicle modification facilities and business offices may require regulatory approvals for construction and fire protection filings under the PRC law but we failed to obtain such approvals and filings, which may subject us to legal sanctions, such as imposition of fines, suspension of construction, and rectification within a time limit. As of the date of this prospectus, no material penalty has been imposed on us for the failure to register the relevant lease agreements as well as obtain the regulatory approval for decoration projects.

In addition, any defects in lessors' title to our leased properties may negatively impact our use. Some of our lessors have not provided us with documentation evidencing their title to the relevant leased properties. Additionally, some of our leased properties were mortgaged by the owners before we entered into the leases, and our leases with respect to these properties may not prevail against the pre-registered mortgage right. As of the date of this prospectus, we are not aware of any challenges initiated by third parties against our use of these properties. However, we cannot assure you that title to these leased properties will not be challenged in the future. If third parties who purport to be the property owners or beneficiaries of the mortgaged properties, or if the regulatory authorities challenge our right to use the leased properties, we may not be able to protect our leasehold interest and may be ordered to vacate the affected premises, which could in turn adversely affect our business and results of operations.

We, our directors, management, employees and shareholders and their affiliates may be subject to pending or future litigation, impending decisions, administrative proceedings, fines and negative publicity, which could have a material and adverse impact on our business, reputation, financial condition and results of operations.

From time to time, we have been, and may in the future be, subject to lawsuits brought on by our competitors, individuals, or other entities against us, in matters relating to intellectual property rights, contractual disputes, employment-related controversies, and other legal and administrative proceedings or fines relating to our business operations inside and outside China. At times, the outcomes of the actions we institute may not be successful or favorable to us. Lawsuits against us may also generate negative publicity that significantly harms our reputation, which may adversely affect our ability to expand the customer and user base. In addition to the related cost, managing and defending litigation and related indemnity obligations can significantly divert management's attention from operating our business. We may also need to pay damages or settle lawsuits with a substantial amount of cash. If any of these happens, our business, financial condition, results of operations or liquidity could be materially and adversely affected. In addition, our directors, management, shareholders and employees and their affiliates may from time to time be subject to litigation, regulatory investigations, proceedings and/or negative publicity or otherwise face potential liability and expense in relation to commercial, labor, employment, securities or other matters, which could adversely affect our reputation and results of operations.

Our expansion into new geographical areas and jurisdictions involves inherent risks, which may adversely affect our business and results of operations.

Our expansion into new geographical areas and jurisdictions involves new risks and challenges associated with such new markets, such as obtaining permit to conduct test driving and further, commercial operation, of our autonomous vehicles in these new geographical areas and jurisdictions. We may also need to adjust our pricing policies to adapt to local economic condition. Furthermore, our expansion into international markets will require us to respond timely and effectively to rapid changes in market conditions in the relevant countries and regions. Our success in international expansion partially depends on our ability to succeed in different legal, regulatory, economic, environmental, social, and political conditions which we have little control over. Our business operations in new geographical areas and jurisdictions may be disrupted by changes in local laws, regulations and policies. We cannot assure you that we will be able to execute on our business strategy or that our technology and service offerings will be successful in such markets.

Our business has been and may continue to be affected by the current global COVID-19 pandemic.

On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization declared the novel coronavirus disease 2019 ("COVID-19") outbreak a public health emergency of international concern, and on March 11, 2020 the World Health Organization declared the global COVID-19 outbreak a pandemic. During the COVID-19 pandemic, government authorities around the world have imposed restrictions on mobility and travel to contain the spread of the virus. To varying degrees, our business operations have been affected by the COVID-19 pandemic. Furthermore, the COVID-19 pandemic and its aftermath may have the effect of heightening many of the other risks described in this "Risk Factors" section, such as the demand for our autonomous driving solutions, our ability to achieve or maintain profitability and our ability to raise additional capital in the future.

There are no comparable recent events that provide guidance as to the effect the COVID-19 outbreak as a global pandemic may have, and, as a result, the ultimate impact of the pandemic is highly uncertain and subject to change, even though conditions have been gradually improving. While vaccines for the COVID-19 have been developed, there is no guarantee that any such vaccine will be effective, work as expected or be made available or will be accepted on a significant scale and in a timely manner. Furthermore, variations of virus, including notably the Delta and Omicron variants, were found on confirmed cases across countries, including China and the United States, which caused and may continue to cause new outbreaks around the world.

We do not yet know the full extent of the impacts on our business, our operations or the global economy as a whole. The extent to which the COVID-19 pandemic may impact our business will depend on future developments, which are highly uncertain and unpredictable, such as the duration of the outbreak, the effectiveness of travel restrictions and other measures to contain the outbreak and its impact, such as social distancing, quarantines and lockdowns across the countries where we and our business partners operate.

If we fail to implement and maintain an effective system of internal control over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence and the market price of our ADS may be materially and adversely affected.

Prior to this offering, we have been a private company with limited accounting personnel and other resources with which to address our internal control over financial reporting. In connection with the audit of our consolidated financial statements as of and for the fiscal years ended December 31, 2021 and 2022, we and our independent registered public accounting firm identified one material weakness in our internal control over financial reporting. As defined in the standards established by the Public Company Accounting Oversight Board (the "PCAOB"), a "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness identified relates to short of sufficient skilled staff with U.S. GAAP knowledge for the purpose of financial reporting, to ensure proper financial reporting to comply with U.S. GAAP and SEC requirements. Neither we nor our independent registered public accounting firm undertook a

comprehensive assessment of our internal control for purposes of identifying and reporting material weaknesses and other deficiencies in our internal control over financial reporting. Had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional deficiencies may have been identified.

To remedy our identified material weakness, we have started to undertake steps to strengthen our internal control over financial reporting. We have hired a number of finance staff who are members of the American Institute of Certified Public Accountants or Chinese Institute of Certified Public Accountants and will continue to hire more accounting personnel to strengthen the financial reporting function and setting up a financial and system control framework. We have implemented regular U.S. GAAP and SEC financial reporting training programs for our accounting and financial personnel. We are developing and in the process of implementing a comprehensive set of period-end financial reporting policies and procedures.

Following the identification of the material weaknesses and other significant control deficiencies, we have taken measures and plan to continue to take measures to remediate these deficiencies. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Internal Control Over Financial Reporting." However, the implementation of these measures may not fully address these deficiencies in our internal control over financial reporting, and we cannot conclude that they have been fully remediated. Our failure to correct these deficiencies or our failure to discover and address any other deficiencies could result in inaccuracies in our financial statements and impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. Moreover, ineffective internal control over financial reporting could significantly hinder our ability to prevent fraud.

After we become a public company in the United States, we will be subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, will require that we include a report from management on our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report for the fiscal year ending December 31, 2024. In addition, once we cease to be an "emerging growth company" as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. Our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal control over financial reporting or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, after we become a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404, we may identify other or more material weaknesses or deficiencies in our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. Generally speaking, if we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations and lead to a decline in the trading price of our ADSs. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our consolidated financial statements for prior periods.

We may not have sufficient insurance coverage for our operations.

As the autonomous driving industry is at its nascent stage and continues to evolve rapidly, changing laws, regulations and standards in the industry are making liability difficult to define, thus creating

uncertainty for us, increasing legal and financial compliance costs. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could expose us to increasing liabilities, for which we may not have sufficient insurance coverage.

Our solutions are used for autonomous driving, which presents the risk of significant injury, including fatalities. We may be subject to claims if a vehicle using one of our solutions, products or services is involved in an accident and persons are injured or purport to be injured or if the property is damaged. Any insurance that we carry may not be sufficient or it may not apply to all situations. If we experience such an event or multiple events, our insurance premiums could increase significantly or insurance may not be available to us at all. Further, if insurance is not available on commercially reasonable terms, or at all, we might need to self-insure. In addition, lawmakers or governmental agencies could pass laws or adopt regulations that limit the use of autonomous driving technology or increase liability associated with its use. Any of these events could adversely affect our brand, relationships with users, operating results, or financial condition.

We face risks related to natural disasters, extreme weather conditions, health epidemics and other catastrophic incidents which could significantly disrupt our operations.

Our facilities or operations could be adversely affected by events outside of our control, such as natural disasters, wars, health epidemics and other calamities. We cannot assure you that any backup systems will be adequate to protect us from the effects of fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks or similar events, and our property and business interruption insurance coverage may not be adequate to fully compensate us for any losses that may occur. Any of the foregoing events may give rise to interruptions, breakdowns, system failures, or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide services.

General business and economic conditions, and risks related to the larger automotive ecosystem, including consumer demand, could adversely affect the market for vehicles, which could reduce our revenue.

The market for automotive industry in China is affected by general business and economic conditions, the global semi-conductor chip shortage, and inflationary pressures. Volatility caused by, among other events, the global semi-conductor chip shortage, and inflationary pressures has resulted in, or may result in, reduced demand for autonomous driving technology. The market opportunities we are pursuing are at an early stage of development, and it is difficult to predict user demand or adoption rates for our technology and service offerings, or the future growth of the markets in which we operate. In addition, global inflation has increased during 2022, related to the disruptions in global demand, supply, geopolitical events, logistics and labor markets.

The demand for and adoption of our technology and service offerings are typically discretionary for our customers, and may continue to be, affected by negative trends in the economy and other factors, including the degree of utilization achieved by our autonomous driving technology, the timing and breadth of our technology's operational areas, consumer spending and preferences, changes in interest rates and credit availability, consumer confidence, fuel costs, fuel availability, environmental impact, governmental incentives and regulatory requirements, and political volatility, especially in energy-producing countries and growth markets. Fears of recession, stock market volatility, inflationary pressures, inflation and regulations may decrease consumer demand, which could adversely affect the market for vehicles and in turn reduce our revenue. Furthermore, the conflict in Ukraine and the imposition of broad economic sanctions on Russia could raise energy prices and disrupt global markets, which could affect automotive ecosystem. In addition, automotive production and sales can be affected by our automotive OEMs' ability to continue operating in response to challenging economic conditions, labor relations issues, regulatory requirements, trade agreements and other factors. The volume of automotive production in China and the rest of the world has fluctuated, sometimes significantly, from year to year, and we expect such fluctuations to give rise to fluctuations in the demand for our technology and service offerings. Any significant adverse change in any of these factors may result in a reduction in automotive sales and production by our automotive OEM customers and could have a material adverse effect on our business, results of operations and financial condition.

We may not effectively identify, pursue and consummate strategic alliances, collaborations, investments or acquisitions. Even if it does, these could divert management's attention, result in our incurring of significant costs or operating difficulties and dilution to our shareholders, disrupt our operations and materially and adversely affect our business, results of operations or financial condition.

We may from time to time engage in evaluations of, and discussions with, possible domestic and international acquisitions, investments or alliance candidates. We cannot guarantee that we may be able to identify suitable strategic alliances, investment or acquisition opportunities. Even when we identify an appropriate acquisition or investment target, we may not be able to negotiate the terms of the acquisition or investment successfully, obtain financing for the proposed transaction, or integrate the relevant businesses into our existing business and operations. In addition, after the completion of an acquisition or formation of a joint venture, the subsequent business integration and development require significant time and attention from our management to achieve synergies effect and could result in a diversion of resources from our existing business. We cannot assure you that we are able to complete the integration or achieve synergies effects successfully on a timely basis and realize the anticipated synergies from such acquisition or strategic alliance. Furthermore, as we have limited control over the companies in which we only have a minority stake, we cannot ensure that these companies will always comply with applicable laws and regulations in their business operations. Non-compliance with regulatory requirements by our investees may cause substantial harm to our reputation and the value of our investment. In addition, there may be particular complexities, regulatory or otherwise, associated with our expansion into new markets. Our strategies may not be successfully implemented beyond the current markets. If we are unable to address these challenges effectively, our ability to execute acquisitions as a component of our long-term strategy will be impaired, which could have an adverse effect on our growth.

Increasing focus with respect to environmental, social and governance matters may impose additional costs on us or expose us to additional risks. Failure to comply with the laws and regulations on environmental, social and governance matters may subject us to penalties and adversely affect our business, financial condition and results of operation.

Companies across all industries are facing increasing scrutiny relating to their environmental, social and governance, or ESG, policies. Investors, lenders and other market participants are increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. The increased focus and activism related to ESG calls for capital, investors and lenders to tilt their investment decisions to favor industries and companies with recognized ESG practices. The autonomous driving technology we are developing has significant safety benefits. Our autonomous driving technology is designed to reduce the risk of human error on the road, which is a major cause of accidents and fatalities worldwide. We design our autonomous vehicles to be capable of operating more efficiently than human-driven cars by optimizing routes, maintaining a consistent speed and avoiding sudden acceleration or braking, which helps to reduce fuel consumption and carbon emission. Despite our continuous efforts to adapt to and comply with standards related to ESG, we may not be able to always meet the evolving standards. We may be perceived to not have responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so. We may therefore suffer from reputational damage, which will negatively affect our future business, financial condition and results of operations.

Risks Related to Our Corporate Structure

There are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations, and rules relating to the agreements that establish the VIE structure for our operations in China, including potential future actions by the PRC regulatory authority, which could affect the enforceability of our contractual arrangements with the VIEs and, consequently, significantly affect our financial condition and results of operations. If the PRC regulatory authority finds such agreements non-compliant with relevant PRC laws, regulations, and rules, or if these laws, regulations, and rules or the interpretation thereof change in the future, we could be subject to severe penalties or be forced to relinquish our interests in the VIEs.

Pony AI Inc. operates businesses in China through certain contractual arrangements with the VIEs. Pony AI Inc. operates its businesses this way primarily in order to preserve the flexibility to engage in businesses that are subject to foreign investment restrictions under applicable PRC laws and regulations. These

contractual arrangements entered into with the VIEs allow Pony AI Inc. to (i) have the power to direct the operation and activities of the VIEs, (ii) receive substantially all of the economic benefits of the VIEs, and (iii) have an exclusive option to purchase all or part of the equity interests in the VIEs when and to the extent permitted by PRC law. These contractual arrangements include the exclusive business cooperation agreements, share pledge agreements, exclusive option agreements, power of attorneys and spousal consents, as the case may be. As a result of these contractual arrangements, for accounting purposes, Pony AI Inc. exerts effective control over, and is considered the primary beneficiary of, the VIEs and consolidate their operating results in its financial statements under U.S. GAAP. See "Corporate History and Structure" for further details.

As of December 31, 2021 and 2022, total assets of the VIEs, excluding amounts due from the group companies, equaled to 6.8% and 10.1% of our consolidated total assets as of the same dates, respectively. In 2021 and 2022, total revenues generated from the VIEs accounted for 98.9% and 22.5% of our total revenues on a consolidated basis. Our contractual arrangements with the VIEs and their respective shareholders have not been tested in a court of law in the PRC. If the PRC regulatory authority otherwise finds that we or the VIEs are in violation of PRC laws or regulations or lack the necessary permits or licenses to operate the business, the relevant PRC regulatory authorities, including the MIIT and the Ministry of Transport, would have broad discretion in dealing with such violations or failures, including, without limitation:

- revoking the business licenses and/or operating licenses of such entities;
- discontinuing or placing restrictions or onerous conditions on our operation through any transactions between our PRC subsidiaries and the VIEs;
- imposing fines, confiscating the income from our PRC subsidiaries or the VIEs, or imposing other requirements with which we or the VIEs may not be able to comply;
- requiring us to restructure our ownership structure or operations, including terminating the contractual arrangements with the VIEs and deregistering the equity pledges of the VIEs, which in turn would affect our ability to consolidate or derive economic interests from the VIEs;
- restricting or prohibiting our use of the proceeds of financing activities to finance our business and operations in China; or
- taking other regulatory or enforcement actions that could be harmful to our business.

Any of these actions could cause significant disruptions to our business operations and severely damage our reputation, which would in turn materially and adversely affect our business, financial condition and results of operations. In addition, new PRC laws, regulations, and rules may be introduced to impose additional requirements, posing additional challenges to our corporate structure and contractual arrangements. On February 17, 2023, the CSRC released the Overseas Listing Filing Rules, which became effective from March 31, 2023. At the press conference held for the Overseas Listing Filing Rules, officials from CSRC clarified that, as for companies seeking overseas listings with contractual arrangements, the CSRC will solicit opinions from relevant regulatory authorities and complete the filing of the overseas listings of such companies if they duly meet the compliance requirements, and support the development and growth of these companies by enabling them to utilize two markets and two kinds of resources. If we fail to complete the filing with the CSRC in a timely manner or at all, for this offering or any future financing activities, which are subject to the filings under the Overseas Listing Filing Rules, due to our contractual arrangements, our ability to raise or utilize funds could be adversely affected, and we may even need to restructure our business operations to rectify the failure to complete the filings. However, given that the Overseas Listing Filing Rules were recently promulgated, there remains substantial uncertainties as to their interpretation, application, and enforcement and how they will affect our operations and our future financing. If any of these occurrences results in our inability to direct the activities of the VIEs or our failure to receive the economic benefits from the VIEs and/or our inability to claim contractual rights over the assets of the VIEs, we may not be able to consolidate the entity in our consolidated financial statements in accordance with U.S. GAAP, which could materially and adversely affect our financial condition and results of operations and cause our ADSs to significantly decline in value or become worthless.

Any failure by the VIEs or their respective shareholders to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business.

The contractual arrangements may not be as effective as direct ownership in providing us with control over our affiliated entities. Any of our affiliated entities, including the VIEs and its shareholders, could breach their contractual arrangements with us by, among other things, failing to conduct their operations in an acceptable manner or taking other actions that are detrimental to our interests. In the event that the shareholders of the VIEs breach the terms of these contractual arrangements and voluntarily liquidate the VIEs, or the VIEs declares bankruptcy and all or part of its assets become subject to liens or rights of third-party creditors, or are otherwise disposed of without our consent, we may be unable to conduct some or all of our business operations or otherwise benefit from the assets held by our affiliated entities, which could have a material adverse effect on our business, financial condition and results of operations.

While most of the nominee shareholders of the VIEs are also beneficial owners of our company, some of them are not beneficial owners or employees of our company. The enforceability of the contractual agreements between us, the VIEs and their shareholders depends to a large extent upon whether the VIEs and their shareholders will fulfill these contractual agreements. Their interests in enforcing these contractual agreements may not align with our interests or the interests of our shareholders. If their interest diverges from that of our company and other shareholders, it may potentially increase the risk that they could seek to act contrary to these contractual arrangements. If the VIEs or their shareholders fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief, and contractual remedies, which we cannot assure you will be sufficient or effective under PRC law.

Our contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in China. Accordingly, these agreements would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. There remain uncertainties under PRC laws and regulations with respect to the enforceability of our contractual arrangements. Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a consolidated variable interest entity should be interpreted or enforced under PRC law.

There remain significant uncertainties regarding the ultimate outcome of such adjudication should legal action become necessary. In the event that we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, we may not be able to direct the activities of the VIEs that most significantly impact the VIEs' economic performance, and our ability to conduct our business may be negatively affected.

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

On March 15, 2019, the National People's Congress adopted the Foreign Investment Law of the PRC, which became effective on January 1, 2020 and replaced three existing laws regulating foreign investment in China, namely, the Wholly Foreign-Invested Enterprise Law of the PRC, the Sino-Foreign Cooperative Joint Venture Enterprise Law of the PRC and the Sino-Foreign Equity Joint Venture Enterprise Law of the PRC, together with their implementation rules and ancillary regulations. The Foreign Investment Law of the PRC embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, since it is relatively new, uncertainties still exist in relation to its interpretation and implementation. For example, the Foreign Investment Law of the PRC adds a catch-all clause to the definition of "foreign investment" so that foreign investment, by its definition, includes "investments made by foreign investors in China through other means defined by other laws or administrative regulations or provisions promulgated by the State Council" without further elaboration on the meaning of "other means." The Implementing Regulation of the Foreign Investment Law Regulations (the "FIL Interpretations") adopted by the State Council on December 12, 2019 also did not provide further clarification for such "other means." In accordance with the FIL Interpretations, where a party concerned claims an investment agreement to be invalid on the basis that it is for investment in prohibited

industries under the negative list or it is for investment in restricted industries under the negative list and violates the restrictions set out therein, the courts should support such claim. It leaves leeway for future legislations to be promulgated by competent PRC legislative institutions to provide for contractual arrangements as a form of foreign investment. The most updated negative list, issued on December 27, 2021 and became effective on January 1, 2022, stipulates that any PRC domestic enterprise engaging in prohibited industries under the negative list shall obtain the consent of the relevant competent PRC authorities for overseas listing, and the foreign investors shall not participate in the operation and management of such enterprise, and the shareholding percentage of the foreign investors in such enterprise shall be subject to the relevant administrative provisions of the PRC domestic securities investment by foreign investors. Such negative list does not further elaborate whether indirect overseas listing of domestic enterprises like us will be subject to such requirements. The staff of the National Development and Reform Commission (the "NDRC") addressed in an interview on January 18, 2022 that such provision only applies to direct overseas listing of domestic enterprises engaging in business prohibited by the negative list, while for the indirect overseas listing of domestic enterprises, the CSRC is in the process of formulating the regulations and measures relating to overseas listing.

It is therefore uncertain whether our corporate structure will be seen as violating the foreign investment rules as we may leverage the contractual arrangements to operate certain businesses in which foreign investors are prohibited from or restricted in investing. Furthermore, if future legislations prescribed by the State Council mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. If we fail to take appropriate and timely measures to comply with any of these or similar regulatory compliance requirements, our current corporate structure, corporate governance and business operations could be materially and adversely affected.

The contractual arrangements with the VIEs and their respective shareholders may not be as effective as direct ownership in providing operational control.

The contractual arrangements may not be as effective as direct ownership in providing us with control over the VIEs. For example, the VIEs and their respective shareholders could breach their contractual arrangements with us by, among other things, failing to conduct their operations in an acceptable manner or taking other actions that are detrimental to our interests.

If we had direct ownership of the VIEs, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of the VIEs, which in turn could implement changes, subject to any applicable fiduciary obligations, at the management and operational level. However, under the current contractual arrangements, we rely on the performance by the VIEs and their respective shareholders of their respective obligations under the contracts to exercise control over the VIEs. The shareholders of the VIEs may not act in the best interests of our company or may not perform their obligations under these contracts. Such risks exist throughout the period in which we intend to operate certain portion of our business through the contractual arrangements with the VIEs and their respective shareholders. If any dispute relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of PRC law and arbitration, litigation or other legal proceedings and therefore will be subject to uncertainties in the PRC legal system. See "— Any failure by the VIEs or their respective shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business." Therefore, our contractual arrangements with the VIEs and their respective shareholders may not be as effective in controlling our business operations as direct ownership.

All the agreements under our contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC law, and any disputes would be resolved in accordance with PRC legal procedures.

All the agreements under our contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. There remain uncertainties under PRC laws and regulations with respect to the enforceability of our contractual arrangements. Meanwhile, there are very few precedents and little formal guidance as to how contractual

arrangements in the context of a VIE should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the ultimate outcome of such arbitration should legal action become necessary. In addition, under PRC law, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay. In the event we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, we may not be able to direct the activities of the VIEs that most significantly impact the VIEs' economic performance, and our ability to conduct our business may be negatively affected. See "— Risks Related to Doing Business in China — Uncertainties regarding the enforcement of laws, and changes in policies, laws and regulations in China, could materially and adversely affect us."

Contractual arrangements in relation to the VIEs may be subject to scrutiny by the PRC tax authorities and they may determine that we or the VIEs owe additional taxes, which could negatively affect our financial condition and the value of your investment.

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities within ten years after the taxable year when the transactions are conducted. We could face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements between us and the VIEs were not entered into on an arm's-length basis in such a way as to result in an impermissible reduction in taxes under applicable PRC laws, rules and regulations, and adjust the income of the VIEs in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by the VIEs for PRC tax purposes, which could in turn increase its tax liabilities without reducing our PRC subsidiary's tax expenses. In addition, the PRC tax authorities may impose late payment fees and other penalties on the VIEs for the adjusted but unpaid taxes according to the applicable regulations. Our financial position could be adversely affected if the VIEs' tax liabilities increase or if it is required to pay late payment fees and other penalties.

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

The shareholders of the VIEs may have actual or potential conflicts of interest with us. These shareholders may breach, or cause the VIEs to breach, or refuse to renew, the existing contractual arrangements we have with them and the VIEs, which would have a material and adverse effect on our ability to direct the operation and activities of the VIEs and receive economic benefits from them. For example, the shareholders may be able to cause our agreements with the VIEs to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise any or all of these shareholders will act in the best interests of our company or such conflicts will be resolved in our favor. Currently, we do not have any arrangements to address potential conflicts of interest between these shareholders and our company. If we cannot resolve any conflict of interest or dispute between us and these shareholders, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

We may lose the ability to use, or otherwise benefit from, the licenses, permits and assets held by the VIEs.

As part of our contractual arrangements with the VIEs, the VIEs hold certain assets, licenses and permits that are material to our business operations. The contractual arrangements contain terms that specifically obligate the VIEs' shareholders to ensure the valid existence of the VIEs and restrict the disposal of material assets of the VIEs. However, in the event the VIEs' shareholders breach the terms of these contractual arrangements and voluntarily liquidate any of the VIEs, or any of the VIEs declares bankruptcy or liquidation and all or part of its assets become subject to liens or rights of third-party creditors, or are otherwise disposed of or encumbered without our consent, we may be unable to conduct some or all of our business operations or otherwise benefit from the assets held by the VIEs, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, under the

contractual arrangements, the VIEs may not, in any manner, sell, transfer, mortgage or dispose of their material assets or legal or beneficial interests in the business without our prior consent. If any of the VIEs undergoes a voluntary or involuntary liquidation proceeding, its shareholders or unrelated third-party creditors may claim rights to some or all of the assets of the VIEs, thereby hindering our ability to operate our business as well as constrain our growth.

Risks Related to Doing Business in China

Uncertainties regarding the enforcement of laws, and changes in policies, laws and regulations in China, could materially and adversely affect us.

Most of our operating entities are incorporated under and governed by the laws of the PRC. In 1979, the PRC regulatory authority began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past three decades has significantly enhanced the protections afforded to various forms of foreign investments in China. In particular, the PRC legal system is a civil law system based on written statutes. Unlike some other law systems, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

Our PRC subsidiaries, the VIEs and their subsidiaries are subject to laws and regulations applicable to foreign-invested enterprises as well as various Chinese laws and regulations generally applicable to companies incorporated in China. Since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules and enforcement of these laws, regulations and rules involves uncertainties. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or tort claims. In addition, the regulatory uncertainties may be exploited by third parties through unmerited or frivolous legal actions or threats in attempts to extract payments or benefits from us. Furthermore, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention.

The PRC regulatory authorities have significant oversight over our business and may influence our operations as they deem appropriate to further economic, regulatory, political and societal goals. The PRC regulatory authorities have recently published new policies that affected our industry, and we cannot rule out the possibility that it will in the future further release regulations or policies regarding our industry that could further adversely affect our business, financial condition and results of operations. Furthermore, the PRC regulatory authority has also recently published new regulations and guidance to exert more oversight and control over securities offerings and other capital markets activities that are conducted overseas and foreign investment in China-based companies like us. Any such action, once taken by the PRC regulatory authority, could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or in extreme cases, become worthless. We cannot assure you that we will be able to comply with these new laws and regulations in all respects, and we may be ordered to rectify, suspend or terminate any actions or services that are deemed illegal by the regulatory authorities and become subject to material penalties, which may materially harm the Group's business, financial condition, results of operations and prospects, as well as the value of our ADSs and/or Class A ordinary shares.

The current tensions in international trade and rising political tensions, particularly between the United States and China, may adversely impact our business, financial condition, and results of operations.

We have operations in both China and the United States, and many of our customers and suppliers are located in the United States and other countries outside of China. Therefore, government policies restricting international trade and investment, such as capital controls, economic or trade sanctions, export controls, tariffs or foreign investment filings and approvals, may affect the demand for our solutions, impact the competitive position of our solutions, prevent us from offering solutions in certain countries, or disrupt our research and development activities. If any new tariffs, legislation, or regulations are implemented, or if existing trade agreements are renegotiated, such changes could adversely affect our business, financial condition, and results of operations. Recently, there have been heightened tensions in international economic relations, such as that between the United States and China, but also as a result of the conflict in Ukraine

and sanctions on Russia. More recently, the U.S. Department of Commerce published an interim final rule that introduces novel restrictions related to semiconductor, semiconductor manufacturing, supercomputer, and advanced computing items and end uses in China. These sanctions and export controls could adversely affect us and/or our supply chain, business partners, or customers.

The U.S. government has imposed, and has proposed to impose additional, new, or higher tariffs on certain products imported from China to penalize China for what it characterizes as unfair trade practices. China has responded by imposing, and proposing to impose additional, new, or higher tariffs on certain products imported from the United States. Following mutual retaliatory actions for months, on January 15, 2020, the United States and China entered into the Economic and Trade Agreement between the United States of America and the People's Republic of China as a phase one trade deal, effective on February 14, 2020. In addition, the U.S. government has issued new rules that expanded the definition of military end use and eliminated the applicability of certain license exceptions for exports to countries including China, thereby expanding the export license requirements for U.S. companies to sell certain items to companies in China that have operations that could support military end uses. The U.S. government has also broadened the restrictions on the sale of goods manufactured outside the United States that are produced using certain controlled U.S.-origin technology or software to companies on a special list (the "Entity List"), and the restrictions on the use of U.S.-origin semiconductor manufacturing equipment that produces semiconductor devices for companies on the Entity List. In recent years the U.S. has placed certain entities, including a number of entities in China, on the Entity List, which imposes licensing requirement for exports or transfers of items on lists of controlled items maintained by the U.S. government. One of our suppliers has recently been added to the Entity List. Any failure by us to obtain the requisite licenses and authorizations or otherwise comply with export control restrictions could result in civil or criminal penalties, as well as reputational damage.

In addition, political tensions between the United States and China have escalated due to, among other things, trade disputes, tensions over Taiwan sanctions imposed by the U.S. Department of Treasury on certain officials of the Hong Kong Special Administrative Region and the PRC central government, the executive orders issued by former U.S. President Donald J. Trump in August 2020 that prohibit certain transactions with certain Chinese companies, and various restrictions related to the Chinese semiconductor industry imposed by the U.S. government. Against this backdrop, China has also implemented, and may further implement, measures in response to the changing trade policies, treaties, tariffs and sanctions and restrictions against Chinese companies initiated by the U.S. government. For example, on June 10, 2021, the Standing Committee of National People's Congress (the "SCNPC") passed the Countering Foreign Sanctions Law, which became effective immediately. The Countering Foreign Sanctions Law provides a legal basis not only for the Chinese regulators to take action in response to foreign sanctions, but also for Chinese citizens and organizations to bring civil actions for injunctive relief or damages. Under the Countering Foreign Sanctions Law, the competent department of the State Council may place any individuals and organizations that are directly or indirectly involved in making, determining, or implementing the discriminatory restrictive measures as provided therein on the Countermeasure List. A foreign individual or organization on the Countermeasure List may be subject to one or several countermeasures, including but not limited to prohibitions or restrictions on commercial transactions, cooperation or such other activities with organizations and individuals within the territory of China. Furthermore, pursuant to the Countering Foreign Sanctions Law, any organization and individual within the territory of China shall comply with the countermeasures. Any organization or individual who fails to comply or cooperate in implementing the countermeasures may be held liable in accordance with law.

Among the future potential changes to the U.S. export control laws and regulations that could limit our ability to operate our business in connection with the United States, including investing in or forming strategic alliances with any U.S. business, is the ongoing review being conducted pursuant by an interagency committee chaired by the U.S. Department of Commerce pursuant to the Export Control Reform Act of 2018 (the "ECRA") to identify so-called "emerging and foundational technologies" that might warrant additional export controls under Section 1758 of the ECRA.

On November 19, 2018, the U.S. Department of Commerce published an Advanced Notice of Proposed Rulemaking seeking public comment on the definition of, and criteria for, identifying "emerging technologies" that might warrant such additional export control. The impact of being controlled as "emerging and

foundational technologies" includes mandatory review by the Committee on Foreign Investment in the United States ("CFIUS") in connection with future foreign investments in our shares. Investments that result in control of a U.S. business by a foreign person are subject to CFIUS jurisdiction. Significant CFIUS reform legislation, which was fully implemented through regulations that became effective on February 13, 2020, among other things expanded the scope of CFIUS's jurisdiction to investments that do not result in control of a U.S. business by a foreign person but afford certain foreign investors certain information or governance rights in a U.S. business that has a nexus to "critical technologies," "critical infrastructure" and/or "sensitive personal data." With respect to any transactions within its jurisdiction, CFIUS may negotiate, enter into, impose, and enforce conditions with any party to the transaction in order to mitigate risks to the national security of the United States that arises as a result of the transactions. Such conditions could include, for example, restrictions on the foreign investor's access to sensitive information in the possession of the U.S. business, ongoing reporting requirements to the U.S. government, a requirement to retain a third-party auditor to monitor compliance with security control measures, or other conditions. If a transaction presents national security concerns that CFIUS determines are not capable of mitigation, CFIUS can recommend to the President of the United States that the investment transaction be prohibited, or, if already consummated, that the foreign investor be required to divest its interest. Any restrictions implemented by CFIUS, or the threat of any such action, may adversely impact investors' ability to invest in our shares, and the overall market for our ADSs.

Rising political tensions could reduce levels of trade, investment, technological exchange, and other economic activities between the two major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could have a material adverse effect on our and our customers' business, prospects, financial condition, and results of operations. In addition, the current international trade tensions and political tensions between the United States and China, and any escalation of such tensions, may have a material negative impact on our ability to secure the supply of key components necessary for our operations and our ability to continue to sell to global customers. For example, while we are not currently affected by the Entity List or other U.S. export control laws or regulations in any material respect, as the Entity List and other U.S. export control laws and regulations continue to expand and evolve, future U.S. export controls may materially affect or target some of our suppliers or customers, in which event our business may be affected if we fail to promptly secure alternative sources of supply or demand on terms acceptable to us. Moreover, any political or trade controversies between the United States and China, whether or not directly related to our business, and any escalation thereof, could cause investors to be unwilling to hold or buy our ADSs and consequently cause the trading price of our ADSs to decline.

We are subject to U.S. export controls that could restrict our ability to transfer certain of our products and technologies, both within our company or to external parties, including potential customers; increasingly restrictive U.S. export controls directed toward China, in particular its artificial intelligence industry, could also limit our ability to obtain advanced semiconductors and other technology that could be needed to develop our products.

Certain of our products and technologies are subject to U.S. Export Administration Regulations, or the EAR, which are administered by the U.S. Department of Commerce's Bureau of Industry Standards (the "BIS"). Currently, those products and technologies that are subject to the EAR are designated as "EAR99," which is generally the lowest level of EAR controls and prohibits us from exporting, reexporting or transferring these products and technologies to certain persons, including those on the BIS's "Entity List" or "Unverified List" or to certain territories or persons subject to sanctions without a license, or for any prohibited end-use. While we currently do not believe that this designation of our products and technologies under the EAR imposes material limitations on our operations, BIS could apply more restrictive designations to our current or future product and technologies or prohibit additional parties from receiving products or technologies designated as EAR99. These or similar developments could materially restrict or prohibit our ability to export, reexport or transfer our products and technologies subject to the EAR, including to potential customers in the future, which could materially and adversely affect our business plans and prospects. In light of recent changes in the U.S. government's approach to export controls to China, we cannot assure that these changes will not occur. Furthermore, if we were to fail to comply with U.S. export control laws and regulations or other similar laws, we could be subject to both civil and criminal penalties, including substantial fines, possible incarceration of our employees and managers for willful violations and

the possible loss of our U.S. export or import privileges. Any failure to comply with such laws and regulations could have negative consequences for us, including government investigations and penalties.

On October 7, 2022, the BIS issued new regulations that substantially tightened U.S. export controls in respect of China, including those applicable to advanced microcomputer chips and the technology and equipment needed to produce them. Furthermore, in speeches and statements from the U.S. administration, they announced a policy of keeping the U.S. substantially ahead of China in certain "foundational technologies," including artificial intelligence. These or future export controls or other policies by the United States or other countries may limit our ability to obtain the technology and products, including products containing advanced semiconductors, necessary to develop new products; any of these developments could materially and adversely affect our results of operations and business prospects.

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

A critical part of our business operations is located in China. Accordingly, our business, prospect, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in China generally, and by continued economic growth in China as a whole. The Chinese economy differs from the economies of most developed countries in many aspects, including the degree of level of development, growth rate, control of foreign exchange and allocation of resources. In addition, the Chinese regulators continue to play a significant role in regulating industry development by imposing industrial policies. The Chinese regulators also have significant influence over China's economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies.

Any adverse changes in economic conditions in China, in the policies promulgated by the Chinese regulators or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our business and operating results, lead to a reduction in demand for our services and adversely affect our competitive position. The Chinese regulators have implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may have a negative effect on us.

The approval, filing or other requirements of the China Securities Regulatory Commission or other PRC regulatory authorities is required under PRC law in connection with our issuance of securities overseas, and we cannot predict whether or for how long we will be able to obtain such approval or complete such filing.

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the "M&A Rules") purport to require offshore special purpose vehicles that are controlled by PRC companies or individuals and that have been formed for the purpose of seeking a public listing on an overseas stock exchange through acquisitions of PRC domestic companies or subscription of new shares issued by PRC domestic company using the equity of offshore special purpose vehicles or using its new shares as consideration, to obtain approval from the China Securities Regulatory Commission (the "CSRC") prior to publicly listing their securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear. If CSRC approval under the M&A Rules is required, it is uncertain whether it would be possible for us to obtain the approval, and any failure to obtain or delay in obtaining CSRC approval for this offering would subject us to sanctions imposed by the CSRC and other PRC regulatory agencies.

Our PRC legal counsel has advised us that, based on its understanding of the current PRC laws and regulations, we will not be required to submit an application to the CSRC for its approval of this offering and the listing and trading of the ADSs on [NYSE/Nasdaq] under the M&A Rules because the CSRC currently has not issued any definitive rule or interpretation concerning whether offerings like ours under this prospectus are subject to this regulation. However, our PRC legal counsel has further advised us that there remains some uncertainty as to how the M&A Rules will be interpreted or implemented in the context of an overseas offering, and its opinions summarized above are subject to any new laws, rules and regulations or detailed implementations and interpretations in any form relating to the M&A Rules. We cannot assure you that relevant PRC regulatory agencies, including the CSRC, would reach the same conclusion as our PRC legal counsel.

Furthermore, numerous regulations, guidelines and other measures have been or are expected to be adopted under the umbrella of or in addition to the Cybersecurity Law, Data Security Law and Personal Information Protection Law, including (i) the amended Cybersecurity Review Measures published on December 28, 2021, which came into effect on February 15, 2022, provide that a "network platform operator" that possesses personal information of more than one million users and seeks a listing in a foreign country must apply for a cybersecurity review, and (ii) the Measures for the Security Assessment of Cross-border Data Transfer, which came into effect on September 1, 2022, provide that certain types of data processors transferring important data or personal information collected and generated during operations within the territory of the PRC to an overseas recipient must apply for security assessment of cross-border data transfer. As the number of users whose personal information is processed by us does not reach one million, we are not required under the Cybersecurity Review Measures to apply for a cybersecurity review in connection with this offering. In addition, we believe that we are not required under the Measures for the Security Assessment of Cross-border Data Transfer to apply for security assessment of cross-border data transfer.

On February 17, 2023, the CSRC published the Overseas Listing Filing Rules, which came into effect from March 31, 2023 and regulate both direct and indirect overseas offering and listing of PRC-based companies by adopting a filing-based regulatory regime. According to the Overseas Listing Filing Rules, if the issuer meets both of the following criteria, the overseas securities offering and listing conducted by such issuers shall be deemed as indirect overseas offering and listing: (i) more than 50% of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent accounting year is accounted for by domestic companies; and (ii) the main parts of the issuer's business activities are conducted in China, or its main places of business are located in China, or the senior managers in charge of its business operation and management are majority Chinese citizens or domiciled in China. Therefore, we shall comply with the relevant requirements under the Overseas Listing Filing Rules in connection with this offering.

The Overseas Listing Filing Rules provide that (i) the filing applications be submitted to the CSRC within three business days after the issuer submits its application documents relating to the initial public offering and/or listing in overseas; (ii) a timely report be submitted to the CSRC and update its CSRC filing within three business days after the occurrence of any of the following material events, if any of the following events occurs before the completion of the overseas offering and/or listing but after the completion of its CSRC filing: (a) any material change to principal business, licenses or qualifications of the issuer, (b) a change of control of the issuer or any material change to equity structure of the issuer, and (c) any material change to the offering and listing plan; (iii) after the completion of the listing, a report relating to the issuance information of such offering and/or listing be submitted to the CSRC and a report be submitted to the CSRC within three business days upon the occurrence and public announcement of any of the following material events after the overseas offering and/or listing: (a) a change of control of the issuer, (b) the investigation, sanction or other measures undertaken by any foreign securities regulatory agencies or relevant competent authorities in respect of the issuer, (c) change of the listing status or transfer of the listing board, and (d) the voluntary or mandatory delisting of the issuer; and (iv) where there is material change in the main business of the issuer after overseas offering and listing, which does not apply to the Overseas Listing Filing Rules therefore, such issuer shall submit to the CSRC a report and a relevant legal opinion issued by a domestic law firm within three business days after occurrence of such change.

On February 17, 2023, the CSRC also held a press conference for the release of the Overseas Listing Filing Rules and issued the Notice on the Management Arrangements for the Filing of Overseas Offering and Listing by Domestic Companies, which clarifies, among others, that (i) the CSRC will solicit opinions from relevant regulatory authorities and complete the filing of the overseas listing of companies with VIE contractual arrangements which duly meet the compliance requirements, and support the development and growth of these companies; and (ii) the issuer that has already submitted applications overseas but has not yet obtained the consent from overseas regulators on or prior to the effective date of the Overseas Listing Filing Rules, is permitted to conduct its filing with the CSRC under a "reasonable arrangement" but in any event before the completion of the overseas offering and/or listing.

We plan to make the required filing to the CSRC in connection with this offering in accordance with the Overseas Listing Filing Rules. However, we cannot assure you that we will be able to complete such filing with the CSRC in a timely manner, or at all. Any failure or perceived failure of us to fully comply with

such new regulatory requirements could significantly limit or completely hinder our ability to offer or continue to offer securities to investors, cause significant disruption to our business operations, and severely damage our reputation, which could materially and adversely affect our financial condition and results of operations and could cause the value of our securities to significantly decline or be worthless.

In addition, our future financing activities may also need to be filed with and/or reported to the CSRC according to the Overseas Listing Filing Rules. On February 24, 2023, the CSRC, together with other governmental authorities, released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (the "Confidentiality and Archives Administration Provisions"), which became effective from March 31, 2023 and aims to expand the applicable scope of the regulation to indirect overseas offerings and listings by PRC domestic companies and emphasize the confidentiality and archive management duties of PRC domestic companies during the process of overseas offerings and listings. However, as there remain substantial uncertainty with respect to the interpretation and implementation of the Overseas Listing Filing Rules as well as the Confidentiality and Archives Administration Provisions, which both have just been released recently, we cannot assure you that we will be able to complete such filings in a timely manner and/or fully comply with such regulations in connection with this offering or our continued listing overseas and our overseas securities offerings in the future. As of the date of this prospectus, we have not received any official inquiry, notice, warning and investigation from the CSRC in connection with this offering in this regard. If a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as order to rectify, warnings, fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines. Where any entity or individual fails to fulfill the confidentiality obligations under the relevant PRC laws during the overseas issuance and listing of PRC-based companies, such entity or individual may be subject to legal sanctions, such as warnings, fines, and criminal liabilities. See "Regulations — Regulations on M&A Rules and Overseas Listings."

Furthermore, if the CSRC or other regulatory authorities later promulgate new rules or explanations requiring that we obtain their approvals or accomplish the required filing or other regulatory procedures for this offering or future financing activities, we may be unable to fulfill such requirements in a timely manner or at all. Any failure to comply with the PRC regulatory requirements in this regard, our ability to conduct business, our ability to pay dividends outside of China, completion of this offering or future financing activities may be restricted, and our business, reputation, financial condition, and results of operations may be adversely affected.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in China against us or our management named in the prospectus based on foreign laws.

We are an exempted company incorporated under the laws of the Cayman Islands. We conduct a material portion of our operations in China, and a material portion of our assets are located in China. In addition, most of our senior executive officers reside within China for a significant portion of the time and are PRC nationals. As a result, it may be difficult for our shareholders to effect service of process upon us or those persons inside China.

The recognition and enforcement of foreign judgments are basically provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the Cayman Islands or many other countries and regions. Therefore, recognition and enforcement in China of judgments of a court in any of these non-PRC jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or impossible. In addition, according to the PRC Civil Procedures Law, the PRC courts will not enforce a foreign judgment if it is decided as having violated the basic principles of PRC laws or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or the Cayman Islands.

The SEC, U.S. Department of Justice and other U.S. authorities often have substantial difficulties in bringing and enforcing actions against non-U.S. companies and non-U.S. persons, including company directors and officers, in certain emerging markets, including China. Legal and other obstacles to obtaining information needed for investigations or litigation or to obtaining access to funds outside the United States, lack of support from local authorities, and other various factors make it difficult for the U.S. authorities to pursue actions against non-U.S. companies and individuals, who may have engaged in fraud or other wrongdoings. Additionally, public shareholders investing in our ADSs have limited rights and few practical remedies in emerging markets where we operate, as shareholder claims that are common in the United States, including class actions under securities law and fraud claims, generally are difficult or impossible to pursue as a matter of law or practicality in many emerging markets, including China. As a result of all of the above, you may have more difficulties in protecting your interests in your emerging market investments.

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

Poly AI Inc. is a Cayman Islands holding company and, other than external financing, it relies principally on dividends and other distributions on equity from its PRC subsidiaries for cash requirements, including the funds necessary to pay dividends and other cash distributions to its shareholders and for services of any debt it may incur on a timely basis. Our PRC subsidiaries' ability to distribute dividends is based upon their distributable earnings. Current PRC regulations permit our PRC subsidiaries to pay dividends to their respective shareholders only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, each of our PRC subsidiaries, the VIEs and their subsidiaries are required to set aside at least 10% of their after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of their registered capital. These reserves are not distributable as cash dividends.

If our PRC subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us, which may restrict our ability to satisfy our liquidity requirements. Investors in our securities should note that, to the extent cash in the business is in the PRC or Hong Kong or a PRC or Hong Kong entity, the funds may not be available to fund operations or for other use outside of the PRC or Hong Kong due to interventions in or the imposition of restrictions and limitations on the ability of Pony AI Inc. or its subsidiaries by the PRC regulatory authority to transfer cash.

In addition, the Enterprise Income Tax Law and its implementation rules provide that a withholding tax rate of up to 10% will be applicable to dividends payable by Chinese companies to non-PRC resident enterprises unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non-PRC resident enterprises are incorporated.

In response to the persistent capital outflow and the Renminbi's depreciation against the U.S. dollar in the fourth quarter of 2016, the People's Bank of China and the State Administration of Foreign Exchange (the "SAFE") have implemented a series of capital control measures in the subsequent months, including stricter vetting procedures for China-based companies to remit foreign currency for overseas acquisitions, dividend payments and shareholder loan repayments. For instance, the People's Bank of China issued the Circular on Further Clarification of Relevant Matters Relating to Offshore RMB Loans Provided by Domestic Enterprises (the "PBOC Circular 306") on November 26, 2016, which provides that offshore RMB loans provided by a domestic enterprise to offshore enterprises with which it has an equity relationship shall not exceed 30% of the domestic enterprise's most recent audited owner's equity. PBOC Circular 306 may constrain our PRC subsidiaries' ability to provide offshore loans to us. The PRC regulatory authority may continue to strengthen its capital controls and our PRC subsidiaries' dividends and other distributions may be subjected to tighter scrutiny in the future. Any limitation on the ability of our PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

The custodians or authorized users of our controlling non-tangible assets, including chops and seals, may fail to fulfill their responsibilities, or misappropriate or misuse these assets.

Under PRC law, legal documents for corporate transactions, including agreements and contracts are executed using the chop or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with relevant PRC market regulation administrative authorities.

In order to secure the use of our chops and seals, we have established internal control procedures and rules for using these chops and seals. In any event that the chops and seals are intended to be used, the responsible personnel will submit the application through our office automation system and the application will be verified and approved by authorized employees in accordance with our internal control procedures and rules. In addition, in order to maintain the physical security of our chops, we generally have them stored in secured locations accessible only to authorized employees. Although we monitor such authorized employees, the procedures may not be sufficient to prevent all instances of abuse or negligence. There is a risk that our employees could abuse their authority, for example, by entering into a contract not approved by us or seeking to gain control of one of our subsidiaries or the consolidated VIEs. If any employee obtains, misuses or misappropriates our chops and seals or other controlling non-tangible assets for whatever reason, we could experience disruption to our normal business operations. We may have to take corporate or legal action, which could involve significant time and resources to resolve and divert management from our operations.

Fluctuations in foreign currency exchange rates could result in declines in reported sales and net earnings.

The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions in China and by China's foreign exchange policies. On July 21, 2005, the PRC regulatory authority changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar, and the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, the Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. On November 30, 2015, the Executive Board of the International Monetary Fund (the "IMF") completed the regular five-year review of the basket of currencies that make up the Special Drawing Right (the "SDR"), and decided that with effect from October 1, 2016, Renminbi is determined to be a freely usable currency and will be included in the SDR basket as a fifth currency, along with the U.S. dollar, the Euro, the Japanese yen and the British pound. In the fourth quarter of 2016, the Renminbi has depreciated significantly in the backdrop of a surging U.S. dollar and persistent capital outflows of China. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC regulatory authority may in the future announce further changes to the exchange rate system and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future. Since June 2010, the Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. The appreciation and depreciation of the RMB against the U.S. dollar was approximately 2% and 9% for the years ended December 31, 2021 and 2022, respectively. It is difficult to predict how market forces or the PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

Significant revaluation of the Renminbi may have a material and adverse effect on your investment. For example, to the extent that we need to convert U.S. dollars we receive from our financing activities into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount available to us.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure

or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency.

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

Any transfer of funds by us to our PRC entities, either as a loan or as an increase in registered capital, are subject to PRC regulations. Capital contributions to our PRC subsidiaries must be (i) registered with the local State Administration for Market Regulation with the information report submitted to the Ministry of Commerce of the PRC (the "MOFCOM") through the enterprise registration system, and (ii) registered with the local banks authorized by SAFE. Any foreign loan procured by our PRC entities is required to be registered or filed with SAFE or its local branches and any medium or long-term loan to be provided by us to our PRC entities must be registered with the National Development and Reform Commission. We have in the past failed to, and may in the future not be able to, obtain these government approvals or complete such registrations on a timely basis, if at all, with respect to past or future capital contributions or foreign loans by us to our PRC entities. If we fail to receive such approvals or complete such registration or filing, we may subject to legal sanctions, such as regulatory talk, public warning, rectification order, and our ability to use the proceeds of our financing activities and to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business. There is, in effect, no statutory limit on the amount of capital contribution that we can make to our PRC subsidiaries, provided that the PRC subsidiaries complete the relevant procedures. With respect to loans to the PRC entities by us, (i) if the relevant PRC entities adopt the traditional foreign exchange administration mechanism (the "Current Foreign Debt Mechanism"), the outstanding amount of the loans shall not exceed the difference between the total investment and the registered capital of the PRC entities; and (ii) if the relevant PRC entities adopt the Notice No. 9 Foreign Debt Mechanism, the outstanding amount of the loans shall not exceed 200% of the net asset of the relevant PRC entities.

According to the Notice of the People's Bank of China on Matters concerning the Macro-Prudential Management of Full-Covered Cross-Border Financing promulgated by the People's Bank of China on January 12, 2017 (the "PBOC Notice No. 9") after a transition period of one year since the promulgation of PBOC Notice No. 9, the People's Bank of China and SAFE will determine the cross-border financing administration mechanism for the foreign-invested enterprises after evaluating the overall implementation of PBOC Notice No. 9. As of the date of this prospectus, neither the People's Bank of China nor SAFE has promulgated and made public any further rules, regulations, notices or circulars in this regard. It is uncertain which mechanism will be adopted by the People's Bank of China and SAFE in the future and what statutory limits will be imposed on us when providing loans to our PRC subsidiaries as foreign-invested enterprises. Currently, our foreign-invested entities have the flexibility to choose between the Current Foreign Debt Mechanism and the Notice No. 9 Foreign Debt Mechanism. However, if a more stringent foreign debt mechanism becomes mandatory, our ability to provide loans to our PRC entities may be significantly limited, which may adversely affect our business, financial condition and results of operations.

The Circular on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-Invested Enterprises (the "SAFE Circular 19") effective as of June 1, 2015, as amended by Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement under the Capital Account (the "SAFE Circular 16") effective on June 9, 2016, allows foreign-invested enterprises (the "FIEs") to settle their foreign exchange capital at their discretion, but continues to prohibit FIEs from using the Renminbi fund converted from their foreign exchange capitals for expenditure beyond their business scopes, and also prohibit FIEs from using such Renminbi fund to provide loans to persons other than affiliates unless otherwise permitted under its business scope. As a result, SAFE Circular 19 and SAFE Circular 16 may significantly limit our ability to transfer any foreign currency we hold, including the net proceeds from this offering, to our PRC entities, which may adversely affect our liquidity and our ability to fund and expand our business in China. Even though the Notice on Further Promoting Cross-border Trade and Investment Facilitation, issued by the SAFE on October 23, 2019, allows all FIEs (including those without an investment business scope) to utilize and convert their foreign exchange capital for making equity investment in China if certain requirements prescribed therein are satisfied,

and the Notice of the SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business issued by the SAFE on April 10, 2020, further allows to make domestic payments by using their capital funds, foreign loans and the income under capital accounts of overseas listing without providing the evidentiary materials concerning authenticity of each expenditure in advance, provided that their capital use shall be authentic and conforms to the prevailing administrative regulations on the use of income under capital accounts, since these are relatively new, uncertainties still exist in relation to its interpretation and implementation.

The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

The M&A Rules adopted by six PRC regulatory agencies in 2006 and amended in 2009, and some other regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex, including requirements in some instances that the anti-monopoly law enforcement agency be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise.

In addition, the Circular of the General Office of the State Council on the Establishment of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors that became effective in March 2011, and the Rules on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors issued by the MOFCOM that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the MOFCOM, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. The Measures for the Security Review of Foreign Investment promulgated by the NDRC and the MOFCOM and taking effect on January 18, 2021 further requires any foreign investment that has or possibly has an impact on national security be subject to security review. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from the State Administration for Market Regulation (the "SAMR"), the MOFCOM or its local counterparts may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

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

The SAFE promulgated the Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (the "SAFE Circular 37") in July 2014. SAFE Circular 37 requires PRC residents or entities to register with SAFE or its local branches in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing with such PRC residents or entities' legally owned assets or equity interests in domestic enterprises or offshore assets or interests. In addition, such PRC residents or entities must update their SAFE registrations when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such PRC citizens or residents, name and operation term), increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions. According to the Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment released in February 2015 by SAFE, local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, under SAFE Circular 37 from June 2015. See "— Regulation — Regulations on Foreign Exchange Control and Dividend Distribution — Regulations on Foreign Exchange Registration of Overseas Investment by PRC Residents."

If our shareholders who are PRC residents or entities do not complete their registration with the local SAFE branches, our PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to us, and we may be restricted in our ability to contribute additional capital to our PRC subsidiaries. Moreover, failure to comply with SAFE registration requirements described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions.

We have notified all PRC residents or entities who directly or indirectly hold shares in our Cayman Islands holding company and who are known to us as being PRC residents to complete the foreign exchange registrations. However, we may not be informed of the identities of all the PRC residents or entities holding direct or indirect interest in our company, nor can we compel our beneficial owners to comply with SAFE registration requirements or continuously comply with all requirements under SAFE Circular 37 or other related rules. As a result, we cannot assure you that all of our shareholders or beneficial owners who are PRC residents or entities have complied with, and will in the future make, obtain or update any applicable registrations or approvals required by SAFE regulations. Failure by such shareholders or beneficial owners to comply with SAFE regulations, or failure by us to amend the foreign exchange registrations of our PRC subsidiaries, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our PRC subsidiaries' ability to make distributions or pay dividends to us or affect our ownership structure, which could adversely affect our business and prospects.

In addition, pursuant to the Measures for the Administration of Outbound Investment which was promulgated by the MOFCOM in September 2014 and became effective in October 2014, and the Administrative Measures of Outbound Investment of Enterprises which was promulgated by NDRC in December 2017 and became effective in March 2018, both of which replaced previous rules regarding outbound direct investment by PRC entities, any outbound investment of PRC enterprises is required to be approved by or filed with MOFCOM, NDRC or their local branches.

Furthermore, the interpretation and implementation of these foreign exchange regulations have been constantly evolving, it is unclear how these regulations, and any future regulation concerning offshore or cross-border transactions, will be interpreted, amended and implemented by the relevant government authorities. For example, we may be subject to a more stringent review and approval process with respect to our foreign exchange activities, such as remittance of dividends and foreign currency denominated borrowings, which may adversely affect our financial condition and results of operations. In addition, if we decide to acquire a PRC domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the foreign exchange regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business and prospects.

Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Pursuant to SAFE Circular 37, PRC residents who participate in share incentive plans in overseas non-publicly-listed companies may submit applications to SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose companies. In the meantime, our directors, executive officers and other employees who are PRC citizens or who are non-PRC residents residing in the PRC for a continuous period of not less than one year, subject to limited exceptions, and who have been granted share-based awards by us, may follow the Circular on Issues Related to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company (the "Circular 7"). Pursuant to the Circular 7, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year who participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas listed company, and complete certain other procedures. In addition, an overseas entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests.

We, our directors, our executive officers and other employees who are PRC citizens or who reside in the PRC for a continuous period of not less than one year and who have been granted share-based awards are and will be subject to these regulations. Failure to complete SAFE registration requirements may subject them

to fines, and legal sanctions and may also limit our ability to contribute additional capital into our PRC subsidiaries and limit our PRC subsidiaries' ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under PRC law. See "Regulation — Regulations on Employment and Social Welfare — Employee Stock Incentive Plan."

The State Taxation Administration has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. Our PRC subsidiaries have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC regulatory authorities. See "Regulation — Regulations on Employment and Social Welfare — Employee Stock Incentive Plan."

Our failure to fully comply with PRC labor-related laws may expose us to potential penalties.

We are required by PRC laws and regulations to pay various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. The relevant government agencies may examine whether an employer has made adequate payments of the requisite statutory employee benefits, and employers who fail to make adequate payments may be subject to late payment fees, fines and/or other penalties. Certain of our PRC operating entities failed to promptly make social insurance and housing fund contributions in full for some of their employees. Certain of our PRC operating entities that do not currently have any employee were not able to open social insurance and housing fund accounts as required by laws due to the local practice of the regulatory authorities, which only permits enterprises to open accounts after hiring their employees. Certain of our PRC operating entities engaged third-party human resources agencies to pay social insurance and housing funds for some of their employees, which may not be viewed as contributions made by us. If the relevant PRC authorities determine that we shall make supplemental social insurance and housing fund contributions or that we are subject to fines and legal sanctions in relation to our failure to make social insurance and housing fund contributions in full for our employees, or our practice of engaging third-party agencies to make payments, our business, financial condition and results of operations may be adversely affected.

In addition, the Interim Provisions on Labor Dispatching, which was promulgated by the Ministry of Human Resources and Social Security in January 2014, provides that an employer may use dispatched workers only for temporary, auxiliary or substitute positions, and the number of dispatched workers used by an employer shall not exceed 10% of the total number of its employees. Certain of our PRC operating entities using dispatched workers, exceeded the 10% limit, which shall subject us to be required to reduce the number of dispatched workers within the time period specified by the labor authority. Failure to do so would subject us to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold. As a result, we may incur significant costs to find replacement for dispatched workers and experience disruptions in our operations. Furthermore, there can be no assurance that we will be able to find suitable employees to replace the dispatched workers. As of the date of this prospectus, we have not received any notice or been subject to any administrative penalties or other disciplinary actions from the labor authority due to the violation of Interim Provisions on Labor Dispatching.

We may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and non-PRC holders of our ADSs or ordinary shares and have a material adverse effect on our results of operations and the value of your investment.

Under the Enterprise Income Tax Law of the PRC and its implementation rules, an enterprise established outside of the PRC with its "de facto management body" within the PRC is considered a "resident enterprise" and will be subject to PRC enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control over and overall management of the business, personnel, accounts and properties of an enterprise. In April 2009, the State Taxation Administration issued a circular, known as STA Circular

82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners like us, the criteria set forth in the circular may reflect the State Taxation Administration's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to STA Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe that neither our company nor any of our subsidiaries established outside of China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." As a majority of our management members are based in China, it remains unclear how the tax residency rule will apply to our case. If the PRC tax authorities determine that our company (or any of our subsidiaries outside of China) is a PRC resident enterprise for enterprise income tax purposes, we (or such subsidiaries) may be subject to PRC enterprise income on our worldwide income at the rate of 25%, which could materially reduce our net income. In such case we would also be subject to PRC enterprise income tax reporting obligations.

If we are classified as a PRC resident enterprise, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of the ADSs. In addition, non-resident enterprise shareholders (including the ADS holders) may be subject to PRC tax at a rate of 10% on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within the PRC. Furthermore, if we are deemed a PRC resident enterprise, dividends paid to our non-PRC individual shareholders (including the ADS holders) and any gain realized on the transfer of ADSs or ordinary shares by such shareholders may be subject to PRC tax at a rate of 20% (which, in the case of dividends, may be withheld at source by us), if such gains are deemed to be from PRC sources. These rates may be reduced by an applicable tax treaty, but it is unclear whether in practice non-PRC shareholders of our company would be able to obtain the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax will reduce the returns on your investment in the ADSs or ordinary shares.

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

On February 3, 2015, the State Taxation Administration issued the Circular on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises (the "STA Circular 7"). STA Circular 7 extends its tax jurisdiction to transactions involving the transfer of taxable assets by way of the offshore transfer of a foreign intermediate holding company. In addition, STA Circular 7 contains safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. SAT Circular 7 also brings challenges to both the foreign transferor and the transferee (or other person who is obligated to pay for the transfer) of taxable assets.

On October 17, 2017, the State Taxation Administration issued the Circular on Issues of Withholding of Income Tax of Non-resident Enterprises at Source (the "STA Circular 37"), which came into effect on December 1, 2017. STA Circular 37 further clarifies the practice and procedure of the withholding of non-resident enterprise income tax.

Where a non-resident enterprise transfers taxable assets indirectly by disposing of the equity interests of an overseas holding company, which is known as an indirect transfer, the non-resident enterprise as either transferor or transferee, or the PRC entity that directly owns the taxable assets, may report such indirect transfer to the relevant tax authority. Using a "substance over form" principle, the PRC tax authority may

disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. Both the transferor and the transferee may be subject to penalties under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes.

We face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved, such as offshore restructuring, sales of the shares in our offshore subsidiaries and investments. Our company may be subject to filing obligations or tax liabilities if our company is the transferor in such transactions, and may be subject to withholding obligations if our company is the transferee in such transactions, under STA Circular 7 or STA Circular 37. For transfer of shares in our company by investors who are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filings required under STA Circular 7 or STA Circular 37. As a result, we may be required to expend valuable resources to comply with STA Circular 7 or STA Circular 37 or to request the relevant transferors from whom we purchase taxable assets to comply with these circulars, or to establish that our company should not be taxed under these circulars, which may have a material adverse effect on our financial condition and results of operations.

Trading in our securities may be prohibited under the Holding Foreign Companies Accountable Act if the PCAOB determines that it is unable to inspect or investigate completely our auditor, and as a result, U.S. national securities exchanges, such as the [NYSE/Nasdaq], may determine to delist our securities.

Our independent registered public accounting firm that issues the audit report included in this prospectus, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is required by the laws of the United States to undergo regular inspections by the PCAOB to assess its compliance with the laws of the United States and professional standards. Our auditor is located in China, a jurisdiction where the PCAOB was historically unable to conduct inspections and investigations completely, without the approval of the Chinese authorities. The inability of the PCAOB to conduct inspections of auditors in China in the past has made it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of China that are subject to the PCAOB inspections. As a result, investors were deprived of the benefits of such PCAOB inspections.

In recent years, U.S. regulatory authorities have continued to express their concerns about challenges in their oversight of financial statement audits of U.S.-listed companies with significant operations in China. More recently, as part of a continued regulatory focus in the United States on access to audit and other information currently protected by national law, in particular China's, the United States enacted the Holding Foreign Companies Accountable Act (the "HFCAA") in December 2020. Trading in our securities on U.S. markets, including the [NYSE/Nasdaq], may be prohibited under the HFCAA if the PCAOB determines that it is unable to inspect or investigate completely our auditor for two consecutive years. On December 16, 2021, the PCAOB issued the HFCAA Determination Report to notify the SEC of its determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong (the "2021 Determinations") including our auditor. On December 15, 2022, the PCAOB announced that it was able to conduct inspections and investigations completely of PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong in 2022. The PCAOB vacated its previous 2021 Determinations accordingly. As a result, we do not expect to be identified as a "Commission-Identified Issuer" under the HFCAA for the fiscal year ending December 31, 2023.

However, whether the PCAOB will continue to conduct inspections and investigations completely to its satisfaction of PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong is subject to uncertainty and depends on a number of factors out of our, and our auditor's, control, including positions taken by authorities of the PRC. The PCAOB is expected to continue to demand complete access to inspections and investigations against accounting firms headquartered in mainland China and Hong Kong in the future and states that it has already made plans to resume regular inspections in early 2023

and beyond. The PCAOB is required under the HFCAA to make its determination on an annual basis with regards to its ability to inspect and investigate completely accounting firms based in the mainland China and Hong Kong. The possibility of being a "Commission-Identified Issuer" and risk of delisting could continue to adversely affect the trading price of our securities.

If the PCAOB determines in the future that it no longer has full access to inspect and investigate accounting firms headquartered in mainland China and Hong Kong and we continue to use such accounting firm to conduct audit work, we would be identified as a "Commission-Identified Issuer" under the HFCAA following the filing of the annual report for the relevant fiscal year. If we were so identified for two consecutive years, trading in our securities on U.S. markets would be prohibited. A delisting of our ADSs would materially and adversely affect the value of the securities and may impact your ability to sell your ADSs.

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

Shareholder claims or regulatory investigations common in the United States are generally challenging to pursue as a matter of law or practicality in China. For example, in China, there are significant legal and other obstacles to providing the information needed for regulatory investigations or litigation initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, and the PCAOB has announced that it was able to secure complete access to inspect and investigate PCAOB-registered public accounting firms headquartered in China in 2022 under the China-U.S. audit oversight cooperation (the "China-U.S. Audit Oversight Cooperation"), and such cooperation with the securities regulatory authorities in the Unities States may not be efficient in the absence of sophisticated practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law (the "Article 177"), which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC. While the detailed interpretation of or implementation rules under Article 177 have yet to be promulgated, the inability of an overseas securities regulator to directly conduct investigation or evidence collection activities within China as well as the uncertainty of the enforcement of China-U.S. Audit Oversight Cooperation, may further increase difficulties faced by you in protecting your interests.

Risks Related to the ADSs and this Offering

An active trading market for our shares or our ADSs may not develop and the trading price for our ADSs may fluctuate significantly.

We have submitted an application to list the ADSs on the [NYSE/Nasdaq]. Prior to the completion of this offering, there has been no public market for the ADSs or our ordinary shares, and we cannot assure you that a liquid public market for the ADSs will develop. If an active public market for the ADSs does not develop following the completion of this offering, the market price and liquidity of the ADSs may be materially and adversely affected. The initial public offering price for the ADSs will be determined by negotiation between the underwriters and us based upon several factors, and the trading price of the ADSs after this offering could decline below the initial public offering price. As a result, investors in our securities may experience a significant decrease in the value of their ADSs.

The trading price of our ADSs is likely to be volatile, which could result in substantial losses to investors.

The trading price of the ADSs could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in the United States. Furthermore, the stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies like us. These broad market and industry factors may materially reduce the market price of the ADSs, regardless of our operating performance. In addition to market and industry factors, the price and trading volume for the ADSs may be highly volatile for factors specific to our own operations, including but not limited to the following:

- macro-economic factors in China;

- variations in our net revenues, earnings and cash flows;
- announcements of new investments, acquisitions or joint ventures by our competitors or us;
- announcements of new offerings, solutions and expansions by our competitors or us;
- changes in financial estimates by securities analysts;
- detrimental adverse publicity about us, our services or our industry;
- announcements of new regulations, rules or policies relevant to our business;
- additions or departures of key personnel;
- allegations of a lack of effective internal control over financial reporting, inadequate corporate governance policies, or allegations of fraud, among other things, involving China-based issuers;
- our major shareholders' business performance and reputation;
- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities;
- political or trade tensions between the United States and China; and
- actual or potential litigation or regulatory investigations.

Any of these factors may result in large and sudden changes in the volume and price at which the ADSs will trade.

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

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

Because our initial public offering price is substantially higher than our net tangible book value per share, you will experience immediate and substantial dilution.

If you purchase Class A ordinary shares in this offering, you will pay more for your Class A ordinary shares than the amount paid per share by our existing shareholders for their ADSs. As a result, you will experience immediate and substantial dilution of approximately US$ per ADS, representing the difference between the initial public offering price of US$ per ADS and our net tangible book value per ADS as of , 2022 after giving effect to the net proceeds to us from this offering. In addition, you may experience further dilution to the extent that our Class A ordinary shares are issued upon the exercise of any share options. See "Dilution" for a more complete description of how the value of your investment in the ADS will be diluted upon completion of this offering.

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

Immediately after the completion of this offering, our ordinary shares will consist of Class A ordinary shares and Class B ordinary shares, assuming the underwriters do not exercise their option to purchase additional ADSs. In respect of matters requiring the votes of shareholders, holders of Class A ordinary shares will be entitled to one vote per share, while holders of Class B ordinary shares will be entitled to ten votes per share. We will sell Class A ordinary shares represented by our ADSs in this offering.

Each Class B ordinary share is convertible into Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Any future issuances of Class B ordinary shares may be dilutive to the voting power of holders of Class A ordinary shares. Any conversions of Class B ordinary shares into Class A ordinary shares may dilute the percentage ownership of the existing holders of Class A ordinary shares within their class of ordinary shares. Such conversions may increase the aggregate voting power of the existing holders of Class A ordinary shares. In the event that we have multiple holders of Class B ordinary shares in the future and certain of them convert their Class B ordinary shares into Class A ordinary shares, the remaining holders who retain their Class B ordinary shares may experience increases in their relative voting power.

Dr. Jun Peng, who beneficially own 60,000,000 Class B ordinary shares representing 58.8% of the aggregate voting power of our company as of the date of this prospectus, will beneficially own approximately % of the aggregate voting power of our company immediately after the completion of this offering. Dr. Tiancheng Lou, who beneficially own 21,088,770 Class B ordinary shares representing 20.7% of the aggregate voting power of our company as of the date of this prospectus, will beneficially own approximately % of the aggregate voting power of our company immediately after the completion of this offering. This is due to the disparate voting powers associated with our dual-class share structure, assuming the underwriters do not exercise their over-allotment option. See "Capitalization" and "Principal Shareholders." As a result of the dual-class share structure and the concentration of ownership, they will have considerable influence over matters such as decisions regarding change of directors, mergers, change of control transactions and other significant corporate actions. They may take actions that are not in the best interest of us or our other shareholders. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could have the effect of depriving our other shareholders of the opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of our ADSs. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of Class A ordinary shares and ADSs may view as beneficial.

Furthermore, certain shareholder advisory firms have announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S&P 500, to exclude companies with multiple classes of shares and companies whose public shareholders hold no more than 5% of total voting power from being added to such indices. In addition, several shareholder advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual-class structure of our ordinary shares may prevent the inclusion of the ADSs representing Class A ordinary shares in such indices and may cause shareholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices could result in a less active trading market for the ADSs. Any actions or publications by shareholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of the ADSs.

Techniques employed by short sellers may drive down the market price of our ADSs.

Short selling is the practice of selling securities that the seller does not own but rather has borrowed from a third party with the intention of buying identical securities back at a later date to return to the lender. The short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is in the short seller's interest for the price of the security to decline, many short sellers publish, or arrange for the publication of, negative opinions regarding the relevant issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling a security short. These short attacks have, in the past, led to the selling of shares in the market.

Public companies that have a material portion of their operations in China have been the subject of short selling. Much of the scrutiny and negative publicity has centered on allegations of a lack of effective internal control over financial reporting resulting in financial and accounting irregularities and mistakes, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations

of fraud. As a result, many of these companies are now conducting internal and external investigations into the allegations and, in the interim, are subject to shareholder lawsuits and/or enforcement actions by the SEC or other U.S. authorities.

It is not clear what effect such negative publicity could have on us. If we were to become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we could have to expend a significant amount of resources to investigate such allegations and/or defend ourselves. While we would strongly defend against any such short seller attacks, we may be constrained in the manner in which we can proceed against the relevant short seller by principles of freedom of speech, applicable state law or issues of commercial confidentiality. Such a situation could be costly and time-consuming, and could distract our management from growing our business. Even if such allegations are ultimately proven to be groundless, allegations against us could severely impact our business operations, and any investment in the ADSs could be greatly reduced or even rendered worthless.

The sale or availability for sale of substantial amounts of our ADSs could adversely affect their market price.

Sales of substantial amounts of our ADSs in the public market after completion of this offering, or the perception that these sales could occur, could adversely affect the market price of our ADSs and could materially impair our ability to raise capital through equity offerings in the future. The ADSs sold in this offering will be freely tradable without restriction or further registration under the Securities Act of 1933, as amended (the "Securities Act") and shares held by our existing shareholders may also be sold in the public market in the future subject to the restrictions in Rule 144 and Rule 701 under the Securities Act and the applicable lock-up agreements. There will be ADSs (equivalent to Class A ordinary shares) outstanding immediately after this offering, or ADSs (equivalent to Class A ordinary shares) if the underwriters exercise their option to purchase additional ADSs in full. In connection with this offering, we, our officers, directors and existing shareholders have agreed not to sell any of our Class A ordinary shares or ADSs or are otherwise subject to similar lockup restrictions for [180] days after the date of this prospectus without the prior written consent of the underwriters, subject to certain exceptions. However, the underwriters may release these securities from these restrictions at any time, subject to applicable regulations of the Financial Industry Regulatory Authority, Inc. We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of our ADSs. In addition, certain holders of our existing shareholders are and may in the future be entitled to certain registration rights. Registration of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. Sales of these registered shares in the public market, or the perception that such sales could occur, could cause the price of our ADSs to decline. See "Underwriting" and "Shares Eligible for Future Sale" for a more detailed description of the restrictions on selling our securities after this offering.

We have not determined a specific use for a portion of the net proceeds from this offering, and we may use these proceeds in ways with which you may not agree.

We have not determined a specific use for a portion of the net proceeds of this offering, and our management will have considerable discretion in the application of the proceeds received by us. You will not have the opportunity, as part of your investment decision, to assess whether proceeds are being used appropriately. The proceeds may be used for corporate purposes that do not improve our efforts to achieve or maintain profitability or increase our ADS price. The proceeds from this offering may be placed in investments that do not produce income or that lose value.

As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the [NYSE/Nasdaq] corporate governance listing standards. These practices may afford less protection to shareholders than they would enjoy if we complied fully with the [NYSE/Nasdaq] corporate governance listing standards.

As a Cayman Islands exempted company listed on the [NYSE/Nasdaq], we are subject to corporate governance listing standards of [NYSE/Nasdaq]. However, [NYSE/Nasdaq] rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance

practices in the Cayman Islands, which is our home country, may differ significantly from the [NYSE/Nasdaq] corporate governance listing standards. [We currently intend to follow Cayman Islands corporate governance practices in lieu of the corporate governance requirements of the [NYSE/Nasdaq] that listed companies must have a majority of independent directors and that the audit committee consists of at least three members]. To the extent that we choose to follow the home country practice, our shareholders may be afforded less protection than they otherwise would enjoy under [NYSE/Nasdaq] corporate governance listing standards applicable to U.S. domestic issuers.

Upon the completion of this offering, we will be a "controlled company" as defined under the [NYSE/Nasdaq] corporate governance rules. As a result, we will qualify for, and intend to rely on, exemptions from certain corporate governance requirements that would otherwise provide protection to shareholders of other companies.

Following the completion of this offering, we will be a "controlled company" as defined under the [NYSE/Nasdaq] corporate governance rules because Dr. Jun Peng, our Chief Executive Officer and director, will own more than 50% of our total voting power. For so long as we remain a controlled company, we may rely on certain exemptions from the corporate governance rules, including the rule that we have to establish a nominating and corporate governance committee composed entirely of independent directors. As a result, you will not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements. Even if we cease to be a controlled company, we may still rely on exemptions available to foreign private issuers, including being able to adopt home country practices in relation to corporate governance matters. See "— As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the [NYSE/Nasdaq] corporate governance listing standards. These practices may afford less protection to shareholders than they would enjoy if we complied fully with the [NYSE/Nasdaq] corporate governance listing standards."

Our directors, officers and principal shareholders have substantial influence over our company and their interests may not be aligned with the interests of our other shareholders.

Upon the completion of this offering, our directors and officers collectively own an aggregate of % of the total voting power of our outstanding ordinary shares. As a result, they have substantial influence over our business, including significant corporate actions such as change of directors, mergers, change of control transactions and other significant corporate actions.

Our directors, offices, and principal shareholders may take actions that are not in the best interest of us or our other shareholders. The concentration of ownership may discourage, delay or prevent a change in control of our company, which could deprive our shareholders of an opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of the ADSs. These actions may be taken even if they are opposed by shareholders, including those who purchase ADSs in this offering. In addition, the significant concentration of share ownership may adversely affect the trading price of the ADSs due to investors' perception that conflicts of interest may exist or arise.

We may be classified as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. investors in our ADSs or Class A ordinary shares.

In general, a non-U.S. corporation is a PFIC for U.S. federal income tax purposes for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the average value of its assets (generally determined on a quarterly basis) consists of assets that produce, or are held for the production of, passive income. Passive income generally includes dividends, interest, investment gains and certain rents and royalties (other than rents and royalties that are derived in the conduct of an active business and meet certain requirements). Cash and cash equivalents are generally treated as passive assets. The value of a company's goodwill is an active asset under the PFIC rules to the extent attributable to activities that produce active income. For purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received its proportionate share of the

income of the other corporation directly. Equity interests of less than 25% by value in any other corporation are treated as passive assets, regardless of the nature of the other corporation's business.

Based on the expected composition of our income and assets and the estimated value of our assets, including goodwill, which is based in large part on the expected price of the ADSs in this offering, we do not expect to be a PFIC for our current taxable year. However, our PFIC status for any taxable year is an annual determination that can be made only after the end of that year and will depend on the composition of our income and assets and the value of our assets (including goodwill) from time to time. The value of our goodwill may be determined, in large part, by reference to our market capitalization, which could be volatile. Because we will hold a substantial amount of cash following this offering, we may become a PFIC for any taxable year if our market capitalization fluctuates or declines considerably. Moreover, it is not entirely clear how the contractual arrangements between us and the VIEs will be treated for purposes of the PFIC rules, and we may be or become a PFIC if the VIEs are not treated as owned by us for these purposes. Accordingly, there can be no assurance that we will not be a PFIC for our current or any future taxable year.

If we are a PFIC for any taxable year during which a U.S. investor owns ADSs or ordinary shares, the U.S. investor generally will be subject to adverse U.S. federal income tax consequences, including increased tax liability on disposition gains and certain "excess distributions" and additional reporting requirements. Prospective U.S. investors should consult their tax advisers regarding the application of the PFIC rules to us and the risks of investing in a company that may be a PFIC. See "Taxation — Material U.S. Federal Income Tax Considerations — Passive Foreign Investment Company Rules."

We believe we are currently a controlled foreign corporation for U.S. federal income tax purposes, and, as a result, there could be adverse U.S. federal income tax consequences to certain U.S. investors that own our ADSs or ordinary shares (directly or indirectly) and are treated as "Ten Percent Shareholders."

Certain direct or indirect "Ten Percent Shareholders" (as defined below) in a non-U.S. corporation that is a controlled foreign corporation (a "CFC") for U.S. federal income tax purposes generally are required to include in income for U.S. federal income tax purposes their pro rata share of the CFC's "Subpart F income," investment of earnings in U.S. property, and "global intangible low-taxed income," even if the CFC has made no distributions to its shareholders. Subpart F income generally includes dividends, interest, rents, royalties, gains from the sale of securities and income from certain transactions with related parties, and "global intangible low-taxed income" generally consists of net income of the CFC, other than Subpart F income and certain other types of income, in excess of certain thresholds. A non-U.S. corporation generally will be a CFC for U.S. federal income tax purposes if Ten Percent Shareholders own, directly, indirectly or constructively (through attribution), more than 50% of either the total combined voting power of all classes of stock of such corporation entitled to vote or of the total value of the stock of such corporation. A "Ten Percent Shareholder" is a United States person (as defined by the U.S. Internal Revenue Code of 1986, as amended) that owns directly or indirectly, or is considered to own constrictively, 10% or more of the total combined voting power of all classes of stock entitled to vote of such corporation or 10% or more of the total value of the stock of such corporation. We believe that we are currently a CFC, and, depending on the future ownership of our stock by Ten Percent Shareholders, may continue to be a CFC in the future. In addition, we believe our non-U.S. subsidiaries are also CFCs, and such non-U.S. subsidiaries are expected to continue to be treated as CFCs in the future even if we cease to be a CFC due to certain "downward attribution" rules pursuant to which our non-U.S. subsidiaries may be treated as constructively controlled by our U.S. subsidiary. While our status as a CFC will generally not have any U.S. federal income tax consequences for U.S. investors of our ADSs or Class A ordinary shares who are not Ten Percent Shareholders, prospective investors that may be or become Ten Percent Shareholders should consult their tax advisors with respect to the potential adverse tax consequences of investing in us.

We expect to incur increased costs and become subject to additional rules and regulations as a result of being a public company, particularly after we cease to qualify as an "emerging growth company."

Upon completion of this offering, we will become a public company and expect to incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and [NYSE/Nasdaq], impose various requirements on the corporate governance practices of public companies. As a company with less than

US$1.235 billion in revenues for our last fiscal year, we qualify as an "emerging growth company" pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting and permission to delay adopting new or revised accounting standards until such time as those standards apply to private companies.

We expect these rules and regulations to increase our legal and financial compliance costs and to make some corporate activities more time-consuming and costly. After we are no longer an "emerging growth company", we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the other rules and regulations of the SEC. For example, as a result of becoming a public company, we will need to increase the number of independent directors and adopt policies regarding internal controls and disclosure controls and procedures. We also expect that operating as a public company will make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. In addition, we will incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the number of additional costs we may incur or the timing of such costs.

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

The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and they may not be able to exercise their right to vote for their Class A ordinary shares.

Holders of the ADSs do not have the same rights as our registered shareholders. As a holder of ADSs, you will not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings. You will only be able to exercise the voting rights that are carried by the underlying Class A ordinary shares represented by your ADSs indirectly by giving voting instructions to the depositary in accordance with the provisions of the deposit agreement. Under the deposit agreement, you may vote only by giving voting instructions to the depositary. If we instruct the depositary to ask for your instructions, then upon receipt of your voting instructions, the depositary will try, as far as practicable, to vote the underlying Class A ordinary shares represented by your ADSs in accordance with your instructions. If we do not instruct the depositary to ask for your instructions, the depositary may still vote in accordance with the instructions you give, but it is not required to do so. You will not be able to directly exercise your right to vote with respect to the underlying Class A ordinary shares represented by your ADSs unless you withdraw the shares and become the registered holder of such shares prior to the record date for the general meeting. Under our post-offering amended and restated memorandum and articles of association that will become effective immediately prior to the completion of this offering, the minimum notice period required to be given by our company to our registered shareholders for convening a general meeting is seven business days.

When a general meeting is convened, you may not receive sufficient advance notice of the meeting to surrender your ADSs for the purpose of withdrawal of the Class A ordinary shares underlying your ADSs and become the registered holder of such shares to allow you to vote directly with respect to any specific matter or resolution to be considered and voted upon at the general meeting. In addition, under our post-offering amended and restated memorandum and articles of association that will become effective immediately prior to completion of this offering, for the purposes of determining those shareholders who are entitled

to attend and vote at any general meeting, our directors may close our register of members and fix in advance a record date for such meeting. Such closure of our register of members or the setting of such a record date may prevent you from surrendering your ADS for the purpose of withdrawing the Class A ordinary shares underlying your ADSs and becoming the registered holder of such shares prior to the record date, so that you would not be able to attend the general meeting or to vote directly. If we ask for your instructions, the depositary will notify you of the upcoming vote and will arrange to deliver our voting materials to you. We have agreed to give the depositary at least 40 days prior notice of shareholder meetings. Nevertheless, we cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the underlying Class A ordinary shares represented by your ADSs. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to direct how the Class A ordinary shares underlying your ADSs are voted and you may have no legal remedy if the Class A ordinary shares underlying your ADSs are not voted as you requested.

You may not receive dividends or other distributions on our Class A ordinary shares and the ADS holders may not receive any value for them, if it is illegal or impractical to make them available to the ADS holders.

The depositary of our ADSs has agreed to pay the ADS holders the cash dividends or other distributions it or the custodian receives on Class A ordinary shares or other deposited securities underlying our ADSs, after deducting its fees and expenses. You will receive these distributions in proportion to the number of Class A ordinary shares the underlying ADSs represent. However, the depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act but that are not properly registered or distributed under an applicable exemption from registration. The depositary may also determine that it is not feasible to distribute certain property through the mail. Additionally, the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may determine not to distribute such property. We have no obligation to register under U.S. securities laws any ADSs, Class A ordinary shares, rights or other securities received through such distributions. We also have no obligation to take any other action to permit the distribution of ADSs, Class A ordinary shares, rights or anything else to holders of ADSs. This means that you may not receive distributions we make on our Class A ordinary shares or any value for them if it is illegal or impractical for us to make them available to you. These restrictions may cause a material decline in the value of our ADSs.

You may experience dilution of their holdings due to the inability to participate in rights offerings.

We may, from time to time, distribute rights to our shareholders, including rights to acquire securities. Under the deposit agreement, the depositary will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the Securities Act with respect to all holders of ADSs or are registered under the provisions of the Securities Act. The depositary may, but is not required to, attempt to sell these undistributed rights to third parties, and may allow the rights to lapse. We may be unable to establish an exemption from registration under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, holders of ADSs may be unable to participate in our rights offerings and may experience dilution of their holdings as a result.

We currently do not expect to pay dividends in the foreseeable future after this offering and you must rely on price appreciation of our ADSs for return on your investment.

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

Our board of directors has complete discretion as to whether to declare dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a

dividend, but no dividend may exceed the amount recommended by our directors. Our post-offering amended and restated articles of association provide that dividends may be declared and paid out of the profits of our company, realized or unrealized, or from any reserve set aside from profits which the directors determine is no longer needed. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Act. Under the Companies Act, no distribution or dividend may be paid out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company shall be able to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flows, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our ADSs will likely depend entirely upon any future price appreciation of our ADSs. There is no guarantee that our ADSs will appreciate in value after this offering or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in our ADSs and you may even lose your entire investment in our ADSs.

We may need additional capital, and the sale of additional ADSs or other equity and equity-linked securities could result in additional dilution to our shareholders, and the incurrence of additional indebtedness could increase our debt service obligations.

We may require additional cash resources due to changed business conditions, strategic acquisitions or other future developments. If these resources are insufficient to satisfy our cash requirements, we may seek to sell additional equity or debt securities or obtain additional credit facilities. The sale of additional equity and equity-linked securities could result in additional dilution to our shareholders. The sale of substantial amounts of our ADSs (including upon conversion of the notes) could dilute the interests of our shareholders and ADS holders and adversely impact the market price of our ADSs. The incurrence of indebtedness would increase debt service obligations and result in operating and financing covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

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

Our ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may close its books from time to time for a number of reasons, including in connection with corporate events such as a rights offering, during which time the depositary needs to maintain an exact number of ADS holders on its books for a specified period. The depositary may also close its books in emergencies, and on weekends and public holidays. The depositary may refuse to deliver, transfer or register transfers of our ADSs generally when our share register or the books of the depositary are closed, or at any time if we or the depositary thinks it is advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

Our shareholders may face difficulties in protecting their interests, and the ability to protect their rights through U.S. courts may be limited because we are incorporated under Cayman Islands law.

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Act (as amended) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by our minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England and Wales, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands have a less developed body of securities laws than the United States. Some U.S. states, such

as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have the standing to initiate a shareholder derivative action in a federal court of the United States. Moreover, while under Delaware law, controlling shareholders owe fiduciary duties to the companies they control and their minority shareholders, under Cayman Islands law, our controlling shareholders do not owe any such fiduciary duties to our company or to our minority shareholders. Accordingly, our controlling shareholders may exercise their powers as shareholders, including the exercise of voting rights in respect of their shares, in such manner as they think fit.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (other than the memorandum and articles of association, the register of mortgages and charges and any special resolutions passed by shareholders) or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. If we choose to follow the home country practice, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by our management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States. For a discussion of significant differences between the provisions of the Companies Act of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders, see "Description of Share Capital — Differences in Corporate Law."

Forum selection provisions in our post-offering amended and restated memorandum and articles of association and our deposit agreement with the depositary bank could limit the ability of holders of our Class A ordinary shares, ADSs, or other securities to obtain a favorable judicial forum for disputes with us, our directors and officers, the depositary bank, and potentially others.

[Our post-offering amended and restated memorandum and articles of association provide that the federal district courts of the United States are the exclusive forum within the United States (or, if the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute, the state courts in New York County, New York) for the resolution of any complaint asserting a cause of action arising out of or relating in any way to the federal securities laws of the United States, regardless of whether such legal suit, action, or proceeding also involves parties other than us. Our deposit agreement with the depositary bank also provides that the United States District Court for the Southern District of New York (or, if the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute, the state courts in New York County, New York) will have jurisdiction to hear and determine any suit, action, or proceeding and to settle any dispute between the depositary bank and us that does not involve any other person or party that may arise out of or relate in any way to the deposit agreement, including claims under the Securities Act or the Exchange Act. Holders and beneficial owners of our ADSs, by holding an ADS or an interest therein, understand and irrevocably agree that any legal suit, action, or proceeding against or involving us or the depositary bank arising out of or related in any way to the deposit agreement, ADSs, or the transactions contemplated thereby or by virtue of ownership thereof, including without limitation claims under the Securities Act or the Exchange Act, may only be instituted in the United States District Court for the Southern District of New York (or, if the United States District Court for the Southern District of New York lacks jurisdiction or such designation of the exclusive forum is, or becomes, invalid, illegal, or unenforceable, in the state courts of New York County, New York). However, the enforceability of similar federal court choice of forum provisions has been challenged in legal proceedings in the United States, and it is possible that a court could find this type of provision to be inapplicable, unenforceable, or inconsistent with other documents that are relevant to

the filing of such lawsuits. If a court were to find the federal choice of forum provision contained in our post-offering amended and restated memorandum and articles of association or our deposit agreement with the depositary bank to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions. If upheld, the forum selection clause in our post-offering amended and restated memorandum and articles of association, as well as the forum selection provisions in the deposit agreement, may limit a security-holder's ability to bring a claim against us, our directors and officers, the depositary bank, and potentially others in his or her preferred judicial forum, and this limitation may discourage such lawsuits. In addition, the Securities Act provides that both federal and state courts have jurisdiction over suits brought to enforce any duty or liability under the Securities Act or the rules and regulations thereunder. Accepting or consent to this forum selection provision does not constitute a waiver by you of compliance with federal securities laws and the rules and regulations thereunder. You may not waive compliance with federal securities laws and the rules and regulations thereunder. The exclusive forum provision in our post-offering amended and restated memorandum and articles of association will not operate so as to deprive the courts of the Cayman Islands from having jurisdiction over matters relating to our internal affairs. See "Description of Share Capital."]

ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The deposit agreement governing the ADSs representing our Class A ordinary shares provides that, to the fullest extent permitted by law, ADS holders waive the right to a jury trial for any claim they may have against us or the depositary arising out of or relating to our shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws.

If we or the depositary were to oppose a jury trial based on this waiver, the court would have to determine whether the waiver was enforceable based on the facts and circumstances of the case in accordance with applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement, or by a federal or state court in the City of New York, which has non-exclusive jurisdiction over matters arising under the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this would be the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before investing in the ADSs.

If you or any other owners or holders of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other owners or holders may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us or the depositary. If a lawsuit is brought against us or the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have, including outcomes that could be less favorable to the plaintiff(s) in any such action.

Nevertheless, if this jury trial waiver is not permitted by applicable law, an action could proceed under the terms of the deposit agreement with a jury trial. No condition, stipulation or provision of the deposit agreement or the ADSs serves as a waiver by any owners or holders of ADSs or by us or the depositary of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

[Our post-offering memorandum and articles of association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our ordinary shares and the ADSs.

Our post-offering amended and restated memorandum and articles of association, which will become effective immediately prior to the completion of this offering, contain provisions to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions

could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. For example, our board of directors has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our Class A ordinary shares, in the form of ADS or otherwise. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of the ADSs may fall and the voting and other rights of the holders of our ordinary shares and ADSs may be materially and adversely affected. In addition, our post-offering amended and restated memorandum and articles of association contain other provisions that could limit the ability of third parties to acquire control of our company or cause us to engage in a transaction resulting in a change of control, including a provision that entitles each Class B ordinary share to 10 votes in respect of almost all matters subject to a shareholders' vote. See "Description of Share Capital — Shareholders Agreement."]

Economic substance legislation of the Cayman Islands may impact us or our operations.

The Cayman Islands, together with several other non-European Union jurisdictions, have introduced legislation aimed at addressing concerns raised by the Council of the European Union as to offshore structures engaged in certain activities which attract profits without real economic activity. Effective January 1, 2019, the International Tax Co-operation (Economic Substance) Act (as amended) (the "Substance Law") and issued Regulations and Guidance Notes came into force in the Cayman Islands introducing certain economic substance requirements for "relevant entities" which are engaged in certain "relevant activities," which in the case of exempted companies incorporated before January 1, 2019, will apply in respect of fiscal years commencing July 1, 2019, onwards. A "relevant entity" includes an exempted company incorporated in the Cayman Islands; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, for so long as we are a tax resident outside the Cayman Islands, we are not required to satisfy the economic substance test under the Substance Law. Although it is presently anticipated that the Substance Law will have little material impact on us or our operations, as the legislation is new and remains subject to further clarification and interpretation it is not currently possible to ascertain the precise impact of these legislative changes on us.

We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.

As discussed above, we are a foreign private issuer, and therefore, we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act. The determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter. We would lose our foreign private issuer status if, for example, more than 50% of our ordinary shares are directly or indirectly held by residents of the U.S. and we fail to meet additional requirements necessary to maintain our foreign private issuer status. In the future, if we lose our foreign private issuer status as of the last date of our second fiscal quarter, we would be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms beginning on the following January 1, which are more detailed and extensive than the forms available to a foreign private issuer. We would also have to mandatorily comply with U.S. federal proxy requirements, and our officers, directors and principal shareholders would become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, we would lose our ability to rely upon exemptions from certain corporate governance requirements under the [NYSE/Nasdaq] listing rules. As a U.S. listed public company that is not a foreign private issuer, we would incur significant additional legal, accounting and other expenses that we will not incur as a foreign private issuer, and accounting, reporting and other expenses in order to maintain a listing on a U.S. securities exchange.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains statements that constitute forward-looking statements. Many of the forward-looking statements contained in this prospectus can be identified by the use of forward-looking words such as "anticipate," "believe," "could," "expect," "should," "plan," "intend," "estimate" and "potential," among others.

Forward-looking statements appear in a number of places in this prospectus and include, but are not limited to, statements regarding our intent, belief or current expectations. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to of various factors, including, but not limited to, those identified under the section entitled "Risk Factors" in this prospectus. These risks and uncertainties include factors relating to:

- general economic, political, demographic and business conditions in China and globally;
- our ability to implement our go-to-market strategies;
- the timeline and results of the large-scale commercialization of our robotaxi and robotruck services;
- the relationships with our existing and future business partners, customers and suppliers;
- our ability to raise additional capital in the future;
- the success of operating initiatives, including business development efforts and new solution development by us and our competitors;
- our ability to develop and apply our technologies to support and expand our solution offerings;
- the availability of qualified personnel and the ability to retain such personnel;
- the expected growth of the autonomous driving industry in China and globally;
- competition in the autonomous driving industry in China and globally;
- changes in government policies and regulation;
- other factors that may affect our financial condition, liquidity and results of operations; and
- other risk factors discussed under "Risk Factors."

In light of the significant uncertainties in these forward-looking statements, you should not regard these statement as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

USE OF PROCEEDS

We expect to receive total estimated net proceeds from this offering of approximately US$ million, or approximately US$ million if the underwriters exercise their option to purchase additional ADSs in full, based on the midpoint of the estimated initial public offering price range set forth on the front cover of this prospectus, after deducting underwriting discounts and commissions and the estimated offering expenses payable by us.

We intend to use the net proceeds from this offering for the following purposes:

- approximately %, or US$ million, for execution of our go-to market strategies in order to carry out the large-scale commercialization of our autonomous driving technology in our key addressable markets, including both robotaxi and robotruck services, including for business development, production, sales and marketing, customer services, and partnerships with industry participants;
- approximately %, or US$ million, for continued investments in research and development of our autonomous driving technology; and
- approximately %, or US$ million, for general corporate purposes, and potential strategic investments and acquisitions to strengthen our technological capabilities and overall ecosystem, although we have not identified any specific investments or acquisition opportunities at this time.

If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus. In utilizing the proceeds from this offering, we are permitted under PRC laws and regulations to provide funding to our PRC subsidiaries only through loans or capital contributions, and to our consolidated VIEs only through loans, and only if we satisfy the applicable government registration and approval requirements. We cannot assure you that we will be able to meet these requirements on a timely basis, if at all. See "Risk Factors — Risks Related to Doing Business in China — PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may restrict or delay us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiaries and making loans to the VIEs or their subsidiaries, which could adversely affect our liquidity and our ability to fund and expand our business."

Pending use of the net proceeds, we intend to hold our net proceeds in short-term, interest-bearing, financial instruments or demand deposits.

DIVIDEND POLICY

We have not previously declared or paid any cash dividend or dividend in kind and we have no plan to declare or pay any dividends in the near future on our shares or the ADSs representing our Class A ordinary shares. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

We are a holding company incorporated in the Cayman Islands. We rely principally on dividends from our PRC subsidiaries for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to us. See "Risk Factors — Risks Related to Doing Business in China — We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business." and "Regulation — Regulations on Foreign Exchange Control and Dividend Distribution."

Our board of directors has the discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit, retained earnings, or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. If we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the Class A ordinary shares underlying the ADSs to the depositary, as the registered holder of such Class A ordinary shares, and the depositary then will pay such amounts to the ADS holders in proportion to the Class A ordinary shares underlying the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See "Description of American Depositary Shares."

CAPITALIZATION

The table below sets forth our capitalization as of December 31, 2022:

- on an actual basis;
- on a *pro forma* basis to give effect to the automatic conversion or re-designation, as the case may be, of all of the issued and outstanding preferred shares on a one-for-one basis into Class A ordinary shares immediately prior to the completion of this offering; and
- on a *pro forma* as adjusted basis to give effect to the automatic conversion or re-designation, as the case may be, of all of the issued and outstanding preferred shares on a one-for-one basis into Class A ordinary shares immediately prior to the completion of this offering, and (ii) the issuance and sale of Class A ordinary shares in this offering, and the receipt of approximately US$ million in estimated net proceeds, considering an offering price of US$ per ADS (the midpoint of the estimated initial public offering price range set forth on the front cover of this prospectus), after deduction of the underwriting discounts and commissions and estimated offering expenses payable by us, and the use of proceeds therefrom.

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

	As of December 31, 2022		
	Actual	Pro Forma	Pro Forma as adjusted[1]
	US$	US$	US$
		(in thousands)	
Mezzanine equity			
Series A preferred shares (US$0.0005 par value; 34,717,760 shares authorized, 34,717,760 shares issued and outstanding on an actual basis, and none outstanding on a pro forma or a pro forma as adjusted basis)	14,818		
Series B preferred shares (US$0.0005 par value; 44,758,365 shares authorized, 44,758,365 shares issued and outstanding on an actual basis, and none outstanding on a pro forma or a pro forma as adjusted basis)	76,840		
Series B+ preferred shares (US$0.0005 par value; 27,428,047 shares authorized, 27,428,047 shares issued and outstanding on an actual basis, and none outstanding on a pro forma or a pro forma as adjusted basis)	107,135		
Series B2 preferred shares (US$0.0005 par value; 10,478,885 shares authorized, 10,478,885 shares issued and outstanding on an actual basis, and none outstanding on a pro forma or a pro forma as adjusted basis)	68,138		
Series C preferred shares (US$0.0005 par value; 57,896,414 shares authorized, 57,896,414 shares issued and outstanding on an actual basis, and none outstanding on a pro forma or a pro forma as adjusted basis)	559,087		
Series C+ preferred shares (US$0.0005 par value; 16,161,668 shares authorized, 16,161,668 shares issued and outstanding on an actual basis, and none outstanding on a pro forma or a pro forma as adjusted basis)	249,884		

	As of December 31, 2022		
	Actual	Pro Forma	Pro Forma as adjusted[1]
	US$	US$	US$
		(in thousands)	
Series D preferred shares (US$0.0005 par value; 19,964,384 shares authorized, 7,453,371 shares issued and outstanding on an actual basis, and none outstanding on a pro forma or a pro forma as adjusted basis)	181,595		
Total mezzanine equity	**1,257,497**		
Class A ordinary shares (US$0.0005 par value; 307,505,707 shares authorized, 10,708,762 shares issued and outstanding on an actual basis, and none outstanding on a pro forma or a pro forma as adjusted basis)	9		
Class B ordinary shares (US$0.0005 par value; 81,088,770 shares authorized, 81,088,770 shares issued and outstanding on an actual basis, and none outstanding on a pro forma or a pro forma as adjusted basis)	35		
Additional paid-in capital[2]	63,200		
Special reserve	91		
Accumulated other comprehensive loss	(163)		
Accumulated deficit	(614,659)		
Pony AI Inc. shareholders' deficits	**(551,487)**		
Non-controlling interests	11,902		
Total shareholders' (deficit)/equity[2]	**(539,585)**		
Total liabilities, mezzanine equity and shareholders' (deficit)/equity	**771,514**		

(1) The pro forma as adjusted information discussed above is illustrative only. Our additional paid-in capital, total shareholders' (deficit)/equity and total capitalization following the completion of this offering are subject to adjustment based on the actual initial public offering price and other terms of this offering determined at pricing.

(2) Assuming the number of ADSs offered by us as set forth on the cover page of this prospectus remains the same, and after deduction of underwriting discounts and commissions and the estimated offering expenses payable by us, a US$1.00 change in the assumed initial public offering price of US$ per ADS (the midpoint of the estimated initial public offering price range set forth on the front cover of this prospectus) would, in the case of an increase, increase and, in the case of a decrease, decrease each of additional paid-in capital, total shareholders' (deficit)/equity and total capitalization by US$ million.

DILUTION

If you invest in the ADSs, your interest will be diluted to the extent of the difference between the initial public offering price per ADS and our net tangible book value per ADS after this offering. Dilution results from the fact that the initial public offering price per Class A ordinary share is substantially in excess of the book value per ordinary share attributable to the existing shareholders for our presently outstanding ordinary shares.

Our net tangible book value as of December 31, 2022 was approximately US$716.7 million, or US$ per Class A ordinary share and US$ per ADS. Net tangible book value represents the amount of our total consolidated tangible assets, less the amount of our total consolidated liabilities. Dilution is determined by subtracting net tangible book value per ordinary share as adjusted from the initial public offering price per Class A ordinary share.

Without taking into account any other changes in such net tangible book value after December 31, 2022, other than to give effect to (i) the exercise of warrants that we granted to certain Series D investors to purchase our Series D preferred shares, (ii) the conversion of all of our preferred shares into Class A ordinary shares on a one-to-one basis which will occur automatically immediately prior to the completion of this offering and (iii) our issuance and sale of Class A ordinary shares represented by ADSs offered in this offering at an assumed initial public offering price of US$ per ADS, the midpoint of the estimated initial public offering price range set forth on the front cover of this prospectus, after deduction of the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of December 31, 2022 would have been approximately US$ million, or US$ per Class A ordinary share and US$ per ADS, to existing shareholders and an immediate dilution in net tangible book value of US$ per Class A ordinary share, or US$ per ADS, to purchasers of ADSs in this offering.

The following table illustrates such dilution:

	Per Ordinary Share	Per ADS
Initial public offering price per Class A ordinary share	US$	US$
Net tangible book value per ordinary share as of December 31, 2022	US$7.81	US$
Pro forma net tangible book value per ordinary share after giving effect to the automatic conversion of all of our outstanding Series A preferred shares, Series B preferred shares, Series B+ preferred shares, Series B2 preferred shares, Series C preferred shares, Series C+ and Series D preferred shares	US$	US$
Pro forma net tangible book value per ordinary share after giving effect to the automatic conversion of all of our outstanding Series A preferred shares, Series B preferred shares, Series B+ preferred shares, Series B2 preferred shares, Series C preferred shares, Series C+ and Series D preferred shares and this offering	US$	US$
Pro forma net tangible book value per ordinary share after giving effect to the automatic conversion of all of our outstanding Series A preferred shares, Series B preferred shares, Series B+ preferred shares, Series B2 preferred shares, Series C preferred shares, Series C+ and Series D preferred shares and this offering	US$	US$
Pro forma net tangible book value per ordinary share after giving effect to the automatic conversion of all of our outstanding Series A preferred shares, Series B preferred shares, Series B+ preferred shares, Series B2 preferred shares, Series C preferred shares, Series C+ and Series D preferred shares and this offering	US$	US$
Amount of dilution in net tangible book value per ordinary share to new investors in this offering	US$	US$
Amount of dilution in net tangible book value per ADS to new investors in this offering	US$	US$

A US$1.00 increase (decrease) in the assumed initial public offering price of US$ per ADS would increase (decrease) our pro forma as-adjusted net tangible book value after giving effect to this offering by US$, the pro forma as-adjusted net tangible book value per ordinary share and per ADS after giving effect to this offering by US$ per ordinary share and US$ per ADS and the dilution in pro forma as-adjusted net tangible book value per ordinary share and per ADS to new investors in this offering by US$ per ordinary share and US$ per ADS, assuming no change to the number of ADSs offered by us as set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and other offering expenses.

The following table summarizes, on a pro forma basis as of December 31, 2022, the differences between the existing shareholders and the new investors with respect to the number of Class A ordinary shares purchased from us in this offering, the total consideration paid and the average price per Class A ordinary share paid at the initial public offering price of US$ per ADS, the midpoint of the estimated initial public offering price range set forth on the front cover of this prospectus, before deducting underwriting discounts and commissions and estimated offering expenses. The total number of ordinary shares does not include the Class A ordinary shares underlying the ADSs issuable upon the exercise of the over-allotment option granted to the underwriters.

	Ordinary shares Purchased		Total Consideration		Average Price Per Ordinary Share	Average Price Per ADS
	Number	Percent	Amount (in thousands of US$)	Percent	US$	US$
Existing shareholders						
New investors						
Total						

The pro forma information discussed above is illustrative only.

The discussion and tables above also assume no exercise of any stock options or vesting of restricted share units outstanding as of the date of this prospectus, and exclude Series D preferred shares (and Class A ordinary shares issuable upon the autonomic conversion of such Series D preferred shares) to be issued to holders of certain warrants. As of the date of this prospectus, there are a total of Class A ordinary shares issuable upon exercise of outstanding share options and the vesting of outstanding restricted share units, and there are a total of Class A ordinary shares available for future issuance upon the exercise and vesting of equity awards under our 2016 Share Plan. See the section of this prospectus captioned “Management — Equity Incentive Plan — 2016 Share Plan.” To the extent that any of these options are exercised, there will be further dilution to new investors.

ENFORCEABILITY OF CIVIL LIABILITIES

Cayman Islands

We were incorporated in the Cayman Islands in order to enjoy the following benefits:

- political and economic stability;
- an effective judicial system;
- a favorable tax system;
- the absence of exchange control or currency restrictions; and
- the availability of professional and support services.

However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include, but are not limited to, the following:

- the Cayman Islands has a less developed body of securities laws as compared to the United States and these securities laws provide significantly less protection to investors; and
- Cayman Islands companies may not have standing to sue before the federal courts of the United States.

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

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

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

Walkers (Hong Kong), our counsel as to Cayman Islands law, has advised us that there is uncertainty as to whether the courts of the Cayman Islands would:

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

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

Walkers (Hong Kong) has informed us that it is uncertain whether the courts of the Cayman Islands will allow shareholders of our company to originate actions in the Cayman Islands based upon securities laws of the United States. In addition, there is uncertainty with regard to Cayman Islands law related to whether a judgment obtained from the U.S. courts under civil liability provisions of U.S. securities laws will be determined by the courts of the Cayman Islands as penal or punitive in nature. If such a determination is made, the courts of the Cayman Islands will not recognize or enforce the judgment against a Cayman Islands company, such as our company. As the courts of the Cayman Islands have yet to rule on making such a determination in relation to judgments obtained from U.S. courts under civil liability provisions of U.S. securities laws, it is uncertain whether such judgments would be enforceable in the Cayman Islands. Walkers (Hong Kong) has informed us that although there is no statutory enforcement in the Cayman Islands of judgments obtained in the federal or state courts of the United States (and the Cayman Islands are not a party to any treaties for the reciprocal enforcement or recognition of such judgments), a judgment obtained

in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any reexamination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment (i) is given by a foreign court of competent jurisdiction, (ii) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (iii) is final, (iv) is not in respect of taxes, a fine or a penalty, and (v) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

PRC

We have been advised by Haiwen & Partners, our PRC legal counsel, that there is uncertainty as to whether the courts of the PRC would enforce judgments of United States courts or Cayman courts obtained against us or these persons predicated upon the civil liability provisions of the United States federal and state securities laws. Haiwen & Partners has further advised us that the recognition and enforcement of foreign judgments are provided for under PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on reciprocity between jurisdictions. China does not have any treaties or other written form of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or in the Cayman Islands. Under the PRC Civil Procedures Law, foreign shareholders may originate actions based on PRC law against us in the PRC, if they can establish sufficient nexus to the PRC for a PRC court to have jurisdiction, and meet other procedural requirements, including, among others, the plaintiff must have a direct interest in the case, and there must be a concrete claim, a factual basis and a cause for the suit. However, it would be difficult for U.S. shareholders to establish sufficient nexus to the PRC as required under the PRC Civil Procedures Law by virtue only of holding the ADSs or Class A ordinary shares.

OUR HISTORY AND CORPORATE STRUCTURE

Our Corporate History

Pony AI Inc. ("**Pony.ai**" or our "**Company**") was incorporated in November 2016 as an exempted company with limited liability in the Cayman Islands. In the same month, we incorporated Pony.AI, Inc., a Delaware corporation. We then commenced our U.S. operations in Silicon Valley, California through Pony.AI, Inc.

In December 2016, Hongkong Pony AI Limited ("**Hongkong Pony AI**"), a wholly-owned subsidiary of Pony.ai, was incorporated under the laws of Hong Kong.

In April 2017, Beijing (HX) Pony AI Technology Co., Ltd. ("**Beijing (HX) Pony**"), was incorporated in the PRC. Beijing (HX) Pony is currently a wholly-owned subsidiary of Hongkong Pony AI.

In January 2018, Guangzhou (HX) Pony AI Technology Co., Ltd. ("**Guangzhou (HX) Pony**"), was incorporated in the PRC. Guangzhou (HX) Pony is currently a wholly-owned subsidiary of Hongkong Pony AI.

In June 2019, Beijing (YX) Pony AI Technology Co., Ltd. ("**Beijing (YX) Pony**") was incorporated in the PRC. Beijing (YX) Pony is currently a wholly-owned subsidiary of Hongkong Pony AI.

In April 2021, Shenzhen (YX) Pony AI Technology Co., Ltd. ("**Shenzhen (YX) Pony**") was incorporated in the PRC. Shenzhen (YX) Pony is currently a wholly-owned subsidiary of Hongkong Pony AI.

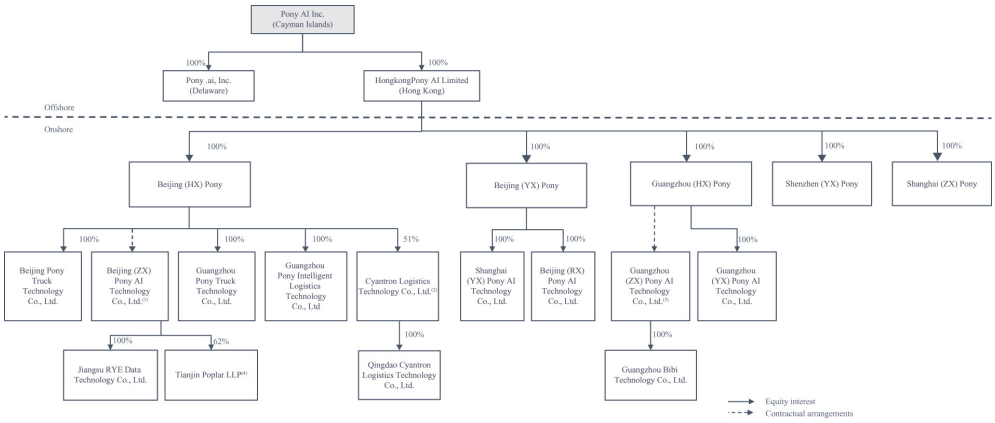
In March 2022, Shanghai (ZX) Pony AI Technology Development Co., Ltd. ("**Shanghai (ZX) Pony**") was incorporated in the PRC, which is a wholly-owned subsidiary of Hongkong Pony AI.

Beijing (HX) Pony and Hongkong Pony AI entered into a series of contractual arrangements, as amended and restated, with Beijing (ZX) Pony and its shareholders, through which we obtained control over Beijing (ZX) Pony and its subsidiaries. In addition, Guangzhou (HX) Pony and Hongkong Pony AI entered into a series of contractual arrangements, as amended and restated, with Guangzhou (ZX) Pony and its shareholders, through which we obtained control over Guangzhou (ZX) Pony and its subsidiaries. Pony AI Inc. operates its businesses this way primarily in order to preserve the flexibility to engage in businesses that are subject to foreign investment restrictions under applicable PRC laws and regulations.

As a result, we are regarded as the primary beneficiary of Beijing (ZX) Pony, Guangzhou (ZX) Pony and their subsidiaries. For financial reporting purposes, we consolidated the operation results and financial position of the VIEs in accordance with U.S. GAAP. We refer to each of Beijing (HX) Pony and Guangzhou (HX) Pony as our wholly foreign owned entity ("**WFOE**"), and to each of Beijing (ZX) Pony and Guangzhou (ZX) Pony and their subsidiaries as the consolidated variable interest entity ("**VIE**" or "**VIE Entity**") in this prospectus. For more details and risks related to the consolidated variable interest entity structure, please see "— Contractual Arrangements with the VIEs and Their Shareholders" and "Risk Factors — Risks Related to Our Corporate Structure."

Our Corporate Structure

The following chart illustrates our corporate structure, including our subsidiaries and the VIEs, as of the date of this prospectus:



Notes:

(1) Shareholders of Beijing (ZX) Pony are Dr. Tiancheng Lou (our director and Chief Technology Officer), Mr. Fengheng Tang, Dr. Haojun Wang (our Chief Financial Officer), Ms. Suping Xu, Mr. Jun Zhou (our employee) and Mr. Hengyu Li (our vice president), each holding approximately 49.0%, 30.9%, 10.0%, 5.0%, 5.0% and 0.1% of Beijing (ZX) Pony's equity interests, respectively.

(2) In February 2022, Cyantron Logistics Technology Co., Ltd. was incorporated under the laws of the PRC. Shareholders of Cyantron Logistics Technology Co., Ltd. are Beijing (HX) Pony and Sinotrans, each holding 51.0% and 49.0% of its equity interests, respectively.

(3) Shareholders of Guangzhou (ZX) Pony are Dr. Tiancheng Lou (our director and Chief Technology Officer), Mr. Fengheng Tang and Dr. Luyi Mo (our vice president), each holding 50.0%, 49.9% and 0.1% of its equity interests, respectively.

(4) Tianjin Poplar LLP is a limited partnership incorporated under the laws of the PRC. Beijing (ZX) Pony AI Technology Co., Ltd. is the general partner of Tianjin Poplar LLP, holding approximately 62% of its interest. The remaining 38% interest in Tianjin Poplar LLP is held by an individual as the limited partner.

Contractual Arrangements with the VIEs and Their Shareholders

We have established a series of contractual arrangements with the VIEs and their shareholders although our business is currently not subject to any foreign ownership restrictions under the applicable PRC laws and regulations. In the future, we may expand our business operations into areas that are subject to foreign ownership restrictions, and if such need arises, we currently intend to operate such business under the existing VIEs and other VIEs to be established if necessary.

Pony.ai is an exempted company registered in the Cayman Islands. Beijing (HX) Pony and Guangzhou (HX) Pony, our PRC subsidiaries, are considered foreign-invested enterprises. Beijing (HX) Pony and Hongkong Pony AI maintain a series of contractual arrangements with Beijing (ZX) Pony as well as its shareholders. Guangzhou (HX) Pony and Hongkong Pony AI maintain a series of contractual arrangements with Guangzhou (ZX) Pony as well as its shareholders. As a result of these contractual arrangements, we exert effective control over, and are considered the primary beneficiary of, the VIEs and consolidate their operating results in its financial statements under the U.S. GAAP, for accounting purposes.

The following is a summary of the contractual arrangements by and among Beijing (HX) Pony, Hongkong Pony AI, Beijing (ZX) Pony and the shareholders of Beijing (ZX) Pony and the contractual arrangements by and among Guangzhou (HX) Pony, Hongkong Pony AI, Guangzhou (ZX) Pony and the shareholders of Guangzhou (ZX) Pony. For the complete text of these contractual arrangements, please see the copies filed as exhibits to the registration statement filed with the SEC of which this prospectus forms a part.

In the opinion of Haiwen & Partners, our PRC legal counsel, the contractual arrangements described below are valid, binding and enforceable upon each party to such arrangements in accordance with its terms and applicable PRC laws currently in effect. However, these contractual arrangements may not be as effective in providing control as direct ownership. There are substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations. Accordingly, the PRC

regulatory authorities may ultimately take a view contrary to or otherwise different from the opinion of our PRC legal counsel. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide. In addition, if the PRC regulatory authority finds that the agreements that establish the structure do not comply with PRC laws, we could be subject to severe penalties including being prohibited from continuing operations. For a description of the risks related to these contractual arrangements and our corporate structure, please see "Risk Factors — Risks Related to Our Corporate Structure."

Exclusive Business Cooperation Agreements

Under the exclusive business cooperation agreements among Beijing (HX) Pony, Hongkong Pony AI and Beijing (ZX) Pony, Beijing (HX) Pony has agreed to provide comprehensive business support, technology services and consulting services to Beijing (ZX) Pony in discretion of Beijing (HX) Pony, including business consultancy, intellectual property licensing, equipment leases and market consultancy.

Without Beijing (HX) Pony's prior written consent, Beijing (ZX) Pony may not accept any consultations and/or services regarding the matters contemplated by this agreement provided by any third party during the term of the agreement. Beijing (ZX) Pony has agreed to pay service fee to Beijing (HX) Pony for an amount equal to 100% of its net income. Beijing (HX) Pony has the exclusive ownership of all the intellectual property rights created as a result of the performance of the exclusive business cooperation agreement. The exclusive business cooperation agreement has an initial term of ten (10) years and shall be extended if confirmed in writing by Beijing (HX) Pony prior to the expiration. The extended term shall be determined by Beijing (HX) Pony, and Beijing (ZX) Pony shall accept such extended term unconditionally.

The exclusive business cooperation agreement among Guangzhou (HX) Pony, Hongkong Pony AI and Guangzhou (ZX) Pony contains terms substantially similar to the exclusive technology and consulting service agreement described above.

Share Pledge Agreements

Under the share pledge agreement among Beijing (HX) Pony, Hongkong Pony AI, Beijing (ZX) Pony, and the shareholders of Beijing (ZX) Pony, each of the shareholders of Beijing (ZX) Pony pledged his or her respective equity interest in Beijing (ZX) Pony to Beijing (HX) Pony to secure his or her obligations under the exclusive business cooperation agreement. Each of the shareholders of Beijing (ZX) Pony further agreed to not transfer or pledge his or her respective equity interest in Beijing (ZX) Pony without the prior written consent of Beijing (HX) Pony or unless otherwise specified under the exclusive option agreement. The shareholders of Beijing (ZX) Pony also covenant that, without the prior written consent of Beijing (HX) Pony or unless otherwise specified under the exclusive option agreement, they shall not transfer or agree to other's transfer of the pledged equity interests, create or allow any new pledge or any other encumbrance on the pledged equity interests. Each of the share pledge agreement shall remain binding until the contractual obligations under the exclusive business cooperation agreement are fully fulfilled and terminated, and the respective service fees have been fully paid. As the date of this prospectus, the equity pledges under the share pledge agreement have been registered with competent PRC regulatory authority.

The share pledge agreement among Guangzhou (HX) Pony, Hongkong Pony AI, Guangzhou (ZX) Pony and the shareholders of Guangzhou (ZX) Pony contains terms substantially similar to the share pledge agreement described above.

Exclusive Option Agreements

Under the exclusive option agreement among Beijing (HX) Pony, Hongkong Pony AI, Beijing (ZX) Pony, and the shareholders of Beijing (ZX) Pony, each of the shareholders of Beijing (ZX) Pony granted Beijing (HX) Pony an exclusive option to purchase all or a portion of his or her respective equity interest in Beijing (ZX) Pony at a price equal to the amount of the actual contribution of registered capital for the purchased equity interest, unless an appraisal is required by applicable PRC law. Each of Beijing (ZX) Pony and its shareholders agreed not to transfer, mortgage or permit any security interest to be created on any equity interest in Beijing (ZX) Pony unless otherwise specified under the share pledge agreement. The exclusive

option agreement has an initial term of ten (10) years, and at the end of the initial term shall be renewed for a further term as specified by Beijing (HX) Pony or automatically expended if Beijing (HX) Pony fails to determine the renewal.

The exclusive option agreement among Guangzhou (HX) Pony, Hongkong Pony AI, Guangzhou (ZX) Pony and the shareholders of Guangzhou (ZX) Pony contains terms substantially similar to the exclusive option agreement described above.

Powers of Attorney

Pursuant to the power of attorney granted by each shareholder of Beijing (ZX) Pony, each of the shareholders of Beijing (ZX) Pony irrevocably appointed Beijing (HX) Pony as their exclusive agent and attorney to act on their behalf on all shareholder matters of Beijing (ZX) Pony and exercise all rights as shareholders of Beijing (ZX) Pony. The powers of attorney will remain effective until such shareholder ceases to be a shareholder of Beijing (ZX) Pony or otherwise instructed by Beijing (HX) Pony.

Each of the power of attorney granted by each shareholder of Guangzhou (ZX) Pony contains terms substantially similar to the power of attorney described above.

Spousal Consents

Each of the spouses of the applicable individual shareholders of Beijing (ZX) Pony has signed a spousal consent. Under the spousal consent, the signing spouse undertook not to make any assertions in connection with the equity interests in Beijing (ZX) Pony held by his or her spouse. Moreover, the spouse agreed that the disposition of the equity interest in Beijing (ZX) Pony which is held by or registered under the name of his or her spouse shall be made pursuant to the above-mentioned share pledge agreement, exclusive option agreement and power of attorney. In addition, in the event that any of them obtains any equity interest in Beijing (ZX) Pony held by their respective spouses for any reason, such spouse agreed to be bound by similar obligations and agreed to enter into similar contractual arrangements.

Each of the spousal consent granted by the spouses of the applicable individual shareholders of Guangzhou (ZX) Pony contains terms substantially similar to the spousal consent described above.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" included elsewhere in this prospectus. Our fiscal year ends on December 31.

Overview

Pony.ai is a global leader in achieving large-scale commercialization of autonomous mobility.

- We are the only company in China that has obtained licenses to operate fully driverless vehicles in Beijing and Guangzhou, the first two cities that have issued fully driverless permits.
- We currently operate a fleet of over 290 robotaxis which has accumulated over 18 million kilometers of autonomous driving mileages, including over 800,000 kilometers of driverless mileages.
- We were among the first to offer fare-charging, public-facing robotaxi services. Our average daily orders received per robotaxi exceeded 10 in the first four months of 2023, setting a key milestone towards large-scale commercialization of Level 4 robotaxis.
- We currently operate a fleet of over 140 robotrucks, which has amassed over 2.3 million kilometers of autonomous driving mileages. Over the course of its commercial operations, our robotruck fleet offers hub-to-hub long-haul freight transportation across China, accumulating approximately 268.7 million freight ton-kilometers.
- We have built a thriving ecosystem of industry partners, including leading OEMs, TNCs and logistics platforms such as Toyota, SANY, OnTime Mobility and Sinotrans. From these partnerships, we have gained invaluable experience to mass commercialize our *Virtual Driver* technology with a goal to achieve positive unit economics for our next-generation autonomous driving solution.

With these milestones, Pony.ai is on track to achieve large-scale commercialization of our *Virtual Driver* technology. Specifically, we aim to develop a sustainable and profitable business model that enables the mass production and deployment of vehicles equipped with our *Virtual Driver* technology across transportation use cases, providing autonomous mobility to people and businesses around the world.

Key Factors Affecting Our Results of Operations

Our business and results of operations are affected by a number of general factors that impact our ability to capitalize on the growth of our total addressable market, including overall economic growth in China and globally, technological advancement, public perception towards our technology, geopolitical relations, regulatory oversight and competitive landscape within our industry. Changes in any of these general factors could affect our business and results of operations.

In addition, in light of the current stage of our development (particularly our large-scale commercialization efforts), we believe that our future financial position and results of operations depend to a significant extent on (i) our ability to execute our go-to-market strategies to commercialize our technology at scale, (ii) our R&D efforts and investments, (iii) our strategic partnerships, and (iv) our operational efficiency, as elaborated below:

Our Ability to Execute Our Go-to-Market Strategies to Commercialize Our Autonomous Driving Technology at Scale

Our ability to generate sustainable revenues and become financially profitable in the long term depends largely upon the progression of the large-scale commercial deployment of our autonomous driving technology. To date, we have achieved milestones in developing our *Virtual Driver* that enables safe, reliable autonomous

driving experience, and we are transitioning from technology development to mass deployment across different commercial use cases, primarily robotaxi and robotruck services:

- ***Robotaxi services***: We are the only company in China that has obtained licenses to operate fully driverless vehicles in Beijing and Guangzhou, the first two cities that have issued fully driverless permits, and have begun to offer public-facing fare-charging robotaxi services with safety drivers in Beijing and Guangzhou. We operate a fleet consisting of over 290 robotaxis.
- ***Robotruck services***: We have deployed a fleet of over 140 robotrucks, consisting of both Level 2++ intelligent trucks and Level 4 autonomous trucks, with safety drivers to fulfill its freight orders within its existing nationwide logistics network.
- ***Licensing and applications***: Our licensing and applications business has secured ADAS solution contracts from OEMs. We are also exploring additional monetization opportunities by capitalizing on our robust technology capabilities to offer POV intelligent driving solutions and other value-added technological services.

While we have started generating revenues from these initial commercialization attempts, we expect both the scale and composition of our revenues to vary significantly once we achieve large-scale commercial deployment of our autonomous driving technology through executing our go-to-market strategies. Specifically, we will focus on generating revenues for our robotaxi and robotruck services in the near future. For details of our go-to-market strategies for our robotaxi and robotruck services as well as licensing and applications, see "Business — Our Go-to-Market Strategies." However, should our assumptions about our go-to market strategies prove overly optimistic, or if we fail to execute our go-to-market strategies cost-effectively and achieve significant milestones along the way towards commercialization, we may fail to generate revenues and operating cash flow and may experience delays to our ability to achieve profitability. This may also result in changes in our go-to-market strategies, which could lead to unanticipated cost overruns. See "Risk Factors — Risks Related to Our Business and Industry — Autonomous driving is an emerging and rapidly evolving technology and involves significant risks and uncertainties."

Continued Investments in Technology Development and Innovation

We believe our leadership in the autonomous driving industry is underpinned by our robust technological capabilities. We have historically dedicated significant resources towards research and development. In 2022, we recorded research and development expenses of US$153.6 million, among which over 70% was employee compensation for our research and development staff. Specifically, we have invested heavily in recruiting and retaining talent, especially engineers and scientists with expertise and experience in machine learning, software algorithms, and vehicle engineering. As we believe our market success and financial performance will significantly depend on our ability to maintain our technological leadership, we will continue to invest in technology development and innovation to grow our competitive strengths against our peers. As our business expands, we also seek to consolidate our internal research and development functions to optimize resource allocation and improve efficiency in technology development.

Our Ability to Deepen and Expand Strategic Partnerships

We have historically benefited from our strategic relationships with business partners, including leading OEMs, TNCs, logistics platforms, hardware component companies and other industry stakeholders. These strategic partnerships have allowed us to focus our endeavors on technology development while improving our ability to scale and monetize our technology globally in the long run. To achieve large-scale commercial deployment of our autonomous driving technology, we plan to deepen our relationships with existing partners and explore new collaboration opportunities across different areas. For example, we will continue to collaborate with leading OEMs on the one hand, to rapidly scale our autonomous vehicle fleets, and with TNCs and logistics platforms on the other hand to accelerate the commercial deployment of our robotaxi and robotruck services. Guided by our established go-to-market strategies, we will also seek to expand our collaborative ecosystem along the industry value chain.

Our Ability to Improve Operating Efficiency

We aim to improve operating efficiency in every aspect of our business, such as research and development, supply chain, collaboration with business partners, sales and marketing, as well as service

offerings. As we continue to scale our autonomous driving technology, we also intend to improve our operational efficiency with a view towards achieving long-term profitability. For example, while we currently operate our autonomous vehicle fleets by ourselves, we may seek to collaborate with third-party "fleet companies" funded by third-party fleet owners, which, under such proposed business model, will bear substantially all of capital expenditure related to fleet acquisition and other fleet operating costs and expenses. Additionally, we have sought to enhance the management of our operating expenses by implementing various expense control measures. As a result, our cost mix and operating expenses may vary significantly in the future as our revenue models continue to evolve and as our operating efficiency continues to improve through economies of scale.

Key Components of Results of Operations

Revenues

We are at a relatively early stage of generating revenues and diversifying our customer base. In the past, we have generated our revenues from (i) robotaxi services, (ii) robotruck services, and (iii) licensing and applications and have experienced significant changes in our revenue mix. We expect the scale and composition of our revenues to continue to vary significantly in the future as we continue to execute our go-to market strategies.

The following table sets forth a breakdown of our revenues by business activities, in absolute amounts and as percentages of total revenues, for the years indicated.

	Year Ended December 31,			
	2021		2022	
	US$	%	US$	%
	(in thousands, except for percentages)			
Revenues				
Robotaxi services	3	0.0	8,967	13.1
Robotruck services	83	1.0	22,368	32.7
Licensing and applications	8,031	99.0	37,051	54.2
Total revenues	**8,117**	**100.0**	**68,386**	**100.0**

Robotaxi services. We generate robotaxi revenues primarily by (a) providing a comprehensive suite of AV engineering solutions, including AV software deployment and maintenance, vehicle integration and engineering and road testing, to leading OEMs and TNCs, helping them seamlessly integrate our autonomous driving technology with their vehicle platforms, and to a much lesser extent, and (b) charging passengers fare for their rides with our robotaxis. We currently offer fare-charging robotaxi services in Beijing and Guangzhou, and we intend to introduce such services to broader geographies in China in the future through self-owned fleets and/or fleets owned and operated by third-party fleet companies.

As the commercial deployment of our robotaxi services accelerates, we expect our robotaxi revenues to continue to grow both in absolute amount and by percentage of our total revenues in the future. In particular, revenues generated from passenger fare, as well as fees generated from operating robotaxis for TNCs and fleet companies, where applicable, are expected to increase alongside the growth of our own and/or third-party owned robotaxi fleets as we approach large-scale commercialization in the long run. Additionally, we will continue to adapt our revenue model based on market conditions and explore additional monetization opportunities for our robotaxi services. For additional information, see "Business — Our Go-to-Market Strategies."

Robotruck services. We generate robotruck revenues mainly by using our robotruck fleets to provide paid transportation services to logistics platforms. We charge them service fees by mileage depending on specific transport routes and/or by tonnage. As we continue to scale our robotruck fleets, we expect such revenues to grow in the near future.

Currently, we also generate a limited portion of our robotruck revenues from offering our full-stack *Virtual Driver* to truck OEMs, which integrate our technology into their vehicle platforms to enable

autonomous driving functionality. We expect such revenues to continue to increase in the near future. As the customer base for our *Virtual Driver* continues to grow, we may develop new robotruck revenue streams including charging these customers recurring licensing fees for using our *Virtual Driver* technology.

Licensing and applications. We generate licensing and applications revenues primarily through (a) offering POV intelligent solutions, including intelligent driving software solutions, proprietary vehicle domain controller products and data analytics tools to OEMs and robotic vehicle companies to empower such vehicles to achieve higher levels of driving automation; and (b) providing certain value-added technological services, such as vehicle integration services, and software development and licensing services, to sensor and hardware component suppliers as well as other industry participants, helping them better adapt their products and solutions to autonomous driving use cases and building smart transport system.

While we have historically generated a significant portion of our revenues from licensing and applications, we expect our licensing and applications revenues, as a percentage of our total revenues, to decrease in the long term as we continue to grow our robotaxi and robotruck revenues.

By the nature of services based on the revenue recognition policies applicable to such services, our revenue streams can also be categorized into (i) engineering solution services, representing primarily the services and software solutions we offer to OEMs and other industry participants, (ii) virtual driver operation services, consisting of fare we collect from passengers for their rides with our robotaxis, and transportation service fees we charge logistics platforms, and (iii) sales of products, including AV hardware kit used in our *Virtual Driver* and our vehicle domain controller products. In 2021, revenues generated from engineering solution services, virtual driver operation services and sales of products were US$8.0 million, US$0.1 million and nil, respectively. In 2022, revenues generated from engineering solution services, virtual driver operation services and sales of products were US$45.0 million, US$21.4 million and US$2.0 million, respectively. For details, see Note 2(k) to our audited consolidated financial statements included elsewhere in this prospectus.

Cost of revenues

Our cost of revenues consists primarily of (i) fleet operation expenses, primarily representing tolls and fuel costs incurred by our self-owned robotaxi and robotruck fleets, third-party transportation expenses and other expenses relating to fleet operations and maintenance, (ii) employee compensation representing salaries, welfare and bonuses for our engineers, safety drivers and other personnel in relation to the provision of our services and solutions to customers, (iii) direct operating and materials costs, consisting primarily of expenses relating to materials and supplies and R&D support and other third-party professional services in relation to the provision of our services and solutions to customers, and (iv) others, mainly including travelling expenses, depreciation and amortization, and other office and utility expenses.

Similar to trends in our revenues in 2021 and 2022, our cost mix experienced significant changes in the historical periods as we remained in relatively early stages of commercialization and diversifying our revenue streams. As a result, we expect the amounts and composition of our cost of revenues to continue to evolve in the near future.

The following table sets forth a breakdown of our cost of revenues, both in absolute amounts and as percentages of total cost of revenues.

	Year Ended December 31,			
	2021		2022	
	US$	%	US$	%
	(in thousands, except for percentages)			
Cost of revenues				
Fleet operation expenses	133	7.4	18,658	51.3
Employee compensation	896	49.6	9,249	25.5
Direct operating and material costs	416	23.0	7,807	21.5
Others	362	20.0	608	1.7
Total cost of revenues	**1,807**	**100.0**	**36,322**	**100.0**

Operating expenses

The following table sets forth a breakdown of our operating expenses, both in absolute amounts and as percentages of our total operating expenses, for the years indicated.

	Year Ended December 31,			
	2021		2022	
	US$	%	US$	%
	(in thousands, except for percentages)			
Operating expenses				
Research and development expenses	170,597	77.0	153,601	75.7
Selling, general and administrative expenses	51,018	23.0	49,178	24.3
Total operating expenses	**221,615**	**100.0**	**202,779**	**100.0**

Research and development expenses

Our research and development expenses consist primarily of (i) employee compensation, representing salaries, welfare and bonuses as well as share-based compensation for our research and development staff, which include engineers and other personnel responsible for the design, development and testing of our autonomous driving technology, (ii) development and testing expenses, consisting primarily of expenses relating to materials and supplies, third-party research and development and other professional services, and vehicle operations, testing and maintenance for research and development purpose, (iii) depreciation and amortization in relation to our vehicles for research and development purposes, server and network equipment, (iv) others, mainly including rental and office administrative expenses in relation to our research and development activities.

The following table sets forth a breakdown of our research and development expenses, both in absolute amounts and as percentages of our total research and development expenses, for the years indicated.

	Year Ended December 31,			
	2021		2022	
	US$	%	US$	%
	(in thousands, except for percentages)			
Research and development expenses				
Employee compensation	132,305	77.6	108,772	70.8
Development and testing expenses	20,329	11.9	25,014	16.3
Depreciation and amortization	12,120	7.1	15,789	10.3
Others	5,843	3.4	4,026	2.6
Total research and development expenses	**170,597**	**100.0**	**153,601**	**100.0**

Selling, General and Administrative Expenses

Our selling, general and administrative expenses consist primarily of (i) employee compensation, representing salaries, welfare and bonuses as well as share-based compensation for our selling, general and administrative employees, (ii) professional service expenses, which consist primarily of outsourcing fees relating to human resources and IT functions and fees paid to auditors and external legal counsel, (iii) rental and office administrative expenses, and (iv) others, mainly including depreciation and amortization.

The following table sets forth a breakdown of our selling, general and administrative expenses, both in absolute amounts and as percentages of our total selling, general and administrative expenses, for the years indicated.

	Year Ended December 31,			
	2021		2022	
	US$	%	US$	%
	(in thousands, except for percentages)			
Selling, general and administrative expenses				
Employee compensation	26,783	52.5	30,267	61.6
Professional services	10,265	20.1	9,890	20.1
Rental and office administrative expenses	10,171	19.9	6,251	12.7
Others	3,799	7.5	2,770	5.6
Total selling, general and administrative expenses	**51,018**	**100.0**	**49,178**	**100.0**

Investment income

Our investment income consists primarily of interest on time and structured deposits and gains from investments.

Changes in fair value of warrant liabilities

Our changes in fair value of warrant liabilities arise from changes in the carrying amount of the warrants that we issued to some of our Series C and Series D investors, which allowed the investors to acquire our Series C and Series D preferred shares after the investors obtain the requisite outbound direct investment approval from relevant regulatory authorities in China. As we expect the warrants to be exercised in full prior to the completion of this offering, we anticipate the warrant liabilities as well as changes in fair value thereof to vanish in future periods. For further information, see Note 12 to our audited consolidated financial statements included elsewhere in this prospectus.

Other income and expenses

Our other income include primarily government grants and foreign exchange gains. Our other expenses include foreign exchange losses and interest expenses of loans payable to potential investors who currently hold warrants to acquire shares of our company.

Taxation

Cayman Islands

We are incorporated in the Cayman Islands. Under the current tax laws of the Cayman Islands, we are not subject to tax on our income or capital gains. In addition, payments of dividends and capital in respect of our shares are not subject to taxation, and no withholding will be required in the Cayman Islands on the payment of any dividend or capital to any holder of our shares, nor will gains derived from the disposal of our shares be subject to the Cayman Islands income or corporation tax.

United States

Our subsidiary incorporated in the United States, namely Pony.ai, Inc., is subject to income tax in the United States at the rate of 21% for each of the years ended December 31, 2021 and 2022.

Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, from the year of assessment in 2018 and 2019 onwards, our subsidiaries in Hong Kong are subject to profits tax at the rate of 8.25% on assessable profits up to HK$2 million; and 16.5% on any part of assessable profits over HK$2 million. The payments of dividends by our Hong Kong subsidiaries to their shareholders are not subject to any Hong Kong withholding tax.

PRC

Under the PRC Enterprise Income Tax Law effective from January 1, 2008, which was most recently amended December 29, 2018, our subsidiaries, the VIEs and their subsidiaries, which are entities incorporated in the PRC, are subject to the statutory rate of 25%, except for preferential tax treatments available to qualified enterprises in certain encouraged sectors of the economy.

For example, enterprises that qualify as "high and new technology enterprises" are entitled to a preferential rate of 15% subject to renewal every three years. Certain of our PRC subsidiaries, the VIEs and the VIEs' subsidiaries, namely Beijing (HX) Pony, Beijing (ZX) Pony, Guangzhou (ZX) Pony, Guangzhou (HX) Pony, Jiangsu Rye Data Technology Co., Ltd., Shenzhen (YX) Pony and Beijing (YX) Pony were recognized as "high and new technology enterprises", and therefore enjoyed a preferential tax rate of 15% for three years starting from 2018, 2018, 2019, 2020, 2021, 2022 and 2022, respectively.

As a Cayman Islands holding company, we may receive dividends from our PRC subsidiaries through Hongkong Pony AI Limited. The PRC EIT Law and its implementing rules provide that dividends paid by a PRC entity to a nonresident enterprise for income tax purposes is subject to PRC withholding tax at a rate of 10%, and may be subject to reduction by an applicable tax treaty with China. Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise may be reduced to 5% from a standard rate of 10% if the Hong Kong enterprise (i) directly holds at least 25% of the PRC enterprise, (ii) is a tax resident in Hong Kong and (iii) could be recognized as a Beneficial Owner of the dividend from PRC tax perspective. We did not record any dividend withholding tax, as our WFOE, which is a foreign investment enterprise, did not have any retained earnings in any of the periods presented.

If our holding company in the Cayman Islands or any of our subsidiaries outside of China were deemed to be a "resident enterprise" under the PRC EIT Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See "Risk Factors — Risks relating to Doing Business in China — We may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and non-PRC holders of our ADSs or ordinary shares and have a material adverse effect on our results of operations and the value of your investment."

Results of Operations

The results of operations presented below should be reviewed in conjunction with the consolidated financial statements and notes included elsewhere in this prospectus. Due to the early stage of our commercialization efforts and our significant investments in R&D in the past, our historical results may not be indicative of our future results of operations. The following table sets forth our consolidated results of operations data both in absolute amounts and as percentages of our total revenue for the years indicated:

	Year Ended December 31,			
	2021		2022	
	US$	%	US$	%
	(in thousands, except for percentages)			
Revenues	8,117	100.0	68,386	100.0
Cost of revenues	(1,807)	(22.3)	(36,322)	(53.1)
Gross profit	**6,310**	**77.7**	**32,064**	**46.9**
Operating expenses:				
Research and development expenses[(1)]	(170,597)	(2,101.7)	(153,601)	(224.6)
Selling, general and administrative expenses[(1)]	(51,018)	(628.5)	(49,178)	(71.9)
Total operating expenses	**(221,615)**	**(2,730.2)**	**(202,779)**	**(296.5)**
Loss from operations	**(215,305)**	**(2,652.5)**	**(170,715)**	**(249.6)**
Investment income	3,605	44.4	8,890	13.0
Changes in fair value of warrant liabilities	(13,303)	(163.9)	3,887	5.7
Other income – net	846	10.4	9,614	14.1
Loss before income tax	**(224,157)**	**(2,761.6)**	**(148,324)**	**(216.8)**
Income tax (expenses) benefits	(547)	(6.7)	74	0.1
Net loss	**(224,704)**	**(2,768.3)**	**(148,250)**	**(216.7)**
Less: Net loss attributable to non-controlling interests	—	—	(232)	(0.3)
Net loss attributable to Pony AI Inc.	**(224,704)**	**(2,768.3)**	**(148,018)**	**(216.4)**

Note:

(1) Includes share-based compensation expenses:

	Year Ended December 31,	
	2021	2022
	US$	US$
	(in thousands)	
Research and development expenses	37,159	13,405
Selling, general and administrative expenses	3,903	5,178

Year Ended December 31, 2021 Compared to Year Ended December 31, 2022

Revenues

Our total revenues increased significantly from US$8.1 million in 2021 to US$68.4 million in 2022 as we transitioned from research and development towards large-scale commercialization through our early-stage efforts in executing our go-to market strategies focused on both robotaxi and robotruck services.

Robotaxi services. Our revenues generated from robotaxi services increased from US$3 thousand in 2021 to US$9.0 million in 2022, due to the increase of US$9.0 million in service fees received from the provision of AV engineering solutions. Such increase in service fees was driven by an increasing number of AV engineering solutions offered to OEMs and TNCs. To a much lesser extent, the increased robotaxi services revenues were also due to the increase in fare we collected from passengers as we launched and scaled our public-facing fare-charging robotaxi operations in Beijing and Guangzhou, which was still at a nascent stage in terms of commercialization.

Robotruck services. Our revenues generated from robotruck services increased significantly from US$83 thousand in 2021 to US$22.4 million in 2022, which was mainly attributable to the increase in transportation service fees that Sinotrans paid to Cyantron, an entity founded by us (as the controlling shareholder) and Sinotrans in 2022. Built upon our strategic partnership with Sinotrans, Cyantron was

formed to explore commercialization opportunities in the robotruck services markets. Cyantron offers paid transportation services to Sinotrans to fulfill its freight orders across China with a fleet of over 120 robotrucks as of the date of this prospectus, consisting of both Level 2++ intelligent trucks and Level 4 autonomous trucks with safety drivers.

Licensing and applications. Our revenues generated from licensing and applications increased from US$8.0 million in 2021 to US$37.1 million in 2022, primarily due to the increases in (i) service fees of US$23.4 million received from a growing number of projects for our value-added technological services provided to industry participants, and (ii) revenues generated from POV intelligent driving solutions of US$5.7 million.

Cost of revenues

Our cost of revenues increased significantly from US$1.8 million in 2021 to US$36.3 million in 2022, which was generally in line with our business growth. Specifically, the increase in our cost of revenues was primarily due to the increases in (i) fleet operation expenses of US$18.5 million driven by our expanded robotaxi and robotruck fleets, (ii) employee compensation of US$8.4 million as a result of a growing number of engineers and other personnel being assigned to support our revenue generation as the commercial deployment of our technology accelerated, and (iii) direct operating and material costs of US$7.4 million as our business continued to scale.

Gross profit and gross margin

As a result of the foregoing, our gross profit increased significantly from US$6.3 million in 2021 to US$32.1 million in 2022. Our gross margin decreased from 77.7% in 2021 to 46.9% in 2022 primarily due to change in revenue mix. Specifically, our robotruck services had a relatively lower gross margin at its current early stage of commercialization. This was mainly because the original cost structure of traditional trucking, consisting primarily of labor costs incurred by truck drivers and fuel costs, largely remained unchanged while we have incurred substantial incremental costs developing, testing and applying our technology to robotruck use cases. Since our robotruck revenues grew rapidly in 2022, our overall gross margin declined during the same year. As the commercialization of fully driverless robotrucks continues to advance, and traditional costs of trucking, including labor costs incurred by truck drivers and fuel costs, are expected to be either reduced or eliminated, we expect the gross margin for our robotruck services to improve in the long run once we achieve large-scale commercialization with respect to our robotruck services.

Operating expenses

Our operating expenses decreased by 8.5% from US$221.6 million in 2021 to US$202.8 million in 2022.

Research and development expenses

Our research and development expenses decreased by 10.0% from US$170.6 million in 2021 to US$153.6 million in 2022, attributable primarily to decreased employee compensation. Our employee compensation decreased from US$132.3 million in 2021 to US$108.8 million in 2022, mainly because we recognized a smaller amount of share-based compensation expenses in 2022. Excluding the impact from share-based compensation, other employee compensation increased in 2022 primarily driven by the rising average research and development staff headcount to support our technology development and business growth. The decrease in expenses in relation to research and development staff in 2022 was partially offset by the increases in development and testing expenses and depreciation and amortization in the amount of US$8.4 million, which were generally in line with our business growth.

Selling, general and administrative expenses

Our selling, general and administrative expenses decreased by 3.5% from US$51.0 million in 2021 to US$49.2 million in 2022, attributable primarily to the decreased rental and office administrative expenses. Our rental and office administrative expenses decreased from US$10.2 million in 2021 to US$6.3 million in 2022 primarily due to the decrease in rent as we terminated certain of our leases for office space to optimize cost management and improve operational efficiency. The decrease in rental and office administrative

expenses was partially offset by the increase in employee compensation in the amount of US$3.5 million, driven by the rising average employee headcount to support our rapid business growth.

Investment income

Our investment income increased from US$3.6 million in 2021 to US$8.9 million in 2022, primarily due to our increased interest on bank time deposit and investment gains from wealth management products.

Changes in fair value of warrant liabilities

We recorded loss in fair value of warrant liabilities of US$13.3 million in 2021, and recorded gains in fair value of warrant liabilities of US$3.9 million in 2022. The movement of changes in the fair value of warrant liabilities was mainly due to its decreased remaining life in 2022.

Other income – net

We recorded other income – net, of US$0.8 million in 2021 and US$9.6 million in 2022. The increase in other income – net was attributable primarily to increased government grants and net foreign exchange gains.

Income tax benefits (expenses)

We recorded income tax expenses of US$0.5 million in 2021, and recorded income tax benefits of US$0.1 million in 2022, primarily due to the change in deferred tax liabilities and current tax payable of Pony US.

Net loss

As a result of the foregoing, we recorded net loss of US$224.7 million and US$148.3 million in 2021 and 2022, respectively.

Discussion of Key Balance Sheet Items

Cash and cash equivalents, short-term investments and restricted cash

Cash and cash equivalents, short-term investments and restricted cash constitute our most liquid assets. Short-term investments include portfolio investments which are of high liquidity and are unrestricted for withdrawal or use and have maturities of one year or less. These investments normally offer returns higher than bank deposits, maintain relatively low risk, and provide sufficient liquidity as they are redeemable upon short notice. We therefore consider such investments part of our cash management program. Restricted cash consists primarily of our security deposits held in designated bank accounts for our office lease contracts in the United States and for the issuance of letter of guarantee.

The total amount of our cash and cash equivalents, short-term investments and restricted cash increased from US$419.2 million as of December 31, 2021 to US$580.2 million as of December 31, 2022. This was primarily due to the increase in short-term investments of US$85.5 million as we increased our investment in short-term wealth management products to benefit from the rising short-term interest rate, and the increase in cash and cash equivalents of US$73.7 million as well as the increase in restricted cash of US$1.8 million, attributable primarily to the cash generated from financing activities and redemption of our investment in certain wealth management products.

Long-term investments

Long-term investments consist primarily of our investments in marketable debt securities and equity investments in certain private companies. Our long-term investments decreased from US$227.2 million as of December 31, 2021 to US$80.7 million as of December 31, 2022 as a result of our shifting investment focus towards short-term investments in 2022.

Property, equipment and software, net

Our property, equipment and software consist of (i) computer and equipment, including servers, computers and other network equipment, (ii) vehicle and equipment for technology development and commercial operations, (iii) leasehold improvements, (iv) software necessary for our technology development, (v) furniture and fixtures in our office space, and (vi) finance lease right-of-use assets. The carrying value of our property, equipment and software, after deducting accumulated depreciation and amortization, amounted to US$33.9 million and US$26.8 million in 2021 and 2022, respectively.

Liquidity and Capital Resources

Prior to this offering, our principal sources of liquidity have been cash raised from the issuance of preferred shares. As of December 31, 2022, we had a total of US$577.9 million in cash and cash equivalents and short-term investments, of which 27.7% were denominated in Renminbi and held by our PRC subsidiaries and the VIEs and their subsidiaries in China. The remaining cash and cash equivalents and short-term investments were denominated in U.S. dollars and held by our company and our subsidiaries in Hong Kong or the United States. Our cash and cash equivalents and short-term investments consist primarily of cash on hand, bank time deposit and highly-liquid investments placed with multiple banks or other financial institutions across geographic locations, which are unrestricted for withdrawal or use and have original maturities of 12 months or less. We manage these liquid assets in a prudent manner to mitigate cash management risks.

Based on our current operating plan, we believe that the net proceeds from this offering, together with our existing cash and cash equivalents and anticipated cash flow from operations, will be sufficient to meet our anticipated working capital requirements and capital expenditures for at least the next 12 months following the date of this prospectus. We may, however, require additional cash due to changing business conditions or other future developments, including any investments or acquisitions we may decide to pursue. If our existing cash is insufficient to meet our requirements, we may seek to issue debt or equity securities or obtain credit facilities. Financing may be unavailable in the amounts we need or on terms acceptable to us, if at all. Issuance of additional equity securities, including convertible debt securities, would dilute our earnings per share. The incurrence of debt would divert cash for working capital and capital expenditures to service debt obligations and could result in operating and financial covenants that restrict our operations and our ability to pay dividends to our shareholders. If we are unable to obtain additional equity or debt financing as required, our business operations and prospects may suffer. See "Risk Factors — Risks Related to Our Business and Industry — We require a significant amount of capital to fund our operations and growth. If we cannot obtain sufficient capital on acceptable terms, our business, financial condition and prospects may be materially and adversely affected."

Cash Flows

The following table summarizes our cash flows for the years indicated:

	Year Ended December 31,	
	2021	2022
	US$	US$
	(in thousands)	
Net cash used in operating activities	(146,144)	(154,768)
Net cash provided by investing activities	54,833	49,329
Net cash provided by financing activities	121,874	191,573
Effect of exchange rate changes on cash and cash equivalents	2,383	(10,607)
Increase in cash and cash equivalents	32,946	75,527
Cash, cash equivalents and restricted cash at beginning of year	210,045	242,991
Cash, cash equivalents and restricted cash at end of year	242,991	318,518

Operating activities

Net cash used in operating activities was US$146.1 million for the year ended December 31, 2021, attributable primarily to net loss of US$224.7 million, adjusted for (i) non-cash items of US$74.9 million,

which consisted primarily of share-based compensation, depreciation and amortization and changes in fair value of warrant liabilities, and (ii) a net increase of US$3.7 million in changes in operating assets and liabilities. The net increase in changes in operating assets and liabilities was attributable primarily to the increase in accounts payable and other current liabilities of US$12.4 million mainly due to the rising payroll and related expenses driven by the increased average number of employees in 2021, partially offset by the increase in prepaid expenses and other current assets of US$6.7 million which was generally in line with our business growth.

Net cash used in operating activities was US$154.8 million for the year ended December 31, 2022, attributable primarily to net loss of US$148.3 million, adjusted for (i) non-cash items of US$27.3 million, which consisted primarily of share-based compensation and depreciation and amortization, and (ii) a net decrease of US$33.8 million in changes in operating assets and liabilities. The net decrease in changes in operating assets and liabilities was attributable primarily to the increases in (a) accounts receivables of US$26.5 million as the commercialization of our technology continued to progress, (b) right-of-use assets of US$9.9 million due to accounting treatments with regard to our leased properties, and (c) prepaid expenses and other current assets of US$9.9 million, generally in line with our business expansion, partially offset by the increase in accounts payable and other current liabilities of US$19.0 million mainly due to the rising payroll and related expenses driven by the increased average number of employees in 2022.

Investing activities

Net cash provided by investing activities was US$54.8 million for the year ended December 31, 2021. This was attributable primarily to proceeds from the sales and maturities of investments in marketable securities of US$512.8 million, partially offset by purchases of investments in marketable securities of US$428.6 million and purchases of property and equipment of US$25.4 million.

Net cash provided by investing activities was US$49.3 million for the year ended December 31, 2022. This was attributable primarily to proceeds from the sales and maturities of investments in marketable securities of US$274.1 million, partially offset by purchases of investments in marketable securities of US$198.2 million and purchases of long-term investments of US$15.0 million.

Financing activities

Net cash provided by financing activities was US$121.9 million for the year ended December 31, 2021. This was attributable primarily to net proceeds from issuance of Series C+ convertible redeemable preferred shares of US$100.0 million and net proceeds from issuance of Series C convertible redeemable preferred shares of US$20.0 million.

Net cash provided by financing activities was US$191.6 million for the year ended December 31, 2022. This was attributable primarily to net proceeds from issuance of Series D convertible redeemable preferred shares of US$186.3 million and capital contribution from non-controlling shareholders of subsidiaries of US$7.5 million.

Material Cash Requirements

Our material cash requirements as of December 31, 2022 and any subsequent interim period include primarily our capital expenditures and contractual obligations. We intend to fund our material cash requirements with our cash balance and proceeds from this offering. We will continue to make cash commitments, including capital expenditures, to meet the expected growth of our business.

Capital expenditures

We made capital expenditures of US$25.4 million and US$12.0 million in 2021 and 2022, respectively. Historically, our capital expenditures were primarily made in connection with the purchases of (i) vehicle and equipment for technology development and commercial operations, (ii) computer and equipment, including servers, computers and other network equipment, (iii) leasehold improvement, (iv) software necessary for our technology development and (v) furniture and fixtures.

Contractual obligations

Our contractual obligations as of December 31, 2022 included lease commitments and purchase commitment.

The following table sets out our lease commitments as of December 31, 2022.

	Payment due by December 31,					
	Total	2023	2024	2025	2026	2027 and thereafter
	(in thousands)					
Lease commitments	11,100	5,821	4,382	716	73	108

In addition, we also had US$12.0 million in purchase commitment as of December 31, 2022, which represents the contractual consideration for our committed procurement of sensors from a third party to be delivered in 2023 and 2024 pursuant to a purchase agreement we entered into in December 2022.

Internal Control over Financial Reporting

Prior to this offering, we have been a private company with limited accounting and financial reporting personnel and other resources to address our internal controls and procedures. In connection with the audit of our consolidated financial statements as of and for the years ended December 31, 2021 and 2022 included in this prospectus, we and our independent registered public accounting firm identified one material weakness in our internal control over financial reporting. As defined in the standards established by the Public Company Accounting Oversight Board of the United States, a "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness identified relates to short of sufficient skilled staff with U.S. GAAP knowledge for the purpose of financial reporting, to ensure proper financial reporting to comply with U.S. GAAP and SEC requirements. Neither we nor our independent registered public accounting firm undertook a comprehensive assessment of our internal control for purposes of identifying and reporting material weaknesses and other deficiencies in our internal control over financial reporting. Had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional deficiencies may have been identified.

To remedy our identified material weakness, we have started to undertake steps to strengthen our internal control over financial reporting. We have hired a number of finance staff who are members of the American Institute of Certified Public Accountants or Chinese Institute of Certified Public Accountants and will continue to hire more accounting personnel to strengthen the financial reporting function and setting up a financial and system control framework. We have implemented regular U.S. GAAP and SEC financial reporting training programs for our accounting and financial personnel. We are developing and in the process of implementing a comprehensive set of period-end financial reporting policies and procedures.

The process of designing and implementing an effective financial reporting system is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a financial reporting system that is adequate to satisfy our reporting obligation. See "Risk Factors — Risks Related to Our Business and Industry — If we fail to implement and maintain an effective system of internal control over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence and the market price of our ADS may be materially and adversely affected."

Holding Company Structure

Pony AI Inc. is a holding company with no material operations of its own. We conduct our operations mainly through our subsidiaries and the VIEs and their subsidiaries. As a result, our ability to pay dividends depends upon dividends paid by our subsidiaries. If our subsidiaries incur debt on their own behalf in the

future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our subsidiaries in China are permitted to pay dividends to us only out of their retained earnings, if any, as determined in accordance with the PRC accounting standards and regulations. Under the PRC law, each of our subsidiaries and the VIEs and their subsidiaries in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of its registered capital. In addition, each of our PRC subsidiaries and the VIEs may allocate a portion of its after-tax profits based on PRC accounting standards to a discretionary surplus fund at its discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends. Remittance of dividends by a wholly foreign-owned company out of China is subject to examination by the banks designated by the SAFE. Our PRC subsidiaries have not paid dividends and will not be able to pay dividends until they generate accumulated profits and meet the requirements for statutory reserve funds.

We are permitted under PRC laws and regulations to provide funding to our PRC subsidiaries in China through capital contributions or loans, subject to the approval of regulatory authorities and limits on the amount of capital contributions and loans. In addition, our subsidiaries in China may provide RMB funding to the VIEs only through entrusted loans. See "Risk Factors — Risks Related to Doing Business in China — PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may restrict or delay us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiaries and making loans to the VIEs or their subsidiaries, which could adversely affect our liquidity and our ability to fund and expand our business" and "Use of Proceeds." The ability of our subsidiaries in China to make dividends or other cash payments to us is subject to various restrictions under PRC laws and regulations. See "Risk Factors — Risks Related to Doing Business in China — We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business" and "Risk Factors — Risks Related to Doing Business in China — We may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and non-PRC holders of our ADSs or ordinary shares and have a material adverse effect on our results of operations and the value of your investment."

Critical Accounting Estimates

An accounting estimate is considered critical if it requires to be made based on assumptions about matters that are highly uncertain at the time such estimate is made, and if different accounting estimates that reasonably could have been used, or changes in the accounting estimate that are reasonably likely to occur periodically, could have materially impact to the consolidated financial statements.

We prepare our consolidated financial statements in conformity with U.S. GAAP, which requires us to make estimates and assumptions. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experiences and various other assumptions that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from our expectations as a result of changes in our estimates. Some of our accounting policies require a higher degree of judgment than others in their application and require us to make significant accounting estimates.

The following descriptions of critical accounting estimates should be read in conjunction with our consolidated financial statements and other disclosures included in this prospectus. For further information, see Note 2 to our consolidated financial statements in this this prospectus.

Share-Based Compensation

We grant share-based awards such as share options, restricted stock awards ("RSAs"), and restricted stock units to eligible employees. We account for these share-based awards in accordance with ASC Topic 718.

Share-based awards granted are measured at fair value on grant date or modification date and share-based compensation expense is recognized (a) for awards with only service condition, using the straight-line attribution method, net of actual forfeitures, over the vesting period; (b) for awards with service condition and performance condition, the share-based compensation expenses are recorded when the performance

condition is considered probable using the graded vesting method. Where the occurrence of an IPO is a performance condition, cumulative share-based compensation expenses for the awards that have satisfied the service condition should be recorded upon the occurrence of an IPO. Management performs the probability assessment of achievement of the performance conditions on a quarterly basis by reviewing external and internal factors.

We selected the Black-Scholes option-pricing model as the method for determining the estimated fair value for share options. The Black-Scholes option-pricing model requires the use of highly subjective and complex assumptions, which determine the fair value of share-based awards, including the option's expected term, the price volatility of the underlying stock, risk-free interest rate and expected dividend yield.

Fair Value of Ordinary Shares

Prior to this offering, we have been a private company with no quoted market prices for our ordinary shares. We therefore needed to make estimates of the fair value of our ordinary shares at various dates for the purpose of determining the fair value of our ordinary shares at the date of the grant of share-based compensation award to our employees as one of the inputs.

Valuations of our ordinary shares were determined in accordance with the guidelines outlined in the American Institute of Certified Public Accountants' Practice Aid, Valuation of Privately Held Company Equity Securities Issued as Compensation, and with the assistance of an independent valuation firm from time to time. The assumptions we use in the valuation model are based on future expectations combined with management judgment, with inputs of numerous objective and subjective factors, to determine the fair value of our ordinary shares, including the following factors:

- conditions in the industry and economy in general;
- stage of development;
- the prices, rights, preferences and privileges of our redeemable shares relative to our ordinary shares;
- the likelihood of occurrence of a liquidity event and redemption event;
- the results of independent third party valuations.

In determining our equity value before we become a public company, we used back-solve method or discounted cash flow method to determine the fair value of the business enterprise value ("BEV"), and then allocated the BEV to each element of our capital structure using an option pricing method.

If a recent transaction in equities existed, we applied back-solve method, which is a market approach to solve our implied BEV by considering the rights and preferences of each class of equities based on the consideration of the recent equity transaction.

If a recent transaction in equities did not exist, we first applied discounted cash flow analysis to determine our BEV, based on our projected cash flow using management's best estimate as of the valuation date.

The determination of the fair value of our ordinary shares requires complex and subjective judgments to be made, which will not be necessary once these ordinary shares begin trading.

Income Taxes

Current income taxes are provided on the basis of net income for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes, in accordance with the regulations of the relevant tax jurisdictions. We follow the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the temporary differences between the financial statements carrying amounts and tax bases of existing assets and liabilities by applying enacted statutory tax rates that will be in effect in the period in which the temporary differences are expected to reverse. We record a valuation allowance to reduce the amount of deferred tax assets if based on the weight of available evidence, it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rate is recognized in

our consolidated statements of operations and comprehensive loss in the period of change. Deferred tax assets and liabilities are classified as non-current in the consolidated balance sheets.

We recognize in our consolidated financial statements the benefit of a tax position if the tax position is "more likely than not" to prevail based on the facts and technical merits of the position. Tax positions that meet the "more likely than not" recognition threshold are measured at the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon settlement. We estimate our liability for unrecognized tax benefits which are periodically assessed and may be affected by changing interpretations of laws, rulings by tax authorities, changes and/or developments with respect to tax audits, and expiration of the statute of limitations. The ultimate outcome for a particular tax position may not be determined with certainty prior to the conclusion of a tax audit and, in some cases, appeal or litigation process. The actual benefits ultimately realized may differ from our estimates. As each audit is concluded, adjustments, if any, are recorded in our consolidated financial statements in the period in which the audit is concluded. Additionally, in future periods, changes in facts, circumstances and new information may require us to adjust the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recognized in the period in which the changes occur. As of December 31, 2021 and 2022, we did not have any significant unrecognized uncertain tax positions.

Debt Investment in Investee's Preferred Shares

For investment in investee's preferred shares which is determined to be debt security, we account for it as available-for-sale investment when it is not classified as either trading or held-to-maturity investment. Available-for-sale investment is reported at fair value, with unrealized gains and losses recorded in accumulated other comprehensive income as a component of shareholders' equity. We evaluate each individual investment periodically for impairment. We evaluate whether a decline in fair value is due to deterioration in credit risk. Credit-related impairment losses, not to exceed the amount that fair value is less than the amortized cost basis, are recognized through an allowance for credit losses on the consolidated balance sheets with corresponding adjustment in the consolidated statements of operations and comprehensive loss. Subsequent increases in fair value due to credit improvement are recognized through reversal of the credit losses and corresponding reduction in the allowance for credit losses. Any decline in fair value that is non-credit related is recorded in accumulated other comprehensive income (loss) as a component of shareholder's deficit.

As the debt investment in investee's preferred shares is not traded in an active market with readily observable quoted prices, we use a back-solve method with significant unobservable inputs to measure the fair value of the debt investment in investee's preferred shares (Level 3) at each subsequent balance sheet date, with assistance of a third-party independent appraiser. The back-solve method requires the use of highly subjective and complex assumptions, which determine the fair value of investment in investee's preferred shares, including the discount for lack of marketability, volatility of underlying share price and expected time of liquidity.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks in the ordinary course of our business, which primarily relate to fluctuations in foreign exchange rates.

Interest Rate Risk

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

Foreign Currency Exchange Risk

The functional currency of our foreign subsidiaries is the local currency or U.S. dollar depending on the nature of the subsidiaries' activities.

Foreign currency transactions recognized in the consolidated statements of operations are converted to the functional currency by applying the exchange rate prevailing on the date of the transaction. Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. To date, foreign currency transaction gains and losses have not been material to our consolidated financial statements, and we have not engaged in any foreign currency hedging strategies. As our international operations grow, we will continue to reassess our approach to manage our risk relating to fluctuations in currency rates.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations, other than its impact on the general economy. Nonetheless, if our costs were to become subject to inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

Recent Accounting Pronouncements

For information on recently issued accounting pronouncements, refer to Note 2 to our consolidated financial statements included elsewhere in this prospectus.

INDUSTRY OVERVIEW

This prospectus contains information derived from an industry report commissioned by us and prepared by Frost & Sullivan, an independent market research firm, to provide information regarding our industry and market position and opportunities. Such industry report was prepared by Frost & Sullivan based on various government and industry publications, interviews with industry participants and experts, and other available sources, including our database, National Bureau of Statistics, China Association of Automobile Manufacturers and International Organization of Motor Vehicle Manufacturers, from public market research. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the "Risk Factors" section. These and other factors could cause results to differ materially from those expressed in these publications and reports.

The Development of Autonomous Driving

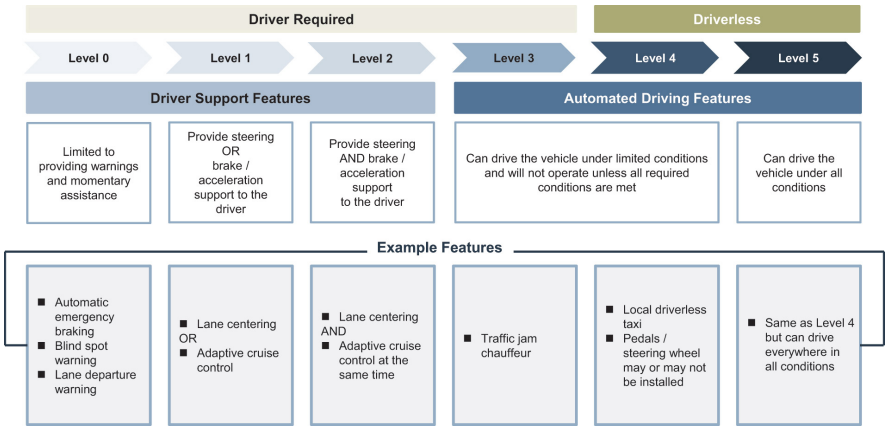
Road transportation is crucial to people's everyday lives. Annually, there are more than 1.4 billion vehicles on the road worldwide. Despite the continuing improvement of road infrastructure worldwide, road transportation still faces various safety risks as well as challenges of high cost and low efficiency. Thanks to the adoption of electric vehicles and advancements in the AI technologies, autonomous driving is leaping forward and potentially enables the transformation of traditional mobility.

Compared with traditional mobility, autonomous driving is considered to possess the below advantages:

- ***Enhance safety*:** Every year, approximately 1.3 million fatalities occur due to traffic accidents, which are mainly caused by human errors. Traffic accidents also cause considerable economic losses. Autonomous driving technologies enable more comprehensive judgments in a short time frame during emergency, thus effectively enhance human safety.
- ***Reduce costs*:** Labor costs account for a major proportion of operating expenses in the passenger mobility and logistics industry. Assuming fully autonomous driving technology is applied so that no driver is required, the operating cost could be reduced by approximately 45% and 25% for passenger mobility and logistics industry, respectively. In addition, by leveraging better route planning and more reasonable vehicle movement control, autonomous driving can make a considerable contribution to fuel economy as well as emission reduction, especially for long-haul trucking whose fuel cost accounts for around 30% of the total operational cost and which still faces challenges to realize electrification transition.
- ***Improve efficiency*:** Comparing to human driving, autonomous driving is maneuvered in a more disciplined manner and monitored by computers. Mass deployment of autonomous driving can optimize traffic efficiency to a great extent and free human resources to be redeployed into other industries.

Autonomous driving refers to a complete set of integrated software and hardware acting as "virtual driver" to enable an autonomous vehicle to drive without the intervention of a human driver. According to SAE International, the levels of driving automation can be categorized into "driver required" and "driverless", as further illustrated in the below chart.

Levels of Driving Automation



Market Drivers and Future Trends of Autonomous Driving

Global autonomous driving enjoys promising future and is expected to continue its strong momentum primarily due to the below factors.

- ***Rising customer acceptance for autonomous driving technology.*** As driving automation highlights the advantage of safety, efficiency and user experience, consumers have shown great interests in vehicles with advanced automation functions, which in turn, encourages the entire automotive industry to invest more in developing automotive-grade software and hardware to strive for higher-level automation.
- ***Booming of vehicle electrification provides a broad application platform for autonomous driving.*** Compared with internal combustion engine vehicles, electric vehicles highlight the advantages of high control accuracy, low latency, and a more comprehensive redundant system. As a result, electric vehicles are regarded as the best carrier of autonomous driving technology. A wide range of autonomous vehicle deployment in the future is underpinned by the booming of vehicle electrification.
- ***Advancement in software and hardware lays the foundation for realization of autonomous driving.*** Benefited by the advancement and availability of automotive-grade sensors and chipsets in recent years, including increasing compute at decreasing power consumption of processors, leading autonomous driving technology companies equipped with advanced software algorithms capabilities can leverage multi-layered sensors and other hardware to achieve perception, prediction, planning, and control of vehicles in a more precise and comprehensive manner.
- ***In-depth industrial collaboration facilitates the commercialization of autonomous driving.*** Realization of autonomous driving is on the back of deep integration of software and hardware on vehicles that requires in-depth collaborations among companies. For instance, through close collaboration with OEMs, autonomous driving companies can integrate autonomous driving hardware and software during the vehicle design and production phase instead of modifying the vehicle post-production, thus effectively improving the reliability and reducing the cost of the vehicle integration.

Market Opportunities

Driverless technology, defined as Level 4 and Level 5 autonomous driving, has the potential to revolutionize on-road transportation across various use cases such as robotaxi for passenger mobility, robotruck for road freight transportation, robobus, and other robotic vehicles used in various transportation use cases. Among them, robotaxi and robotruck take up the majority of the market share and embrace the greatest market potential. Furthermore, autonomous driving technology licensing and applications are expected to generate substantial revenue, particularly during the early stages of commercialization.

Robotaxi and robotruck will keep riding on the upward industry trend and rapidly approaching commercialization on the back of following factors:

- ***Continuous efforts in advancing autonomous driving technology to enhance safety performances.*** Driving safety is an uppermost priority but complicated problem with numerous corner cases including unusual circumstances and unexpected challenges. Leading companies are accumulating vast amounts of simulation and real-world road-testing data to capture corner cases, which validate and improve the capabilities of autonomous driving. This growing effort is bringing autonomous driving closer to our daily lives than ever.
- ***Improving profitability in robotaxi and robotruck operations underpinned by continued and rapid progress made in cost reduction.*** Leading companies have realized pre-installed solution and even mass-production capabilities, offering greater cost advantages and production efficiency compared to modified vehicles previously used. Moreover, the sensors and hardware used in vehicles equipped with Level 2 autonomous driving features are also compatible with driverless vehicles to some extent, further driving down the cost of hardware for Level 4 autonomous driving as the sales volume of Level 2 autonomous vehicles rapidly increases.
- ***Widespread deployment of robotaxi services to revolutionize urban transportation and improve the overall traffic environment.*** A single robotaxi provides safer and more reliable driving, while a large-scale implementation can greatly enhance the orderliness and efficiency of urban traffic. Additionally, the deployment of robotaxi services may also reshape urban traffic planning by reducing public parking lots and free up more urban space. As robotaxi services further expand, they are expected to contribute to the development of smarter cities.
- ***The robotruck services market, as a segment of the truck freight market, is poised to rapidly develop with the support of standard vehicles and establishments of logistics networks with fixed hubs.*** Leveraging this mature infrastructure, players in the robotruck services market are expected to retrofit vehicles with more standardized functions to transport freight and implement digital fleet management to further optimize the overall efficiency of the logistics network, reducing costs and improving safety. Large-scale deployment of robotrucks has the potential to significantly optimize the trucking logistics system.
- ***Regulatory endorsements and policy tailwinds to facilitate the commercialization of driverless vehicles far beyond road testing.*** In November 2021, Beijing became the first city in China to establish the commercial pilot of robotaxis with a published policy approving operators to charge the public for their robotaxi mobility services. In December 2022, the MIIT issued a notice proposing the admission and on-road operation of driverless vehicles with mass production capabilities to conduct pilot projects. The notice aims to promote the establishment and improvement of management systems for the production admission of autonomous vehicles and road traffic safety. Regulatory authorities in the United States, Germany, Japan, South Korea, and the United Kingdom have also published favorable policies to actively create an industrial and social environment that promotes the development of autonomous driving.

Robotaxi Services

Rapidly Growing Passenger Mobility Market

Passenger mobility is defined as passenger travel by shared mobility and private cars. Driven by the continuing urbanization with the increasing number of densely populated cities, and increasing number of growing regional economies, global passenger mobility poises great market potential by providing flexibility and quality transportation experience to passengers.

The passenger mobility market size represents the total value of consumer spend on shared mobility and private cars traveling. The global passenger mobility market size was US$4,159.5 billion in 2022 and expected to reach US$4,675.6 billion by 2035, according to Frost & Sullivan. In 2022, China accounted for 29.7% of the global market share, according to Frost & Sullivan.

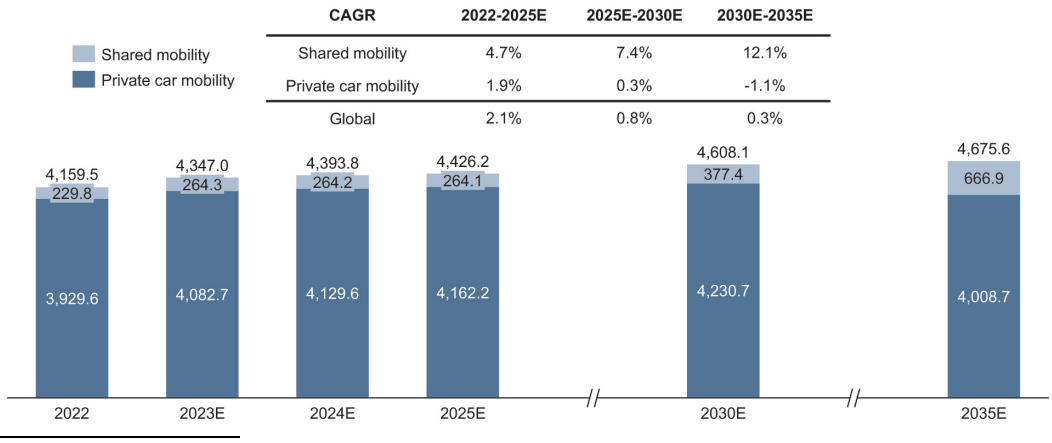
Shared mobility, which includes online ride-hailing and traditional taxi services, has experienced rapid growth in the last decade, fueled by the emergence of online ride-hailing services and the expansion of regional economies. Shared mobility market size represents the total amounts of ride fare paid by passengers for shared mobility services, as measured by the GTV of such rides. China, in particular, has a strong and

growing demand for passenger mobility, driven by increasing affluence, rising business activities, rapid urbanization, consumption upgrades, and growing expenditure on discretionary travel. However, China's private car ownership rate, measured by the number of private cars per thousand people, remains significantly lower than that of major developed nations. As of 2021, China's private car ownership rate was 170 per thousand people, compared to 686 in the U.S., according to Frost & Sullivan. This has resulted in high levels of consumer adoption of shared mobility services in China, and has led to a market size that far exceeds that of other countries. In 2021, China's shared mobility market accounted for around 40% of the global market and was approximately twice the size of the U.S. market, according to Frost & Sullivan.

The increasing passenger mobility demands could be better addressed by shared mobility for its flexibility. Therefore, the global shared mobility market is expected to maintain growth. Additionally, the active exploration of commercialization of high-level autonomous driving technology in the shared mobility market is expected to bring sustainable growth momentum by attracting individuals shifting from private cars mobility sector in the long run.

The chart below illustrates the size of the global passenger mobility market.

Global Market Size of Passenger Mobility
(US$ in billions)



Source: Frost & Sullivan

Notes:

(1) Shared mobility market size is calculated in terms of the total GTV of online ride-hailing and traditional taxi services.

(2) Private car mobility market size is calculated in terms of the total expenditure of depreciation, fuel, electricity, maintenance, repairing, insurance, and others when driving private cars.

Continuous Evolution of Robotaxi Addressing Pain Points from Passenger Mobility Market

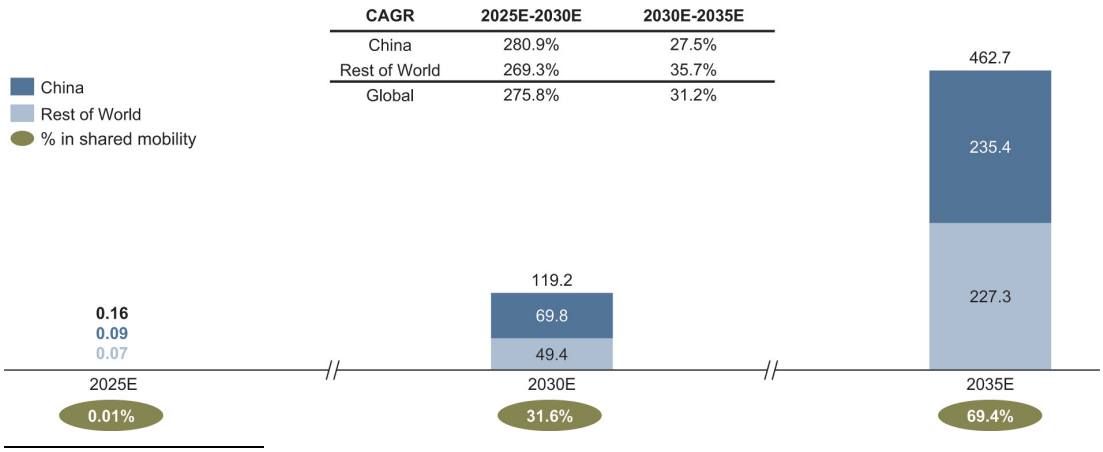
Robotaxi is defined as a driverless mobility vehicle with built-in Level 4/Level 5 autonomous driving technology. Robotaxi services market size represents the total amounts of ride fare paid by passengers for robotaxi services, as measured by the GTV of such services. As one of the most promising applications of autonomous driving technology, robotaxi distinguishes by offering more affordable, safer, and more efficient services to passengers.

Driven by technological advancement, supportive policies, and falling hardware costs, robotaxi is expected to realize commercialization in 2025-2026 and grab considerable market share in the passenger mobility market in the future. Highlighted by great safety enhancement, as well as the pricing advantage due to lower operating costs, robotaxi is expected to penetrate shared mobility market at its initial stage of the commercialization. Tangible benefits of profitability and affordability brought by robotaxi will continuously drive the expansion of market. It is expected that by 2030, robotaxi services will enter a mature stage of commercialization with deployment in major regions worldwide. Such scale effect will promote the cost reduction and improvement of riding efficiency, attracting private car users to shift to robotaxi.

The global market size of robotaxi services is expected to reach US$0.16 billion by 2025, and embrace an exponential growth to further reach US$119.2 billion by 2030 and US$462.7 billion by 2035, according to Frost & Sullivan.

The chart below illustrates the size of the global robotaxi services market.

Global Market Size of Robotaxi Services
(US$ in billions)



Source: Frost & Sullivan

Notes:

(1) Robotaxi services market size represents the total amounts of ride fare paid by passengers for robotaxi services, as measured by the GTV of such services.

(2) % in shared mobility refers to the share of global robotaxi services market size in the shared mobility market.

With around 1.4 billion people, China's transportation sector is struggling to satisfy the increasing demand for safe, efficient, and sustainable passenger mobility. Currently in China, the number of commercially operated shared passenger vehicles is approximately 5.5 million, which is expected to grow to around 8.0 million by 2035. As the country with world's largest shared mobility market and high population density, China is well-positioned to leverage the benefits of robotaxi for future mobility solutions.

Capitalizing on the substantial investments in research and development, as well as the evolving regulatory environment, large-scale commercial deployment of robotaxi in China is projected to commence as early as 2025 to 2026 with both fully driverless robotaxi and safety-driver-enabled robotaxi operating together. With continuous increase in production capability and unparalleled advantages in terms of cost, affordability, and efficiency, the deployment scale of robotaxi is expected to rapidly expand between 2025 and 2030. It is projected that by 2035, robotaxis will consist a substantial portion of the overall fleet of shared passenger vehicles operating in China, thereby establishing China as the largest robotaxi services market and capture more than half of the global market share, according to Frost & Sullivan. The size of China's robotaxi services market is expected to reach US$69.8 billion by 2030 and US$235.4 billion by 2035, according to Frost & Sullivan.

In China, a number of cities are now conducting road tests and trial operations of robotaxis, with Beijing, Shanghai, Guangzhou, and Shenzhen currently leading in policy and commercial exploration. Guangzhou local government is highly committed to the commercialization of robotaxi, making it a hub for numerous top-tier companies in the industry. Guangzhou began issuing road testing licenses for robotaxis in 2019 and has opened 433 testing roads, covering six administrative regions, with a cumulative testing mileage of over 9.6 million kilometers as of the end of 2022. In 2022, Guangzhou officially started to grant licenses for operating robotaxi services. This landmark decision marks a significant milestone for China's burgeoning robotaxi industry as it marks the transition from testing phase to commercial operation phase.

Built upon its continued efforts to develop and commercialize autonomous driving technology, the local government in Guangzhou released the 2022 Guangzhou Intelligent Connected Vehicle Road Testing and Demonstration Application Report, which exhibited the testing results and operational data of autonomous passenger vehicles tested in Guangzhou by a number of autonomous driving companies as summarized below:

	Pony.ai	Company A	Company B	Company C	Company D
Accumulative testing mileage (ten thousand km)	278.03	232.14	47.96	27.01	<27
Average testing speed (km/h)	38.44	24.29	30.15	11.44	27.02

Notes:

(1) Company A is an AI company with a strong internet foundation, established in 2000 and headquartered in Beijing, China. Company B is an online ride-hailing platform in China established in 2012 and headquartered in Beijing, China. Company C is a Level 4 autonomous driving company established in 2017 and headquartered in Guangzhou, China that develops a product mix of robotaxis, robobuses, robovans, and others. Company D is a Level 4 autonomous driving company mainly focuses on the robotaxi business, established in 2016 and headquartered in Shenzhen, China.

(2) Accumulative testing mileage refers to accumulative testing mileage completed by participant companies' Level 4 autonomous driving fleet in Guangzhou, China in 2022.

(3) Average testing speed refers to the average autonomous driving speed of participant companies' Level 4 autonomous driving fleet in Guangzhou, China in 2022.

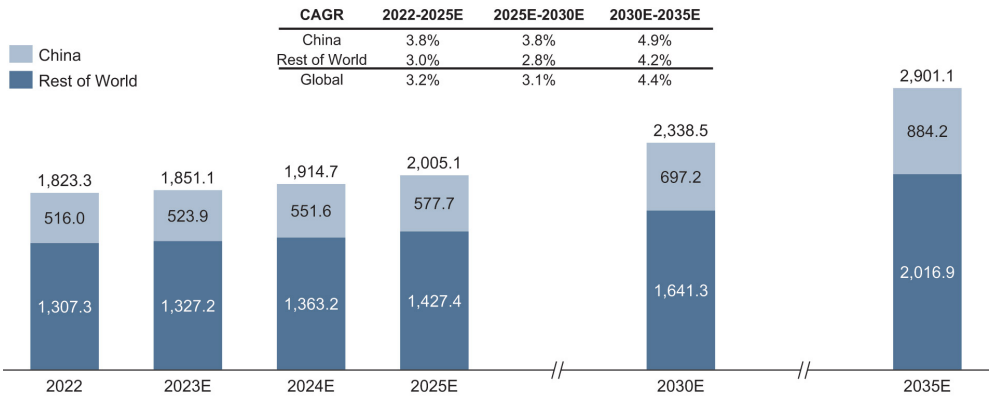
Robotruck Services

Long-haul Trucking Plays a Vital Role in World's Logistics Industry

Freight transportation is a key factor to drive global economic growth. Within the global logistics industry, long-haul trucking is the most commonly used means of transportation between hubs. With the economic growth and continuously development of logistics demand, long-haul trucking is becoming increasingly vital and takes around 70% of the global road freight market. According to the Frost & Sullivan Report, the global long-haul trucking services market size, in terms of GTV, was US$1,823.3 billion in 2022 and expected to reach US$2,901.1 billion by 2035.

The chart below illustrates the global market size of long-haul trucking.

Global Market Size of Long-haul Trucking
(US$ in billions)



Source: Frost & Sullivan

Note: Long-haul trucking market size refers to the total transaction amount of the long-haul trucking transportation services.

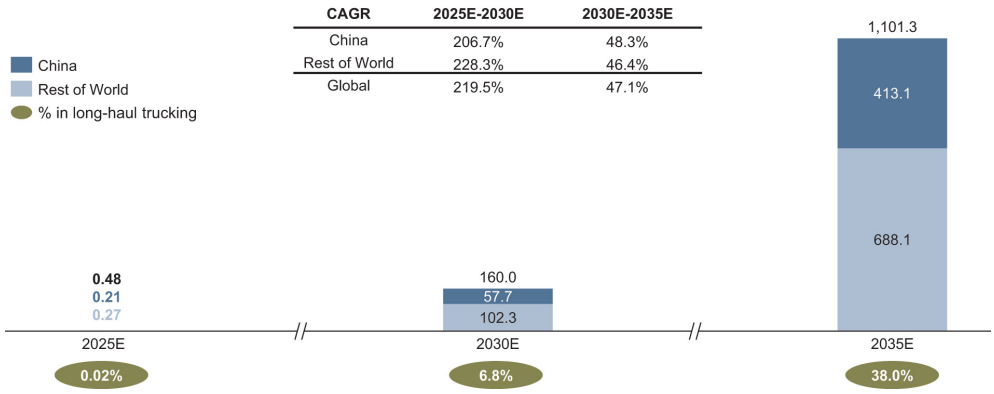
Rapid Development of Robotruck to Redefine Traditional Long-haul Trucking Market

Robotruck refers to a truck with built-in autonomous driving technology. Robotruck services market size represents total amounts of logistics fare paid by customers (such as logistics companies) for robotruck

services, as measured by the GTV of such services. Robotruck has superior advantages comparing with traditional truck, in particular for the long-haul trucking. The global long-haul trucking market is expected to witness a trend of increasing penetration of robotruck as it can mitigate the driver shortage issue with lower cost. According to the Frost & Sullivan Report, due to the increasing demand and technical maturity, the global robotruck services market is estimated to reach US$0.48 billion by 2025, US$160.0 billion by 2030 and US$1,101.3 billion by 2035.

The chart below illustrates the size of global robotruck services market.

Global Market Size of Robotruck Services
(US$ in billions)



Source: Frost & Sullivan

Notes:

(1) Robotruck services market size represents total amounts of logistics fare paid by customers (such as logistics companies) for robotruck services, as measured by the GTV of such services.

(2) % in long-haul trucking refers to the share of the global robotruck services market size in the long-haul trucking market.

China develops the world's longest network of highways and the largest size of heavy-duty truck fleet. Currently, around six million trucks are dedicated to long-haul freight transportation in China, and the number is expected to grow to seven million by 2035, according to Frost & Sullivan. Robotrucks have the potential to address labor shortage issue and excessive operating costs. In addition, compared with traditional trucks, robotrucks' superior route planning and fleet dispatching capabilities enable logistics companies to enhance operational efficiency and generate higher income. Upon deployment, robotrucks will swiftly emerge as a pivotal cost-saving and efficiency-boosting option for logistic fleets, and establishing themselves as the premier choice for new vehicle procurement or replacement. As the penetration rate of robotrucks steadily rises, robotrucks will comprise a substantial share of the long-haul logistics trucking fleet and perform a greater volume of freight transport duties. The robotruck services market in China is expected to expand to $57.7 billion by 2030, and is expected to further grow to reach $413.1 billion by 2035, representing approximately 46.7% of China's long-haul trucking market, according to Frost & Sullivan.

Licensing and Applications

Growing Autonomous Vehicle Sales Market

Autonomous driving technology offers enhanced safety features and superior user experiences. In 2022, the global autonomous driving industry experienced significant growth, with 17.7 million passenger vehicles equipped with ADAS capabilities (namely, Level 2 and Level 3 autonomous driving features) sold worldwide, achieving a penetration rate of 25.8%, according to Frost & Sullivan. As the electrification of vehicles continues to progress, China has emerged as a leading contributor to the development of ADAS technology and expansion of ADAS vehicle market. China's sales of 7.4 million Level 2 autonomous driving passenger vehicles in 2022 accounted for 31.5% penetration rate, according to Frost & Sullivan. It is

projected that by 2025, 2030, and 2035, the ADAS penetration rates will increase to 64.5%, 83.2%, and 85.7%, respectively, according to Frost & Sullivan.

Level 2+/++ denotes an advanced Level 2 autonomous driving technology capable of performing more complex driving tasks. For instance, highway Navigate on Autopilot (NOA) is a typical Level 2++ feature that enables vehicles to drive automatically from the start to the endpoint by following a driver-set navigation route, offering a driving experience that approaches Level 3 autonomous driving. Fueled by technological advancements and the ability to significantly enhance the driving experience, 2022 was a breakout year for vehicles equipped with Level 2+/++ features.

Sustainable Growth of the Licensing and Applications Market

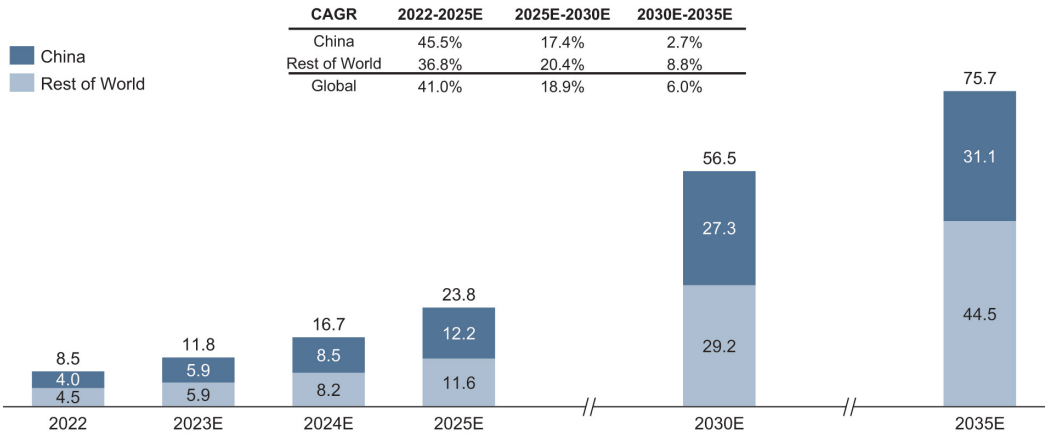
With the rapid development of intelligent automotive market, the licensing and applications market is also rapidly ramping up, creating a relentless demand in the automotive market for technology suppliers and service providers who can offer complete and advanced autonomous driving solutions.

Licensing and applications refers to autonomous driving solutions provided or licensed to OEMs and other industry participants to enable advanced autonomous driving capabilities, which typically consist of application algorithms, autonomous driving domain controllers and tool chains. The application algorithm refers to autonomous driving algorithms to realize environmental perception, route planning, decision-making, and vehicle control. The autonomous driving domain controllers perform as the central brain of autonomous driving to achieve decision-making. The toolchain assists OEMs in achieving the mining, collection, analysis, and maintenance of massive data.

The expansion of the licensing and applications market is closely connected with the growth of autonomous vehicle sales. In 2022, the global licensing and applications market was valued at US$8.5 billion, by revenue and is projected to reach US$23.8 billion, US$56.5 billion, and US$75.7 billion by 2025, 2030, and 2035, respectively, according to Frost & Sullivan. Driven by the popularity of Level 2 autonomous vehicles, China's licensing and applications market share in the global market is expected to increase significantly. In 2022, licensing and applications market in China reached US$4.0 billion, accounting for 47.1% of the global market share. It is expected that the China market will grow to US$12.2 billion by 2025, accounting for 51.2% of the global market share, according to Frost & Sullivan. The market is expected to further expand to reach US$27.3 billion and US$31.1 billion by 2030, and 2035, respectively, according to Frost & Sullivan.

The chart below illustrates the size of the global licensing and applications market by revenues.

Global Market Size of Licensing and Applications
(US$ in billions)



Source: Frost & Sullivan

The rapid adoption of autonomous driving functionality and the fast expansion of the licensing and applications market worldwide are driven by the improvement of autonomous driving chip performance, advancement of sensor capabilities, cost reduction of hardware, and iterative refinement in algorithms. On the one hand, these developments lead to comprehensive cost reductions and enable incorporation of diversified Level 2 features into mid-end to entry-level vehicle models. On the other hand, high-end vehicles are actively promoting Level 2+/++ features, especially in China. Moreover, with the advent of commercialized driverless technology in the future, there is great potential for growth of personally-owned vehicles built-in with Level 4 autonomous driving technology, fueling the growth for the licensing and applications market.

BUSINESS

Our Vision

We aim to mass commercialize our revolutionary autonomous driving technology to deliver safe, sustainable, and accessible mobility to people and businesses around the world.

Our Company

Pony.ai is a global leader in achieving large-scale commercialization of autonomous mobility.

On the public roads of Yizhuang, Beijing and Nansha, Guangzhou, Pony.ai has achieved what was once only depicted in science fictions — building a car that drives itself. Today, a commute in a driverless Pony.ai robotaxi is not merely a display of groundbreaking technology, but becoming a part of the daily lives for many residents in these communities. As intuitive as a trip in a traditional taxi, hailing a ride with Pony.ai's robotaxi offers everyone a revolutionary mobility option to make our streets safer and greener, changing the way the world moves.

After one summons a ride on the *PonyPilot+* mobile app, a robotaxi shows up at the designated pick-up spot quickly — looking no different from a traditional taxi, except for the equipped sensors watching and coping with the streets. But the difference lies beneath the surface — no one is behind the driving wheel.

Passengers, wide-eyed with wonder, unlock the door using the app and climb into the back seat. The robotaxi hits the road and navigates the crowded urban districts confidently and smoothly, expertly handling unexpected snags with ease and intelligently identifying all the obstacles in its path, including other cars, pedestrians, construction zones, and even in inclement weather conditions. As the steering wheel turns itself with seamless precision, the car brakes and accelerates without any human intervention, until it pulls over steadily at the destination.

Stepping out of the car, the passengers pay the fare through the app and conclude this awe-inspiring ride. Meanwhile, the robotaxi drives itself away to pick up the next passenger, leaving one to ponder what other marvels the future holds.

Starting from the scratch and bringing our technology to people's lives is by itself a testament to our commitment to autonomous mobility. Yet the progress we have made to date is what sets Pony.ai apart from our peers:

- We are the only company in China that has obtained licenses to operate fully driverless vehicles in Beijing and Guangzhou, the first two cities that have issued fully driverless permits.
- We currently operate a fleet of over 290 robotaxis, which has accumulated over 18 million kilometers of autonomous driving mileages[1], including over 800,000 kilometers of driverless mileages[2].
- We were among the first to offer fare-charging, public-facing robotaxi services. Our average daily orders received per robotaxi exceeded 10 in the first four months of 2023, setting a key milestone towards large-scale commercialization of Level 4 robotaxis.
- We currently operate a fleet of over 140 robotrucks, which has amassed over 2.3 million kilometers of autonomous driving mileages. Over the course of its commercial operations, our robotruck fleet offers hub-to-hub long-haul freight transportation across China, accumulating approximately 268.7 million freight ton-kilometers.

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1 "autonomous driving mileage" refers to the total distance covered by vehicles driving autonomously both with and without the presence of a safety driver behind the driving wheel.

2 "driverless mileage" refers to the total distance covered by vehicles driving without the presence of a safety driver behind the driving wheel.

- We have built a thriving ecosystem of industry partners, including leading OEMs, TNCs and logistics platforms such as Toyota, SAIC, SANY, OnTime Mobility and Sinotrans. From these partnerships, we have gained invaluable experience to mass commercialize our *Virtual Driver* technology with a goal to achieve positive unit economics for our next-generation autonomous driving solution.

With these milestones, Pony.ai is on track to achieve large-scale commercialization of our *Virtual Driver* technology. Specifically, we aim to develop a commercially viable and sustainable business model that enables the mass production and deployment of vehicles equipped with our *Virtual Driver* technology across transportation use cases, providing autonomous mobility to people and businesses around the world.

Market Opportunities

The global autonomous driving market has been growing rapidly driven by technological advancement and innovation. In particular, China has emerged as a significant market for autonomous driving solutions with the rise of electric and intelligent vehicles. The regulatory endorsements, technology enablers as well as increasing market acceptance have significantly accelerated the development and penetration of autonomous driving in China. China is the best starting place for us to lead the future of autonomous driving given its massive market and the potential to spearhead the large-scale deployment of autonomous vehicles.

The Robotaxi Services Market

The size of the global passenger mobility market in terms of GTV was US$4.2 trillion in 2022 and is expected to reach US$4.4 trillion by 2025 and further grow to US$4.6 trillion by 2030, with a high penetration rate of robotaxi services translating into significant market opportunities, according to Frost & Sullivan. Driven by technological advancement, favorable regulatory environment and improved cost efficiency, robotaxi services are expected to achieve large-scale commercialization in 2025, and gain a considerable market share in the global passenger mobility market in the future. Underpinned by favorable and long-term regulatory tailwinds, increasing penetration of electric and intelligent vehicles as well as increasing market acceptance, China is expected to become the largest market for robotaxi services, with an estimated market size by GTV of US$0.1 billion in 2025 and US$69.8 billion in 2030, respectively, accounting for approximately 58.6% of the global robotaxi services market in 2030, according to Frost & Sullivan.

The Robotruck Services Market

The size of the global long-haul trucking market in terms of GTV was US$1.8 trillion in 2022 and is expected to grow to US$2.0 trillion by 2025 and further expand to US$2.3 trillion by 2030, according to Frost & Sullivan. Driven by the increasing needs for safety and efficiency, robotruck services are expected to achieve commercialization at scale in 2024 with a high level of customer acceptance and technological maturity. Sophisticated road transportation infrastructure provides a strong foundation for the rapid growth of China's robotruck services market, with its market size by GTV expected to reach US$0.2 billion in 2025 and US$57.7 billion in 2030, respectively, accounting for 36.1% of the global robotruck services market in 2030, according to Frost & Sullivan.

The Licensing and Applications Market

The size of the global licensing and applications market for autonomous driving was US$8.5 billion in 2022 and is expected to grow to US$23.8 billion by 2025 and further expand to US$56.5 billion by 2030, according to Frost & Sullivan. Driven by the popularity of Level 2 autonomous vehicles, China has emerged as a leading contributor to the global licensing and applications market and will continue to drive the growth, with its market size expected to reach US$12.2 billion by 2025 and US$27.3 billion by 2030, respectively, accounting for 48.3% of the global licensing and applications market in 2030, according to Frost & Sullivan.

Our Go-to-Market Strategies

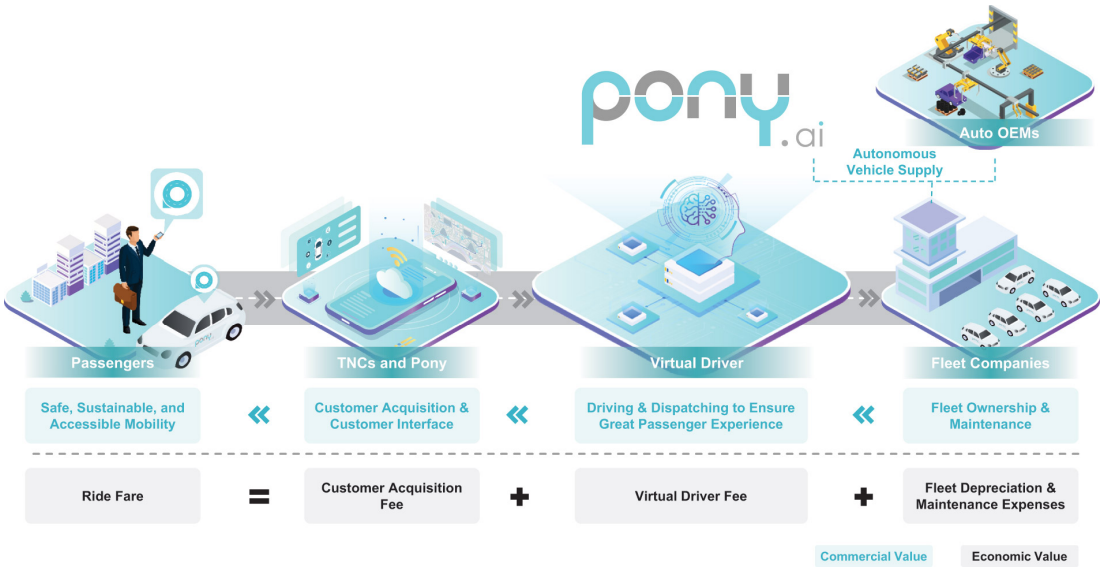
We have commercialized our licensing and applications business, and formulated actionable go-to-market strategies to capitalize on the enormous opportunities of the robotaxi and robotruck services markets.

Strategies for Robotaxi Services

Our go-to-market strategies for robotaxi services are built upon our strategic partnerships with OEMs, third-party fleet companies, as well as TNCs. Such partnerships will help us commercialize our robotaxi services at scale, where revenues generated from passenger fare will be distributed among different partners. We believe that our role in enabling robotaxi services is irreplaceable and core to the ecosystem.

We collaborate with OEM partners to optimize and manufacture autonomous vehicles integrated with our *Virtual Driver*, which comprise our self-owned fleets and/or fleets that will be owned by third-party fleet companies. These fleets will provide robotaxi services to passengers through TNCs or *PonyPilot+*, our own ride-hailing mobile app. When passengers hail a ride with our robotaxis via mobile apps operated by TNCs, we will match passengers with available robotaxis and drive them safely to their destinations. We expect to expand the fleet size rapidly by developing a growing network of third-party fleet companies using an "asset light" model, and our collaboration with TNCs will provide us with timely and efficient access to a large, growing passenger base across geographies.

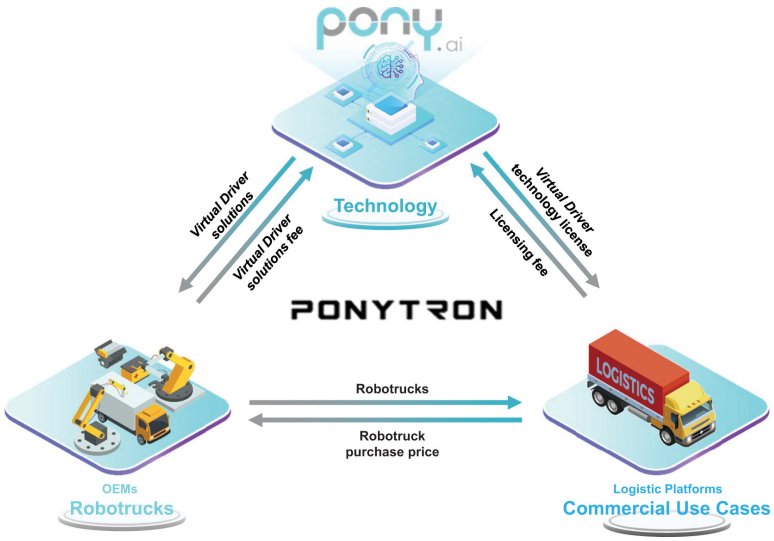
The diagram below illustrates our go-to-market strategies and the primary monetization models planned for our robotaxi services.



Strategies for Robotruck Services

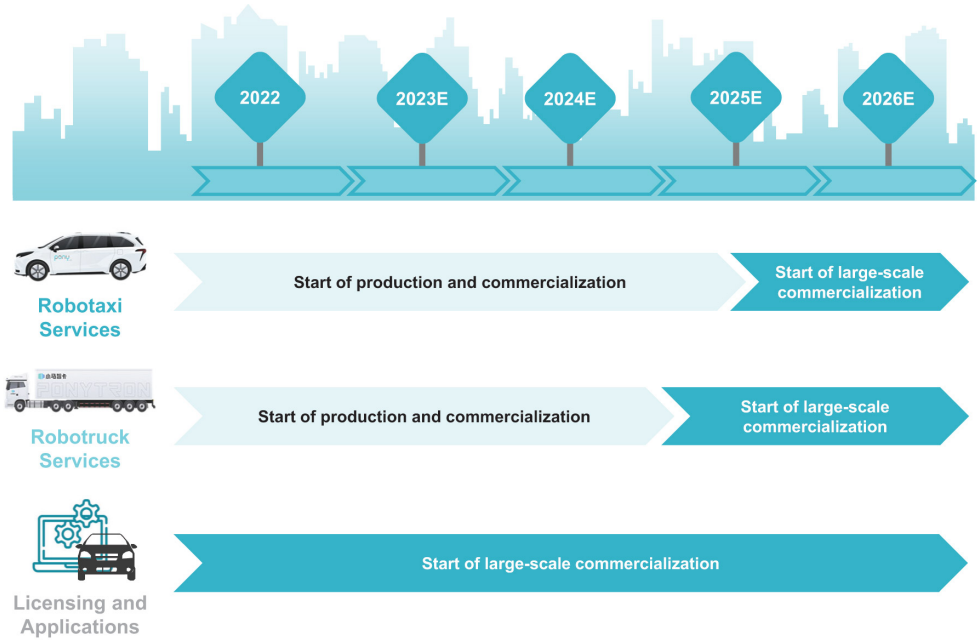
Our go-to-market strategies for robotruck services are built upon our partnerships with leading truck OEMs and logistics platforms. We work closely with leading truck OEMs to develop and manufacture robotrucks integrated with our *Virtual Driver*, which will be deployed to different logistics platforms across diversified commercial use cases, such as intelligent hub-to-hub autonomous freight solutions. We will also license our *Virtual Driver* technology to logistics platforms to empower their robotrucks.

The diagram below illustrates our go-to-market strategies and the current and planned monetization models for our robotruck services.



Our Commercialization Roadmap

Through executing our go-to-market strategies, we are on track to achieve large-scale commercialization of autonomous vehicles, which requires technological readiness, large-scale production and deployment capabilities. We have developed a commercialization roadmap with indicative timeline based on our management's current estimation for our portfolio of autonomous driving solutions, as illustrated in the chart below.



Robotaxis. To rapidly penetrate different markets, we collaborate with leading TNCs for the co-deployment of autonomous vehicles and customer acquisition to scale our robotaxi services rapidly and cost-effectively. With regulatory endorsement and technological leadership, we were among the first to offer fare-charging public-facing robotaxi services with safety drivers in China and the only company in China that has obtained licenses to operate fully driverless vehicles in Beijing and Guangzhou, the first two cities that

have issued fully driverless permits. In March 2023, we were granted permission to offer public-facing robotaxi services without safety drivers in Beijing, marking another key milestone on our path to large-scale commercialization. Our average daily orders received per robotaxi exceeded 10 in the first four months of 2023, underscoring the potential user demands for the commercial application of our robotaxi services.

Robotrucks. We have achieved initial commercialization through our strategic partnerships with leading truck OEMs and logistics platforms. Together with our OEM partners, we co-develop Level 4 robotrucks to replace the existing truck fleets of logistics platforms, and build intelligent hub-to-hub truck freight operations in China. Over the course of its commercial operations, our robotruck fleet has amassed approximately 268.7 million freight ton-kilometers. Our vehicle-agnostic technology capabilities and collaborative ecosystem have paved the way for us to transition towards large-scale commercial deployment of our robotruck services.

Licensing and applications. We leverage our extensive vehicle integration expertise to offer POV intelligent driving solutions, consisting of software licensing, hardware and data analytics tools, to OEMs and robotic vehicle companies. We are capable of customizing our autonomous driving technology to fit customers' needs and adapting it based on different use cases on their demand. We have won a number of commercial contracts, including certain OEM contracts for the integrated solution of our AV software and vehicle domain controllers, which enables ADAS functions such as highway Navigate on Autopilot (NOA), and we have also received orders from OEMs for our data analytics tools.

Our *Virtual Driver* Technology

Our *Virtual Driver* technology enables a driverless car to see, think and act, and it largely defines the timeline for autonomous driving to become mainstream.

At the core of our disruptive, constantly evolving *Virtual Driver* technology is our proprietary software empowered by cutting-edge AI technology that enables nearly instantaneous data processing and effortless training and validation. Our proprietary software and AI technology are married with best-in-class hardware to enable seamless integration across various vehicle platforms.

Today, our autonomous vehicles are able to drive passengers under complex and challenging scenarios, such as driving during rush hours and through inclement weather conditions, offering a safe, comfortable and efficient journey.

Our proprietary AV software stack is the "mind" of our *Virtual Driver* that steers the vehicle through a comprehensive suite of software modules and algorithms. This AV software stack, consisting primarily of perception, prediction, planning and control, and simulation, precisely analyzes complex road conditions and ensures a safe and smooth operation.

- The perception module enables our *Virtual Driver* to see and understand the world around the vehicle, from puddles on the road to a plastic bag flying in the air.
- The prediction module forecasts how other vehicles, pedestrians and other objects may move or behave, including aggressive or erratic driving behaviors that even experienced human drivers may struggle to respond to immediately, such as sudden cut-ins, reckless lane changes and unexpected U-turns or reversals by motorcycles.

- Based on inputs from these two modules, our planning and control module is capable of planning and executing safe, comfort and effective road maneuvers. The safety benefits of our technology are achieved through seamless integration and cooperation of our AV software modules, which allows the vehicle to comprehend and adjust to the constantly changing environment around it.
- Additionally, our simulation system plays a critical role in validating the safety and reliability of our software modules and algorithms. The simulation system enables real-time monitoring of safety metrics for autonomous driving under varying conditions.

We collaborate with top-tier suppliers to formulate a complete set of sensors and hardware, including LiDAR, radar, high-resolution camera, global navigation satellite system (GNSS) and inertial measurement units (IMU) and computation system, to empower the "mind" of our *Virtual Driver*. Vigorous vehicle engineering brings together every piece of our *Virtual Driver*, from our robust AV software stack to the best available sensors and hardware. By seamlessly integrating them on diverse vehicle platforms, we design our autonomous vehicle, as a carrier of all, to offer the safest and smoothest passenger experience. Through years of design improvement with our OEM partners, our autonomous vehicles have become increasingly sophisticated and cost-effective. Launched in January 2022, our latest 6th generation autonomous passenger vehicle model, co-developed with Toyota on S-AM (Sienna Autono-MaaS), features a fully redundant vehicle platform, streamlined and highly functional industrialized design, and improved integration with base vehicles. Our robotruck, co-developed with SANY, features leading autonomous driving functionality and redundant chassis system to reduce risks in working environments and streamline logistics.

We constantly upgrade our technology through extensive vehicle testing. We have accumulated more than 20 million kilometers of autonomous driving mileages across diverse geographies. Accordingly, our kilometers per critical intervention (KMPCI), the number of kilometers an autonomous vehicle can travel before necessary intervention is required to prevent an accident or other potentially dangerous situations, has been improving significantly over time, increasing by six times between 2020 and 2022. According to the 2022 Guangzhou Intelligent Connected Vehicle Road Testing and Demonstration Application Report issued by the local government, with the longest testing mileages accumulated, our robotaxis achieved the highest average testing speed, which is comparable to human driving efficiency and 27.5% faster than the second ranked autonomous driving company. Additionally, two of our vehicle models ranked as the first two among all autonomous vehicle models in terms of kilometers of intervention. Our rigorous testing across complex and diverse scenarios ensures a safe and smooth autonomous driving experience during rush hours and through extreme weather conditions.

Our Collaborative Ecosystem

We have developed a collaborative ecosystem consisting of leading OEMs, TNCs and logistics platforms and other industry and technology partners. Our collaborative ecosystem connects us with OEMs and component suppliers and the mass demand from TNCs and logistics platforms, accelerating the large-scale deployment and commercialization of driverless vehicles.

We have in-depth collaborations with leading OEMs to co-develop and mass-produce autonomous vehicles. In addition, we are also exploring collaboration opportunities with OEMs across areas spanning development of autonomous vehicles with industrialized design, standardized production line and supply chain management process. We work closely with reputable hardware component companies to secure high-quality sensors and hardware that meet our stringent safety and design requirements and maximize the performance of our AV software. Our strategic partnerships with these world-class OEMs and top-tier component suppliers allow us to scale our technology globally and cost-effectively with highly reliable, integrated vehicle platforms.

In addition, we have formed partnerships with prominent TNCs and logistics platforms to quickly expand our robotaxi and robotruck presence and meet the growing market demands by leveraging their extensive service networks. These collaborations have enhanced our ability to efficiently scale and deploy our autonomous vehicles in diverse geographies cost-effectively.

Our Competitive Strengths

Technological readiness for Level 4 large-scale commercialization

Our technological readiness, built upon our proprietary, full-stack autonomous driving technology, enables us to deliver safe and cost-effective autonomous mobility under challenging yet commercially valuable scenarios.

Safety. We take pride in the safety of our *Virtual Driver* technology, as testified by the major regulatory permits we have obtained. We are the only autonomous driving company in China that has obtained licenses to operate fully driverless vehicles in Beijing and Guangzhou, the first two cities that have issued fully driverless permits. The significant safety benefits of our technology have also been demonstrated by the road testing reports issued by the municipalities of Beijing and Guangzhou. According to these reports, our vehicles exhibited safety metrics surpassing those of our local peers in China and outperforming human-driven cars. We are committed to developing and constantly refining every aspect of our *Virtual Driver* technology, ranging from AV software to vehicle integration, in order to ensure the highest level of safety:

- We design and train our AV software modules to be capable of achieving "zero critical missing," meaning our AV software modules are able to detect and classify all objects on the roads, anticipate all potential object trajectories and execute road maneuvers in a human-like fashion.
- To ensure our AV software modules perform effectively in the real world, we use imitation learning to simulate human driving behaviors. This approach enables us to gain a deeper understanding of our algorithms and their capabilities through trustworthy simulation results.
- We also work closely with our OEM partners to further enhance the safety of our *Virtual Driver* technology. Our latest 6th generation autonomous passenger vehicle model, co-developed with Toyota on S-AM (Sienna Autono-MaaS), features a fully redundant vehicle platform. Our approach to ensuring the reliable and safe operation of our autonomous vehicle includes a three-layer redundancy comprising normal operation mode, degraded safe mode, and minimal risk condition mode. This ensures that our vehicles can continue to operate safely in the event of a system failure or other unforeseen circumstances.

Cost-effectiveness. To deliver autonomous driving solutions cost-effectively without compromising safety requires cutting-edge technologies. Our proprietary high-calculus computation system enables us to meet the demands for significant computing power in various autonomous driving scenarios. Over the years, we continuously optimize the collaboration and integration across our AV software and hardware, resulting in a reduction in computing power requirements and a continuous decrease in system costs. Through seamless integration across our AV software and hardware stacks, our latest sensor suite tailored for autonomous vehicles offers a substantial reduction in cost with improved accuracy and precision. Each of our sensors is synchronized in both time and space, and their unique capabilities complement each other to guarantee comprehensive 360-degree, fully redundant coverage of the field-of-view. Our use of sensors with varying wavelengths as backups for one another ensures highly efficient and precise environmental sensing capabilities.

Ability to tackle challenging yet commercially valuable scenarios. The most commercially valuable scenarios are those challenging scenarios such as driving during rush hours and through inclement weather conditions. According to Frost & Sullivan, users' demands for mobility services during rush hours account for the vast majority of the day, and taxi fare usually increases by 30% to 50% in inclement weather conditions. Since 2018, we have been operating vehicles with autonomous driving technology on a full-day basis and regardless of weather conditions throughout all tier 1 cities in China, which has distinguished us from our local peers. This is enabled by our technological advantages in handling those challenging scenarios, which also provides us with pricing power as we transit towards large-scale commercialization.

Actionable large-scale commercialization roadmaps

We have made significant progress along our path to large-scale commercialization.

Robotaxis. We are the only company in China that has obtained licenses to operate fully driverless vehicles in Beijing and Guangzhou, the first two cities that have issued fully driverless permits, and our

robotaxi fleet has accumulated over 800,000 kilometers of driverless mileages. Out of these driverless mileages, over 550,000 kilometers are attributable to the operation of our public-facing robotaxi services, which include mileages accumulated by our robotaxis driving on the road while waiting for passenger orders and during pick-up and drop-off of passengers. The remaining driverless mileages are attributable to vehicle testing. In March 2023, we were granted permission to offer public-facing robotaxi services without safety drivers in Beijing, marking yet another key milestone on our path to large-scale commercialization. As of December 31, 2022, the number of registered users on our *PonyPilot+* mobile app surpassed 60,000. As of the date of this prospectus, over 75% of our passengers on our mobile app used our robotaxi services more than once. Our strategic partnerships with leading OEMs help us tackle manufacturing and supply chain challenges. Leveraging extensive vehicle engineering and manufacturing expertise of these leading OEMs, we currently expect to commence the large-scale production in 2025. We also partner with OEMs and TNCs to scale commercialization in an efficient and user-friendly manner, through co-deployment of robotaxis to broader geographies. We have deployed a fleet consisting of over 290 robotaxis through our own platform and collaborations with TNCs.

Robotrucks. Drawing upon a common set of underlying technology, we are able to quickly adapt our vehicle-agnostic *Virtual Driver* to unlock the robotruck services market in China. Our strategic collaboration with truck OEMs and logistics platforms has accelerated the large-scale commercialization of robotrucks. We have rolled out our driverless truck platforms co-developed with SANY, and entered into a framework agreement with intended orders of 500 robotrucks with Cyantron, an entity founded by us (as the controlling shareholder) and Sinotrans, China's largest freight logistics company. Through Cyantron, we operate a fleet of over 120 robotrucks, consisting of both Level 2++ intelligent trucks and Level 4 autonomous trucks with safety drivers, to offer hub-to hub transportation across China. The freight routes cover application scenarios across urban public roads and highways, with the potential to realize fully driverless services in the future. Over the course of its commercial operations, our robotruck fleet amassed approximately 268.7 million freight ton-kilometers, covering a distance of over 2.3 million kilometers of autonomous driving mileages.

Licensing and applications. Our licensing and applications business has secured ADAS solution contracts from OEMs. We collaborate with leading semiconductor chip suppliers on autonomous driving controllers and offer technology licensing service to top-tier industry players such as sensor suppliers on customized sensor solutions.

Thriving collaborative ecosystem

We believe the strong partnerships within our thriving ecosystem provides us with the most efficient way to achieve large-scale commercialization rapidly.

Robotaxis. We have built in-depth collaborations with leading OEMs such as Toyota, SAIC, GAC and FAW to co-develop and mass-produce autonomous passenger vehicles, with strategic investment from Toyota and FAW in 2020. Through our phase one collaboration with Toyota, we successfully launched our 6th generation autonomous vehicle model in January 2022 to support fully driverless robotaxi operation. We partner with SAIC on co-development and co-deployment of Level 4 autonomous vehicles in tier 1 cities in China, and with GAC and FAW to co-develop Level 4 autonomous vehicles. These partnerships increase our ability to scale our technology globally with highly reliable, integrated vehicle platforms. In addition, we have formed strategic partnerships with leading TNCs, such as OnTime Mobility and T3, to deploy autonomous vehicle fleet. With strategic investments in OnTime Mobility in April 2022, OnTime Mobility rolled out a fleet of 30 GAC vehicles integrated with our *Virtual Driver* technology on its mobile app to offer paid public-facing robotaxi services in Guangzhou.

Robotrucks. We have formed strategic partnership with China's leading truck manufacturer SANY to co-develop intelligent trucks powered by our technology, and with China's largest freight logistics company Sinotrans to co-deploy intelligent robotrucks in Sinotrans' existing logistics network. We have rolled out our driverless truck platforms co-developed with SANY, and entered into a framework agreement with intended orders of 500 robotrucks with Cyantron, an entity founded by us (as the controlling shareholder) and Sinotrans, China's largest freight logistics company. We have deployed over 140 hub-to-hub robotrucks, of which over 120 were deployed by Cyantron. Our *Virtual Driver* technology, combined with the

manufacturing and aftersales capability of truck OEMs and the demand and infrastructure of logistics platforms, has well positioned us in the large long-haul trucking market.

Licensing and applications. Our strong collaborative ecosystem also includes semiconductor chip suppliers, sensor suppliers, and other types of industry stakeholders. Such deep collaborations with top-tier hardware component companies enable us to customize designs to deliver high performance and cost effectiveness, as well as to secure key supply resources.

World-class team led by visionary and experienced senior management

We benefit from a visionary and experienced management team with profound industry insight. Our co-founders, Dr. Jun Peng and Dr. Tiancheng Lou have deep and top-notch expertise in autonomous driving technology. Co-founder and Chief Executive Officer, Dr. Jun Peng, is a thought leader in the autonomous driving space with over 20 years of experience. Co-founder and Chief Technology Officer, Dr. Tiancheng Lou, is a leading expert who pioneered the development of Level 4 autonomous driving technology and has also demonstrated a track record in leading a global R&D team consisting of high-caliber experts. Dr. Tiancheng Lou is a 10-year medalist of the TopCoder competitions and two-time champion of the global programming competition Google Code Jam.

Spearheaded by our senior management, we have built a strong team consisting of world-class industry veterans with expertise spanning AI, big data, hardware and vehicle design. As of December 31, 2022, we had over 600 experienced engineers, amounting to nearly 50% of our workforce. A majority of these engineers have a master's degree or above.

Our Growth Strategies

Accelerate commercialization across our portfolio of solutions

We intend to accelerate the commercialization of our robotaxi and robotruck services in the foreseeable future, with our superior *Virtual Driver* technology, strong production capability and large-scale deployment capability. We intend to further enhance mass production and operational expertise through our collaboration with strategic partners. We also plan to leverage our *Virtual Driver* technology to develop tailored versions of licensing and applications to fulfill different needs of OEMs and industry player customers, and monetize other near-term technology licensing opportunities. We will continue to penetrate into the growing ADAS markets and other technology licensing markets as well.

Invest in technology to drive the future of autonomous mobility

We intend to further invest in research and development and constantly evolve our autonomous driving technology to empower large-scale commercialization of fully driverless operations. In particular, we intend to advance our disruptive *Virtual Driver* technology, which will allow us to continue to offer safe, sustainable and accessible autonomous driving solutions. We also intend to further invest in developing our production efficiency and fleet operation systems. These advancements will enable us to achieve mass production and large-scale deployment of fully driverless autonomous vehicles across diversified transportation use cases including robotaxi and robotruck services.

Deepen our partnerships and expand our collaborative ecosystem

We intend to deepen our strong relationships with existing partners, including leading OEMs, TNCs and logistics platforms as well as hardware component companies, to support our rapid business growth and accelerate the commercialization process. As we continue to ramp up our business operations across different markets and diversified transportation use cases, we expect to collaborate with more partners in different areas to explore additional monetization opportunities.

Our Vehicle-Agnostic Virtual Driver

We have built the proprietary vehicle-agnostic *Virtual Driver*, our full-stack autonomous driving technology that seamlessly integrates our proprietary software, hardware and services, to deliver safe and

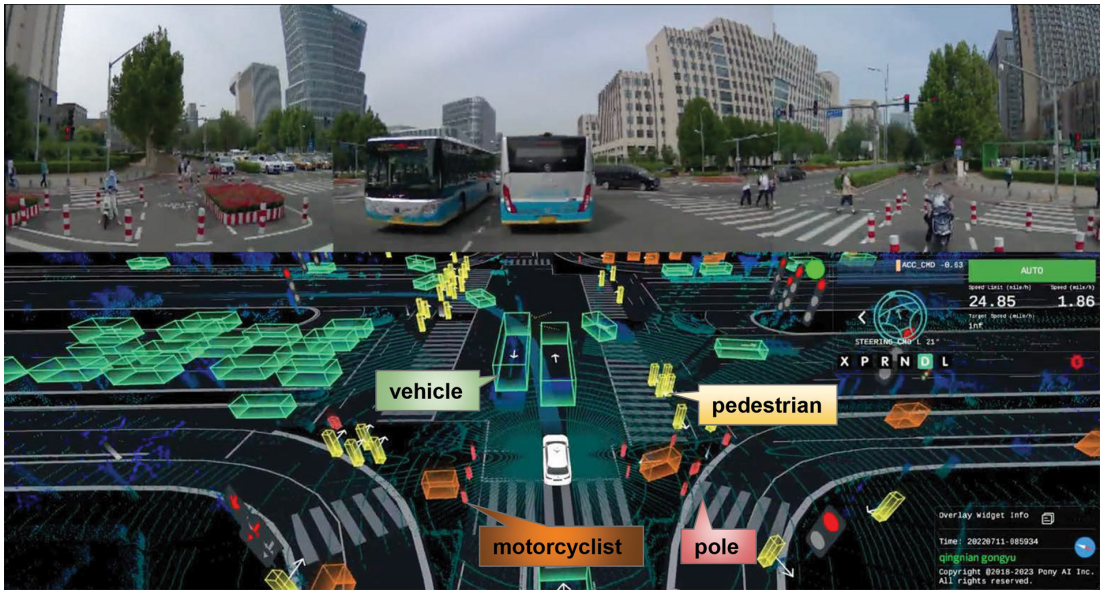
reliable autonomous mobility in diverse use cases. Our *Virtual Driver* can be deployed across multiple vehicle platforms and applications to bring a compelling, customized autonomous driving experience to a wide user base in all road conditions.

Proprietary AV Software Stack

We have self-developed a comprehensive suite of autonomous driving software modules and algorithms, consisting primarily of perception, prediction, planning and control, and simulation, to power our intelligent autonomous driving solutions.

"Perception and Prediction" — "Zero Critical Missing" Achieved Through Large Multimodal Models with Prompt Learning

Perception. The perception module enables our *Virtual Driver* to see and understand the world around our autonomous vehicle, from puddles on the road to a plastic bag flying in the air. The following diagram demonstrates how our perception module works to produce the data output required to enable autonomous driving:

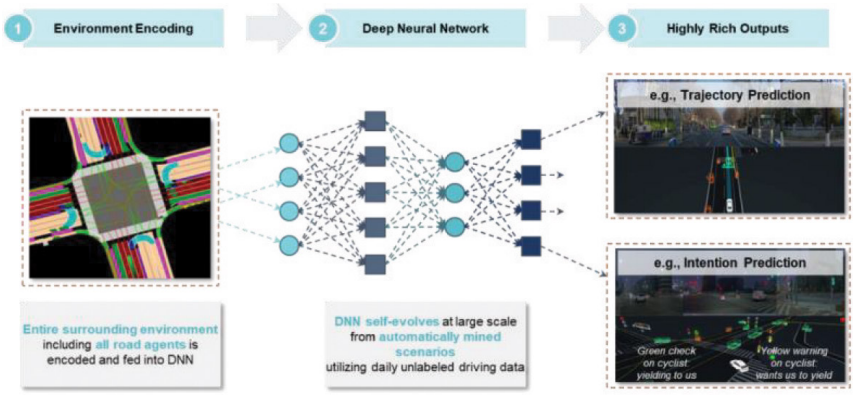


By fusing and processing relevant data collected by our comprehensive sensor suite, our perception module enables object segmentation, detection, classification, tracking and scene understanding automatically. In inclement weather conditions such as sandstorms and heavy rains and snow, our perception module demonstrates superior perception capabilities compared to human drivers.

To ensure performance, we leverage a hybrid solution that combines our state-of-the-art deep learning technology and the heuristics approach to process, refine and use the relevant data collected by our sensors. In order to bridge the simulation-to-reality gap for our deep learning technology, we apply heuristics, which is an expression of human knowledge and common sense, by adding deterministic math formulas and rules to the decision-making layer — for instance, a car usually does not cross road barriers, and a pedestrian's speed usually does not exceed 10 meters per second. This hybrid solution enables accurate detection, classifications and tracking in dense and complex environments.

Prediction. The prediction module forecasts how other vehicles, pedestrians and other objects may move and behave based on a number of data, including the output of our perception module, raw sensor

data, and data regarding historical decisions made by similar road agents. The following diagram demonstrates how our prediction module works to anticipate the trajectories of other road agents:



By using a mix of deep learning and heuristics to enable rapid learning and adaptation, our prediction module delivers a series of predicted trajectories for each observed road agent, with each trajectory having an assigned probability of occurrence. These predictions are subsequently used by our other modules, such as the "planning and control" models, to inform the decision-making process for route selection and maneuver execution.

Large multimodal models with prompt learning. We design and train our perception and prediction modules to be capable of achieving "zero critical missing," meaning they are able to accurately detect and classify all objects on the road and anticipate all potential object trajectories. In addition, our perception and prediction modules both utilize a large transformer framework that is multi-modal, multi-tasking and prompt-tuned, ensuring a highly reliable and accurate system with low latency.

Powered by prompt learning technologies, our perception module integrates inputs from various modalities, including point cloud, images, and electromagnetic responses, to accurately detect a variety of distinct object types based on a single model. This approach allows us to significantly reduce latency while improving the precision of perception as compared to the traditional multi-task learning technology.

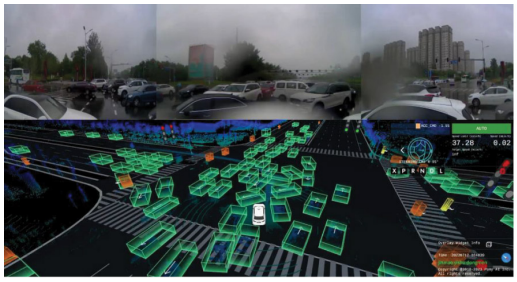
Our prediction module employs a multimodal deep learning model that fuses information from both perception observations and human common senses. These common senses are represented by knowledge graphs extracted from traffic rules and human-designed prompts. Transformer structures capture the correlations between different modalities. To address corner cases such as aggressive or erratic driving behaviors, we add extra learnable and specially-designed prompts for each case, in addition to large-scale dataset of daily driving records. This approach ensures that our prediction module can efficiently respond to unexpected behaviors.

"Planning and Control" — Ensuring Safety Through Game Theory and Learning-Based Planning

Our planning and control module is designed to plan and execute safe, comfortable and efficient road maneuvers based on input from our perception and prediction modules. We leverage our strong AI capabilities to create a robust planning and control module that is capable of smoothly navigating complex road layouts — from streets and alley ways to bustling eight-lane intersections, while being prepared for outlier behaviors or unexpected events caused by other road agents.

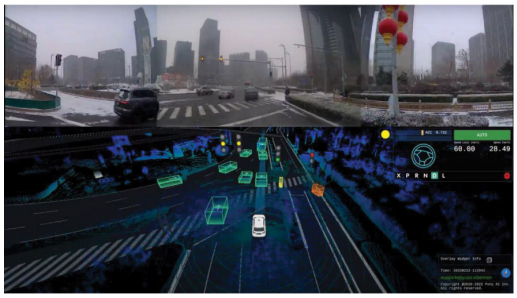
Importantly, our data-driven planning and control module does more than directing the vehicle's movement based on its surrounding environment and the behavior of nearby road agents — it chooses the best route, accelerates and decelerates smoothly and changes lanes appropriately, which together contribute to a safe, comfortable and efficient autonomous driving experience. This is achieved by using game theory and conditional prediction to analyze the probabilistic prediction results, and make the best driving decision under each prediction while always being prepared for the worst-case scenario.

Game theory is utilized to model and analyze the interactions between our vehicle and other road agents such as pedestrians and cyclists, with the aim of creating safer and more efficient transportation systems. For instance, if our autonomous vehicle and a human-driven car approach an intersection simultaneously, game theory can help determine the optimal decision for our vehicle. This decision can affect the overall outcome of the system, and game theory can identify the best combinations of actions to minimize conflicts, improve safety, and enhance efficiency. Using game theory results in a one-magnitude improvement in safety during rush hours and congested roads, as well as potential erratic driving behaviors. The following photos include some examples where game theory is utilized:

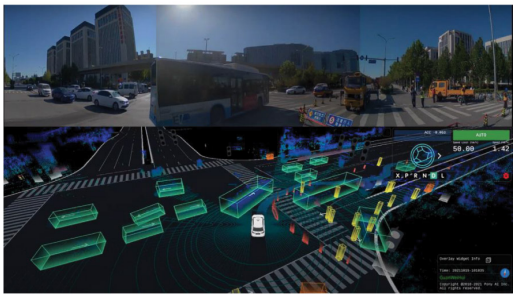


Example 1: Unprotected Left Turn in a Chaotic Intersection

Example 2: Moving Through Hectic Traffic Flow with Numerous Pedestrians and Cyclists



Example 3: Snowy Day. Crossing Pedestrian Interaction



Example 4: Large Construction Area. Merging with Vehicles.

To ensure that our autonomous vehicle drives like humans, we have tuned our decision maker using reinforcement learning from human feedback (RLHF). We have utilized human labelers to provide feedback on the safety, comfort and efficiency of the autonomous driving system in various scenarios. This feedback is then used to train a reward function, which guides the tuning of our deep learning decision-making on a much larger dataset. As a result, our decision-making system has sufficient generalization ability to handle both common cases and extreme scenarios.

"Simulation" — Building Smart Agents with Imitation Learning for Interactive Simulation

We have established an industry-leading infrastructure for our simulation system, which guarantees the reproducibility of cases encountered during our public road testing within the simulation environment. To ensure the accuracy and thorough validation of our robotaxi's onboarding system, we have developed a comprehensive simulation-based evaluation system and collected a vast amount of real-world data, including corner cases encountered during road tests. Prior to releasing each onboard system binary, we conduct extensive and rigorous simulations using this data to ensure safety and guard against performance regression.

The smart agent is a crucial component of our simulation system, which ensures the generation of trustworthy simulation outputs. Simulations provide us with a better understanding of how our AV software and algorithms would perform in the real world. Trustworthy simulation outcomes are essential for rapid development iteration and cannot be substituted solely by increasing the volume of road test data. To achieve this goal, other road agents in a simulation need to interact with our vehicle in a manner similar

to human drivers, or the simulation outcomes would be unrealistic. To enable these agents to become as smart as human drivers, we use imitation learning, a generative AI technology, in the simulation system. We also integrate a reward function into the model that incorporates safety awareness, trained based on human feedback. This approach allows the smart agent to react to changes in a human-like manner while ensuring safety, resulting in more realistic simulation outcomes.

The comprehensive simulation-based evaluation system is critical to the development and validation of our autonomous driving technology. It enables us to evaluate safety and comfort based on trustworthy simulation results, reducing the need for expensive and impractical real-world road tests for every single software feature. With enormous road testing data, we can quickly evaluate the impact of any new software feature before conducting public road testing and gain a comprehensive understanding of their performance and safety. As we continue to expand our geographic footprints and more valuable corner cases are added to the evaluation set, our simulation system will become increasingly capable of detecting any performance regression or potential safety concerns in a short timeframe, ensuring the safety and reliability of our autonomous vehicles.

"Data & Infrastructure" — Foundation to Rapid Iteration, Scalable Deployment and Efficient Testing

Successful autonomous driving technology deployment and scale rely on a complete set of supporting software infrastructure. From the real-time onboard operating and monitoring systems to offline simulation and machine learning training, and from data collecting and recording system to offline data analysis and mining, we have built a full suite of capabilities that drives rapid iteration, scalable development of a high-quality system, and efficient testing in all aspects of software and hardware development.

To ensure safe and reliable autonomous driving, all of our perception, prediction and planning and control modules are designed to deal with complex corner cases, which require a special data mining mechanism to dig from tons of road testing data that our autonomous vehicle collects on a daily basis. Therefore, we purposefully design our data mining system to automatically identify such corner cases in which our algorithms and modules need to be refined. Those corner cases will be recorded and added to our training data and simulation system.

Our onboard monitoring system schedules, runs and monitors all of our software modules underlying our *Virtual Driver*. It implements a unified application programming interface for seamless module communications, which maintains a stable data flow from the upstream sensors all the way to the downstream planning and control module. This has helped to ensure safety and performance of our *Virtual Driver*.

"Tool Chains & Metrics System" — Advancing Autonomous Driving Through Rapid Iteration and Trackable Metrics

We have developed a comprehensive, scalable, and user-friendly tool chains and metrics system to support every major stage of our technology development, ensuring both safety and reliability while accelerating the iterative cycles. Such powerful proprietary tool chains and metrics system allows us to develop and train autonomous driving systems that are capable of adapting to new cities or regions and operating effectively typically in less than two weeks.

The development of autonomous driving technology heavily relies on data and involves multiple stages, such as data analytics, data mining, code development, data labeling, model training, simulation-based evaluation, continuous integration/continuous delivery (CI/CD), and feature release. We have developed powerful, automated tool chains that provide one-stop solutions to engineers with low latency covering the entire AV software development process. Adding server resources can further reduce latency without any technical changes required. All of our tool chains are based on distributed data and computation platforms that can be easily deployed to cloud or private environments compliant with regulations.

Scaling autonomous driving technology is critical for its success as it must adapt to varying road conditions, traffic rules, and driving patterns across geographies. This poses another challenge, as autonomous driving systems must recognize and respond to various situations they may encounter on the road. With our advanced tool chains, we have significantly reduced the time required for us to penetrate a new city from six months to half a month.

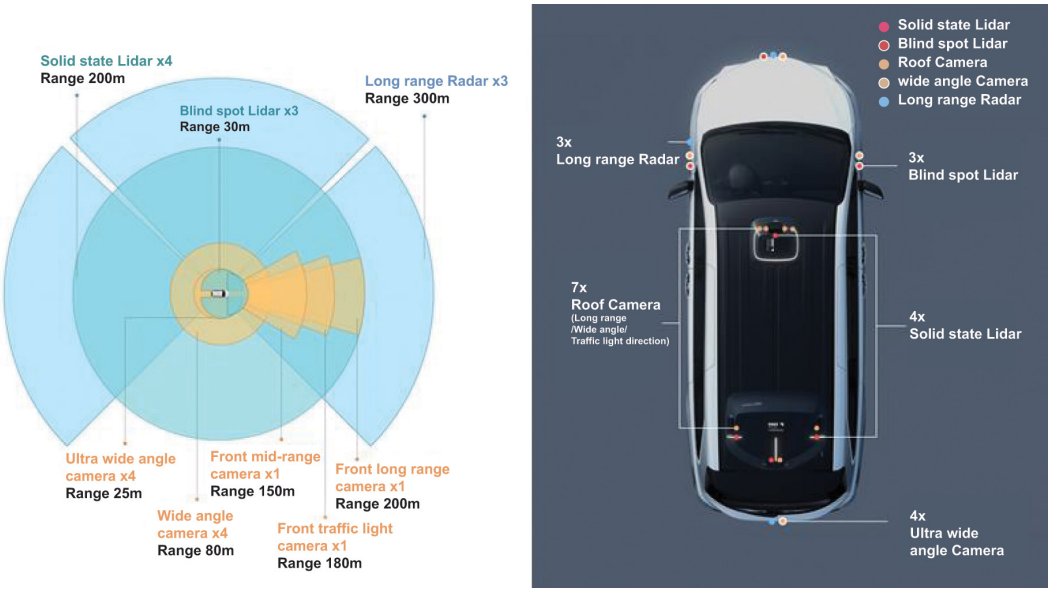
Developing a consistent and accurate way to measure the performance of autonomous driving systems is critical to ensuring the safe and trackable deployment of this technology. We have created a comprehensive metrics system that combines real-world road testing and simulations to effectively measure the safety of the autonomous driving system. By leveraging the strengths of both real-world road testing and simulations, we can evaluate the system's performance in a wide range of scenarios, which may be difficult to recreate on the road.

Our metrics system is highly sensitive and has high credibility in detecting any subtle regression in the system's performance. This is critical to ensuring the safety of passengers and other road agents. Additionally, we have established a process for ongoing monitoring and improvement of the system's safety performance. This includes regular updates and improvements to the system's software and hardware, as well as ongoing testing and evaluation to ensure that the system remains safe and effective over time.

Sensors

We employ a multi-sensor approach that incorporates LiDARs, high-resolution cameras as well as radars to accurately and precisely perceive and understand the environment surrounding our autonomous vehicles. Our current autonomous vehicle model is equipped with a robust sensor suite comprising 7 LiDARs, 11 high-resolution cameras and 3 radars, which enables a 360-degree field of view without any major blind spot.

The following diagram illustrates our sensor designs on our 6th generation autonomous vehicle model:



- ***LiDARs***. LiDAR uses laser beams to accurately detect objects around our autonomous vehicle, which allows high resolution range sensing in all lighting conditions. We deploy 7 LiDARs on both the top and sides of our current autonomous vehicle model, which can generate precise and real-time three-dimensional images of the surrounding, from cars to traffic lights to pedestrians, in a wide range of environments and under diverse lighting conditions day and night.
- ***Cameras***. By equipping our autonomous vehicle with 11 high-resolution cameras at every angle, the vehicle is capable of maintaining a 360-degree view of its surrounding environment without major blind spots, thereby providing a broader picture of the traffic conditions around it. In our latest full-stack *Virtual Driver*, we install in-house designed cameras tailored specifically for our autonomous vehicle fleet needs. For example, the customized automotive-grade cameras improved image quality significantly, enhancing sensor data input to ensure safety, reliability and optimal performance of our autonomous driving solutions.

- ***Radars***. Radar emits radio waves that detect objects and gauge their distance and speed in relation to our vehicle in real time. As compared to LiDAR and camera, radar works best in inclement weather such as rain, snow and fog. Our autonomous vehicle is equipped with three long range radars at the front, back and front left corner side, respectively. On our S-AM (Sienna Autono-MaaS) autonomous vehicle model co-developed with Toyota, we further upgrade the radar suite to 4D radars with increased sensing capabilities, higher accuracy, improved object recognition, real-time adaptability and robustness.
- ***GNSS / IMU***. In addition to perception sensors, we also use two other types of sensors in our system, a high-accuracy global navigation satellite system (GNSS) and inertial measurement units (IMU). These sensors work together with our high-definition maps and localization module to ensure accurate positioning of our autonomous vehicles.

By synchronizing inputs from the sensor suite, we effectively balance the inherent strengths and weaknesses of the different sensors, leading to improved precision in outlining the environment around the vehicle. In addition, we also integrate information from multiple sensors of the same object type to yield a more accurate and reliable representation of the surrounding environment by taking advantage of partially overlapping fields of view. Through the seamless integration of our redundant sensor coverage and intelligent software modules, our *Virtual Driver* is able to sense the surrounding environment and objects at all times and in complex weather conditions, resulting in safer and more reliable autonomous driving solutions.

Through years of dedicated research and practical application of sensor technology, combined with our in-depth industry insights, we have developed a highly comprehensive sensor evaluation and selection system. This system enables us to select the best sensors available in the market while offering valuable suggestions to our suppliers on how to improve their product design and quality for autonomous driving applications. Furthermore, drawing on our unique insights into the specific demands of sensor design and functionality for autonomous vehicles, we work closely with our suppliers to develop customized sensor products that are better suited for autonomous driving scenarios. This collaboration supports the continued optimization of our highly integrated AV software and hardware, ensuring that we provide our customers with the safest, most reliable and efficient autonomous driving solutions.

Computation System

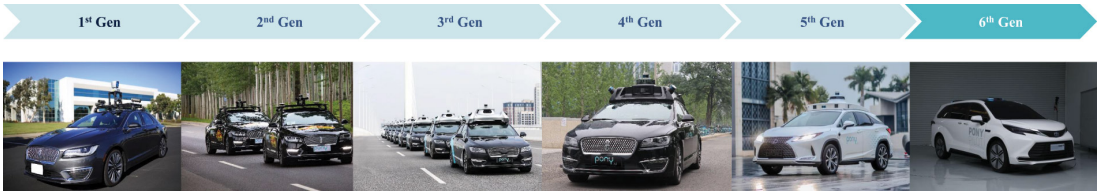
Our computation system is responsible for processing the data collected from the sensors and running our proprietary algorithms in real time to enable our vehicles to drive autonomously. In designing and configuring our computing system, we focus on performance, reliability and resource efficiency. Each piece of the computation system is validated by well-defined compliance tests. For example, the new autonomous computing unit for our latest 6th generation vehicle model is built on NVIDIA DRIVE Orin, an automotive-grade processor purpose-built for autonomous vehicles, for high performance and scalable compute.

Our in-house development of the autonomous driving computation unit (ADCU), a fully automotive-grade computing platform, has enabled us to define a computation architecture that is tailored specifically for autonomous driving applications. We have customized the memory system, data pipeline, and time synchronization topology to ensure that all processor capabilities are utilized to their maximum potential. Furthermore, our in-house ADCU can be fine-tuned to balance performance and resource consumption, making it a more sustainable and cost-effective solution. Additionally, the ADCU can be more easily adapted and upgraded as new technologies become available, enabling greater flexibility and scalability. This transition from industrial-grade to automotive-grade computing platform allows us to deploy and scale safer, more efficient and cost-effective autonomous vehicle fleets.

Vehicle Integration

Vigorous vehicle engineering brings together every piece of our *Virtual Driver*, from our robust AV software to the best available hardware sourced from our business partners. By seamlessly integrating them on diverse vehicle platforms, we design our autonomous vehicle, as a carrier of all, to offer the safest and smoothest passenger experience. Years of testing and design improvement with our OEM partners over the course of our six generations of autonomous vehicle models underpin our confidence in our purpose-built Level 4 automation. With each new generation of our autonomous vehicle model, we strive to deliver

improved and more sophisticated hardware designs that better integrate with the vehicle platform, while also enhancing cost efficiency and adaptability. Our dedication to ongoing improvement means that each iteration of our vehicle represents the latest advancements in autonomous driving technology, ensuring that we provide passengers with the safe and most advanced autonomous driving experience possible. Our highly integrated autonomous vehicles were designed to closely resemble mass-produced cars in terms of weight, power consumption, size, and other key aspects. Our latest 6th generation autonomous vehicle model, developed in partnership with Toyota, is expected to be deployed for public-facing robotaxi services in the first half of 2023.



Our latest 6th generation autonomous vehicle model features a redundant vehicle platform. With redundant sensors, computation systems, power, and actuators in our vehicle platforms, we can avoid single points of failure. For example, in our computation system, different processors cross-check and function as backup systems for each other, and certain algorithms running on the GPU can fall back to the CPU if an error occurs. Another example is that if the main power system fails, the backup power system will seamlessly engage and ensure continuous power to the computation system, and thus the continued operation of our *Virtual Driver* as a whole.

Our approach to ensuring the reliable and safe operation of our autonomous vehicle includes a three-layer redundancy comprised of (i) normal operation mode, (ii) degraded safe mode, and (iii) minimal risk condition mode. The degraded mode and minimal risk condition mode operate on physically independent redundant platforms, which include redundant sensors and computations. In the event of faults occurring during normal operation, we detect these faults and transition the system to a degraded safe mode, allowing the vehicle to drive to a safe location. If critical faults occur that cannot be addressed by the degraded safe mode, the minimal risk condition mode will be triggered, allowing the vehicle to at least stop in its lane without collision.

Remote Assistance

We have a cost-effective and scalable remote assistant system, our "RA system," to ensure that our autonomous vehicles can handle unexpected situations with ease. This RA system benefits from low communication bandwidth and latency requirements. It is specially designed to act only at a vehicle's request. After receiving such a request, a system operator then provides his or her suggestions to such vehicle, which can make its driving decisions locally and independently. This system mitigates potential safety and security risks caused by human errors or unauthorized access to our vehicles. Each system operator can remotely monitor multiple vehicles simultaneously, which significantly improves efficiency and reduces operational costs.

Commercialization Models and Services Offerings

We have been commercializing our autonomous driving technology by integrating it with vehicles of various models, classes and levels of autonomy to enable multiple commercial applications. We mainly focus on vehicles and use cases that maximize our commercial opportunity, including electric vehicle passenger "robotaxis" and long-distance, heavy-duty "robotrucks." We are also exploring additional monetization opportunities by capitalizing on our robust technology capabilities to offer POV intelligent driving solutions and value-added technological services.

Robotaxi Services

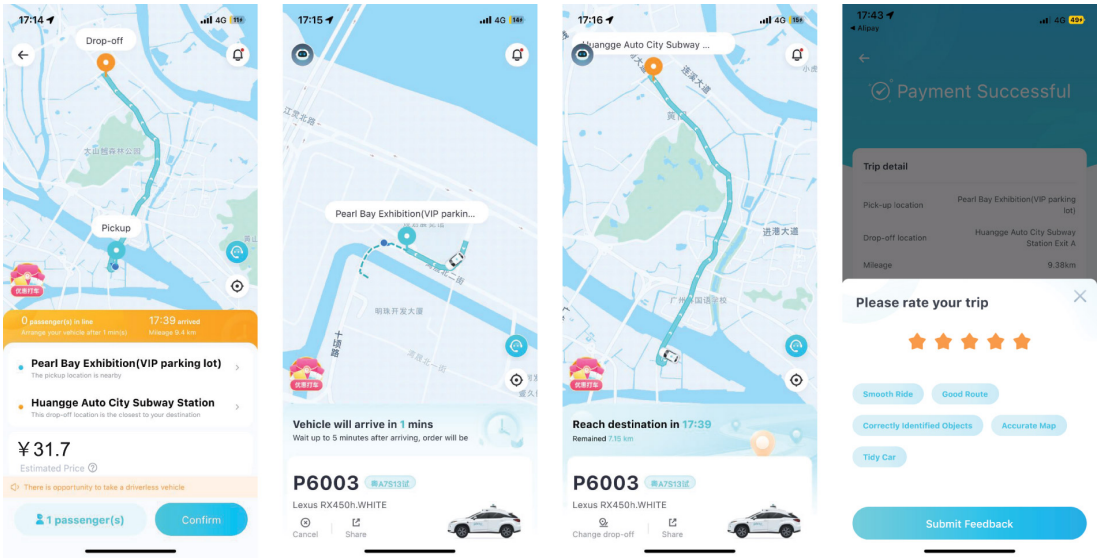
We provide robotaxi services to drive passengers autonomously on a ride-hailing basis in vehicles integrated with our *Virtual Driver*. We operate a fleet of over 290 robotaxis, with over 18 million kilometers

of autonomous driving mileages cumulatively. Out of these autonomous driving mileages, over 8 million kilometers are attributable to the operation of our public-facing robotaxi services, which include mileages accumulated by our robotaxis driving on the road while waiting for passenger orders and during pick-up and drop-off of passengers. The remaining autonomous driving mileages are attributable to vehicle testing.

A Fun and Safe Ride with Our Robotaxi

We endeavor to offer a compelling autonomous driving experience to our passengers. Passengers can enjoy a safe, comfortable and convenient ride with us via a few clicks on our *PonyPilot+* mobile app, which is currently available for download on both Apple and Android app stores. Once a passenger hails a ride, our mobile app will direct the passenger to a nearby travel station for pick up and drop off. We have built our proprietary human machine interface application PonyHI to improve passenger experience. PonyHI provides passengers with significant information about the journey, including the vehicle position, trip route, vehicle trajectory and road conditions. For our fare-charging autonomous robotaxi services, passengers can view the fare for the ride on both our *PonyPilot+* mobile app and the in-car interactive interface, and they can complete payment on their mobile devices.

The following are screenshots of our proprietary *PonyPilot+* mobile app:



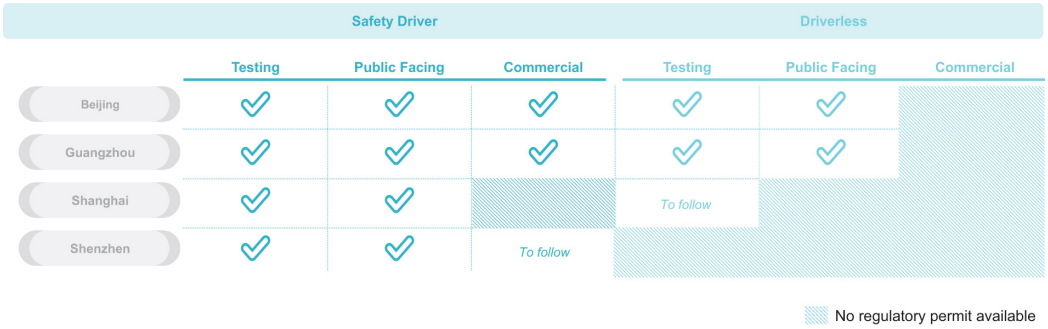
We are currently working with a growing number of leading TNCs in China to roll out our robotaxi services across their apps, increasing the visibility and accessibility of our services. Today, passengers can easily hail our robotaxis on both our *PonyPilot+* mobile app and the OnTime Mobility mobile app.

Commercialization Roadmaps

We launched our autonomous vehicle fleet on open roads with a safety driver in Guangzhou in February 2018, and have since then rapidly scaled our public-facing robotaxi operations in China. We currently operate a fleet of over 290 robotaxis in China, with average daily orders received per robotaxi exceeding 10 in the first four months of 2023.

Obtaining a regulatory permit represents a critical milestone of an autonomous driving company's technological and operational readiness towards commercialization. In China, local regulators have established rigorous, comprehensive criteria to ensure the safety and commercial viability of autonomous vehicles before granting permits for road testing and commercial operations. These criteria take into account a wide range of highly specialized and technical metrics and indicators, including the proportion of autonomous driving mileage, critical intervention and accident rate performances, simulation and other road testing results, the quality of safety drivers and remote control / assistance capabilities, contingency

plans, and the number of passenger orders. By carefully evaluating these factors, regulators assess the technological and operational readiness of autonomous driving companies to safely and effectively operate vehicles on public roads. Therefore, the regulatory permit review and approval process serves as a critical safeguard to ensure that only the most advanced and reliable autonomous driving technologies are allowed to be tested and deployed on public roads. With the regulatory permits for multiple autonomous vehicle testing programs received in all tier-1 cities in China, namely Beijing, Shanghai, Guangzhou and Shenzhen, we are the frontrunner in advancing commercialization of public-facing robotaxi services in China. The following diagram further illustrates the key progress we have made in obtaining major regulatory permits for providing public-facing robotaxi services in China as of the date of this prospectus.

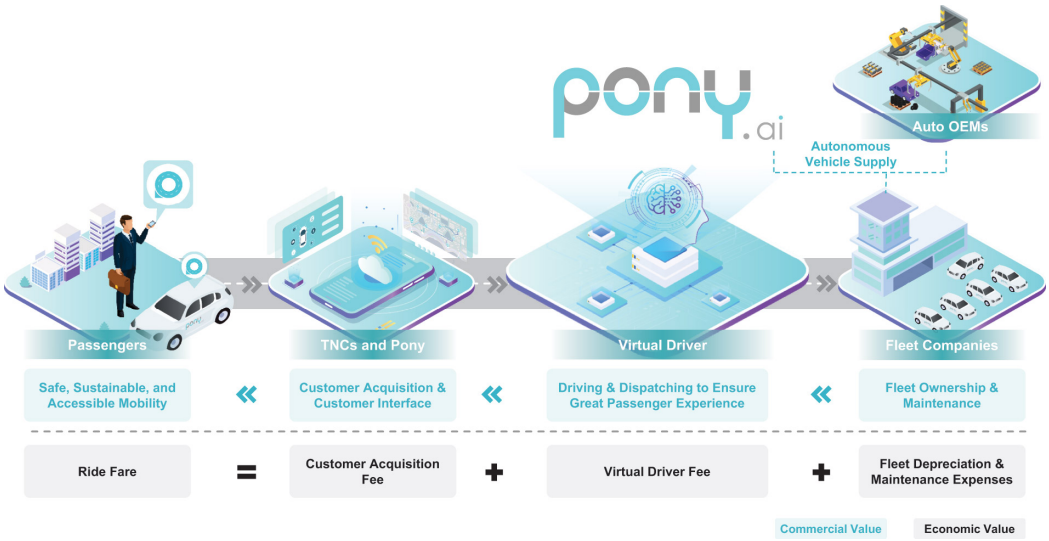


Note: Information about issuance status of applicable regulatory permits in the table above is based on the publicly available information and our company's best knowledge as of the date of this prospectus.

We received the permit to offer public-facing robotaxi services without a safety driver in the passenger seat in Beijing and Guangzhou in early 2023, marking a new milestone on path to mass deployment of commercial Level 4 robotaxi services. We were also one of the two robotaxi operators to further receive a fully driverless autonomous vehicle road testing permit in Beijing, which allows us to test our autonomous vehicles without a safety driver sitting inside the vehicle but a safety officer monitoring the vehicle remotely. To date, we have deployed ten public-facing driverless robotaxis in challenging urban traffic scenarios in Yizhuang, Beijing. Additionally, over 20 of our autonomous vehicles are also permitted to drive on such fully driverless mode in Guangzhou's public roads. We believe this first-mover advantage for staying ahead in regulatory approval, combined with our robust technology and partnership with OEMs, has positioned us to commercialize public-facing robotaxi services at scale in China in the future.

We also have operations in the United States with a team of 115 employees. We currently have R&D and autonomous vehicle testing programs in the Bay Area, California, as well as Tucson, Arizona. For the amounts of revenues generated in the United States in 2021 and 2022, see Note 2(z) to our audited consolidated financial statements included elsewhere in this prospectus.

As our robotaxi services continue to scale, we are well positioned to connect and empower different stakeholders along the value chain with diversified monetization models with OEMs, TNCs and fleet companies, as illustrated by our go-to market strategies depicted in the diagram below:



- ***OEMs***. We believe OEMs will help us commercialize our robotaxi services at scale. We work with OEMs to co-develop and produce autonomous vehicles across various vehicle platforms. We will deepen our collaboration with an increasing number of OEM partners to constantly upgrade and optimize our autonomous vehicle models, delivering improved autonomous driving experience to passengers. The autonomous vehicles manufactured by our OEM partners will be then sold to comprise the fleets owned by ourselves or third-party fleet companies.
- ***Self-owned fleets & third-party fleet companies***. While we currently serve passengers with our self-owned robotaxi fleets to directly engage with them, we expect the future robotaxi fleets to be largely owned by a growing network of third-party fleet companies funded by third-party fleet owners. Under this long-term operating model, we expect to generate revenues by operating robotaxi fleets for these fleet companies. In addition, we may also generate revenues by selling autonomous vehicles co-developed with different OEM partners to them. We anticipate this model to enable a potentially asset-light and high-margin revenue stream, while allowing us to continuously focus on technology innovations and scale more rapidly across our geographic markets.
- ***TNCs***. Under our go-to market strategies, TNCs will serve as an effective conduit connecting our robotaxis with their expansive user bases. Both us and third-party fleet companies may offer robotaxi services to passengers through various TNCs, and receive a portion of fare paid by passengers as revenues under certain revenue sharing arrangements.
- ***Passengers***. As our robotaxi fleets continue to scale, passengers may access our robotaxi services either directly on our *PonyPilot+* mobile app or through the mobile apps operated by different TNCs. Passenger fare will be charged by us and/or the applicable TNCs, as the case may be, for each ride on a robotaxi.

Robotruck Services

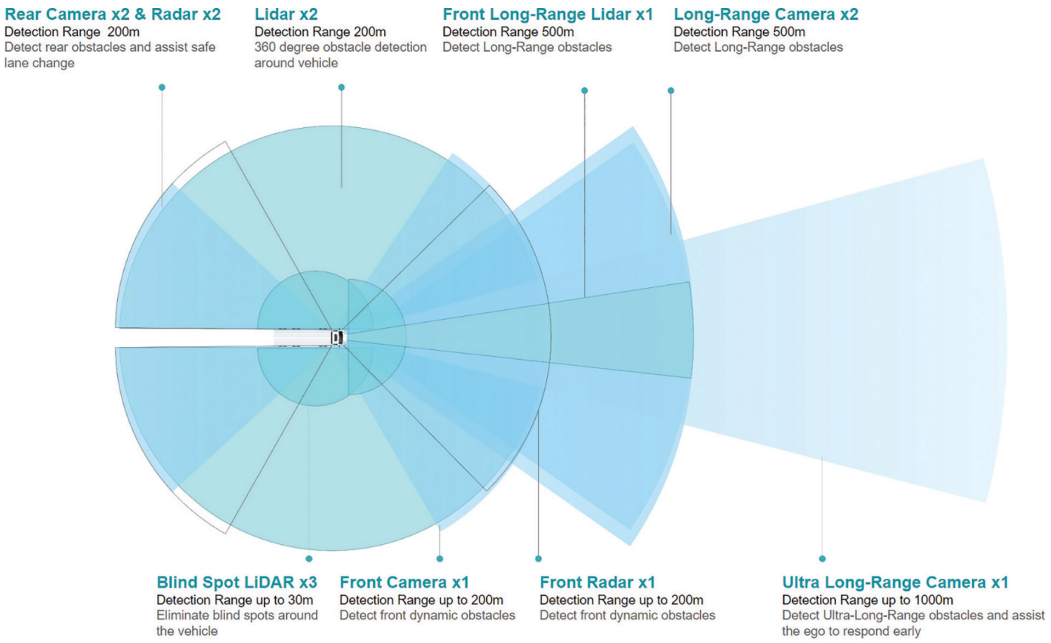
Building upon a common set of underlying technology, we rolled out our hub-to-hub autonomous freight solutions in March 2021 in China to capture tremendous opportunities in the truck freight market. We have obtained autonomous driving public road testing permits in Beijing and Guangzhou, and we operate a fleet of over 140 robotrucks, consisting of both Level 2++ intelligent trucks and Level 4 driverless trucks, covering all major commercially active areas and transportation arteries throughout China. Over the course of its commercial operations, our robotruck fleet has accumulated over 16 million kilometers of

driving mileages. To validate our technology and business model in anticipation of large-scale commercialization in the future, we are also running our robotrucks in a variety of business scenarios.

Adapting Our Virtual Driver to Robotruck Use Cases

While the key autonomous driving technology used in our robotruck services largely overlaps with our robotaxi services, we meticulously customize certain modules, such as sensor suite and control, to cater to the specific robotruck use cases. For example, we expand our vehicle's detection range to approximately 1,000 meters, allowing our robotruck to drive safely at a high speed. We equip our robotrucks with back-facing cameras and radars, which are considered optimal for trucks to change or merge lanes. Additionally, short-range and wide-angle LiDARs are added to our robotrucks, eliminating any potential blind spots to improve safety.

The following diagram illustrates our sensor designs optimized for our robotrucks:

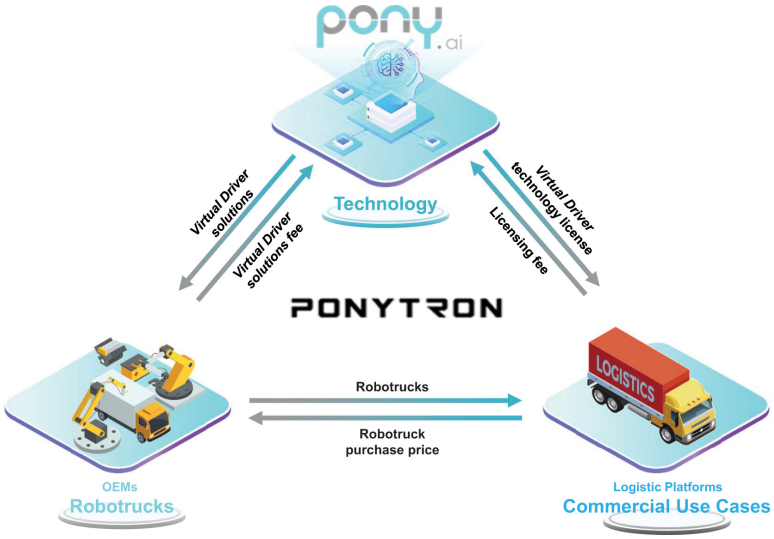


In addition, trucks are significantly less nimble than passenger cars, as characterized by longer gearshift timeframes and higher actuation accuracy requirements. Our control module is designed to dynamically adapt with high precision to varying truck trailer cargo weights as well as crosswind speeds which can both drastically alter the movement of and create unique challenges for robotrucks.

Commercialization Roadmap

The blueprint of our robotruck services is built upon our strategic relationships with truck OEMs on the one hand and logistics platforms on the other. We believe our collaboration with truck OEMs will allow us to rapidly scale the production of robotrucks integrated with our technology, whereas our cooperation with leading logistics platforms will help us apply our robotruck services to commercial use cases including

intelligent hub-to-hub autonomous freight solutions. The diagram below illustrates our go-to-market strategies and our current and planned monetization models for our robotruck services.



Sinotrans partnership. In December 2021, we announced our partnership with Sinotrans, the largest freight logistics company in China. We formed Cyantron as its controlling shareholder to build a mixed capacity freight service provider with our autonomous driving technology. As of the date of this prospectus, Cyantron has commenced operations with a fleet of over 120 robotrucks, consisting of Level 2++ intelligent trucks and Level 4 autonomous trucks. In the short term, Cyantron offers hybrid logistics capacity, including its robotruck services, to Sinotrans for logistics fees. As the robotruck fleet size continues to grow, Cyantron is expected to serve a growing number of Sinotrans' freight orders across China, and offers paid robotruck services to the public at a large scale in the long term. As a result, Sinotrans and other logistics platforms in China's truck freight market will gain access to safe, reliable and environmental-friendly freight capacity at reduced labor and other costs. Through Cyantron, we will also use data analytics to improve loading and dispatching efficiency and reduce accident rates.

SANY partnership. As another firm step towards commercial applications of our robotruck services, we entered into a strategic partnership with SANY, a leading truck manufacturer in China, in May 2022, pursuant to which we will co-develop automotive-grade Level 4 trucks powered by our technology. As part of our strategic cooperation agreement, we are responsible for licensing our autonomous driving technology and providing technical support for the development of robotrucks, and SANY has agreed to, among other things, (i) manufacture robotrucks at arm's length prices, (ii) help to market our robotrucks through its sales channels, and (iii) license its proprietary intellectual property rights over its truck platforms to design and develop robotrucks equipped with our *Virtual Driver* technology. Both parties may terminate the agreement by mutual consent or in the event of force majeure.

Licensing and Applications

Leveraging our extensive vehicle engineering and integration experience, we launched our POV intelligent driving solutions in late 2022 to empower such vehicles to achieve higher levels of driving automation. We offer a complete suite of POV intelligent driving solutions to leading OEMs and robotic vehicle companies, spanning software licensing, hardware and data analytics tools:

- *Intelligent driving software solutions.* Built upon our *Virtual Driver*'s technology breakthroughs, we offer intelligent driving software solutions to OEMs, enabling highway and urban Navigate on Autopilot (NOA), automated parking by memory, lane centering control (LCC), adaptive cruise control (ACC), and other Level 2++ to Level 4 assisted driving functionality. Our strong autonomous driving software modules and algorithms, combined with our extensive testing efforts across complex operational areas, have allowed us to develop powerful yet cost-effective solutions that have

achieved initial customer acceptance. Currently, three system-level software solutions are at customers' option, which configure different combinations of sensors and computing capability.

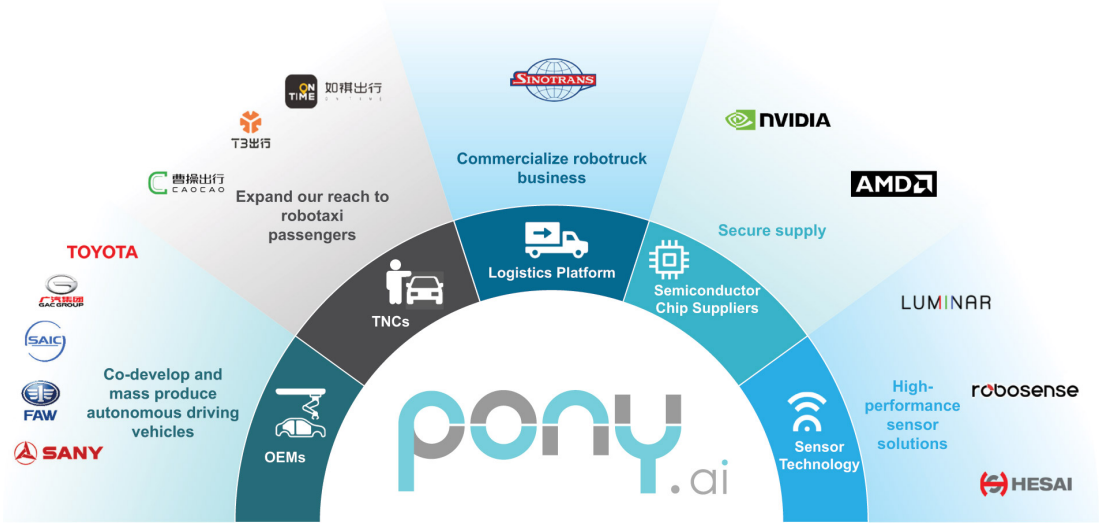
- *Proprietary vehicle domain controller products.* We offer proprietary vehicle domain controller products currently built on NVIDIA DRIVE Orin to OEMs to support their vehicles' ADAS systems. Based on the massive data insight and industry experience we accumulated through robust vehicle testing, we developed our vehicle domain controller product to be safe, resilient and highly functional, better catering to intelligent driving use cases. This is evidenced by multiple accreditations and recognitions that we received from reputable international institutions, including ISO 26262 Functional Safety ASIL D Development Process Certification. To date, we have achieved mass production and delivery of our vehicle domain controller products, and we are also exploring market opportunities to apply our vehicle domain controller products in low-speed autonomous driving use cases, such as unmanned vehicle delivery, driverless sanitation vehicles and autonomous port operations.
- *Data analytics tool.* Our data analytics tool consists of a cloud-based data processing platform that enables the mining, collection, analysis and maintenance of data collected from a vehicle equipped with our technology, as well as a Level 4 simulation system evaluating the safety, compliance, comfortability and efficiency of the vehicle along its journey, thereby constantly improving the vehicle's ADAS system.

In addition, we also provide certain value-added technological services, such as vehicle integration services, and software development and licensing services, to sensor and hardware component suppliers as well as other industry participants, helping them better adapt their products and solutions to autonomous driving use cases and building smart transport system.

Ecosystem of Partners

Around our core technology, we have built a thriving ecosystem of industry and technology partners, including OEMs, TNCs and logistics platforms, semiconductor chip suppliers, sensor suppliers, and other types of industry stakeholders. These strategic partnerships allow us to continue to hone our expertise in developing cutting-edge autonomous driving software and technology, but at the same time effectively leverage the manufacturing, product development, customer networks, and service expertise of our partners to scale and monetize our technology globally.

The following diagram illustrates our key partners and our cooperation with them.



The collaborative ecosystem around our technology and partners connects us with the vehicle and component suppliers, and the mass service demand from TNCs and logistics platforms. This connection has

enabled us to scale our autonomous vehicle fleets integrated with our *Virtual Driver*, while simultaneously applying such autonomous vehicles across diversified commercial use cases in a cost-effective way.

- ***Robotaxi services***: we have strategically built in-depth collaborations with leading OEMs such as Toyota, SAIC, GAC and FAW to co-develop and mass-produce autonomous vehicles. Through our phase 1 collaboration with Toyota, we successfully launched our 6th generation autonomous vehicle model in January 2022 to support fully driverless robotaxi operations. The partnerships with these leading OEMs have significantly increased our ability to scale our technology globally with reliable, integrated vehicle platforms. In addition, we have formed strategic partnerships with leading TNCs including mobility platforms, such as GAC-backed OnTime Mobility and FAW, DFM and CHANGAN-backed T3, to deploy and operate autonomous vehicle fleets for our robotaxi services at scale. With strategic investments in OnTime Mobility in April 2022, OnTime Mobility rolled out a fleet of over 30 GAC vehicles integrated with our *Virtual Driver* on its mobile app to offer paid public-facing robotaxi services in Guangzhou, China.
- ***Robotruck services***: we have formed strategic partnerships with China's leading truck manufacturer SANY to co-develop intelligent trucks powered by our technology, and with China's largest freight logistics company Sinotrans to co-deploy Level 2++ intelligent trucks and Level 4 autonomous trucks throughout Sinotrans' certain existing logistics network. Our *Virtual Driver* technology, combined with the manufacturing and aftersales capability of truck OEMs and the demand and infrastructure of logistics platforms, has positioned us to capitalize on opportunities in China's large trucking market.

In addition, we have co-development collaborations with key players on hardware components, with NVIDIA on autonomous driving controllers, and with Luminar and other sensor suppliers on customized sensor solutions. Such deep collaborations with top-tier hardware component companies enable us to customize designs to deliver high performance and cost effectiveness, as well as to secure supply during uptime.

Under the contractual arrangements with our major strategic partners, we typically maintain ownership of the intellectual property rights that were developed by us. In cases where joint collaboration results in new intellectual property, the ownership of these rights is typically shared between ourselves and our strategic partners. Our agreements with these partners ensure that all parties benefit from the co-development and deployment of new technologies, while also providing clear guidelines for the protection and management of intellectual property. By working closely with our partners and taking a collaborative approach to innovation, we are able to leverage our collective strengths and drive the continued growth of our business.

Customers and Suppliers

At the current stage of commercialization, our customers consist primarily of (i) OEMs and TNCs with respect to our robotaxi services, (ii) OEMs and logistics platforms with respect to our robotruck services, and (iii) sensor and hardware component suppliers and other industry participants with respect to our licensing and applications business. To a lesser extent, our customers also include passengers who access our robotaxi services via our *PonyPilot+* mobile app. In 2021 and 2022, we had 5 and 20 corporate customers, respectively, in addition to individual customers who were passengers of our robotaxi services. These customers include Chinese companies and multinational companies operating at various scales along the autonomous driving value chain, including vehicle manufacturing, logistics, and AV software and hardware design and manufacturing.

We have historically generated revenues from a small group of customers during the early stage of commercialization. Our top three customers accounted for an aggregate of 99.6% and 58.7% of our revenues in 2021 and 2022, respectively. These were primarily customers of our (i) transportation services provided by our robotruck fleet, and (ii) licensing and applications business. There was no overlap between these top customers in 2021 and 2022. There is no preexisting relationship between any member of our management team with these customers. As we continue to commercialize our autonomous driving technology through executing our go-to-market strategies, our customer base and profile are expected to constantly change, and we expect to further reduce our customer concentration.

Our suppliers include primarily various component and service suppliers, such as semiconductor chip suppliers and sensor suppliers. We collaborate with these suppliers, which co-design with and/or supply to us certain key components used in our sensor suite and hardware, allowing us to focus our endeavors on research and development while improving our ability to mass produce and commercialize our technology. As of December 31, 2022, we had over three years of cooperation with over 40% of our key suppliers.

Research and Development

We have invested a significant amount of time and effort into research and development of proprietary artificial intelligence, algorithms and software and hardware components to constantly enhance the capability of our *Virtual Driver* and solidify our technology leadership in the market. As the commercial deployment of our autonomous driving technology progresses, we are also devoted to adapting and optimizing our technology to different commercial use cases. As of December 31, 2022, we had over 600 engineers, researchers and scientists whose expertise spans a broad range of disciplines such as vehicle engineering, industry design, AI and machine learning and data analytics. Our research and development teams are responsible for the design, development and testing of our autonomous driving technology.

Our research and development presence across multiple locations has enabled us to develop, test and refine our autonomous driving technology based on diverse road, and weather, resulting in more reliable, resilient and scalable autonomous driving solutions. Our multi-center approach, combined with our leadership in the industry, also allows us to attract and retain top talents across the world, which contributes to our long-term business growth.

Intellectual Property

We rely on proprietary technology and we are dependent on our ability to protect such technology. We rely on a combination of patent, copyright, trade secret and trademark laws as well as contractual restrictions such as confidentiality agreements, licenses and intellectual property assignment agreements to protect our intellectual property. We also maintain a policy requiring our employees, consultants and other third parties to enter into confidentiality and proprietary information agreements for the protection and confidentiality of our proprietary information. As of the date of this prospectus, we have registered 196 patents, 109 copyrights, 462 trademarks in China, and 136 patents and 64 trademarks in the United States. We have also registered 11 domain names globally.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our technology. Monitoring unauthorized use of our intellectual property and proprietary rights is difficult and costly, and we cannot be certain that the steps we have taken will prevent misappropriation. From time to time, we may have to resort to litigation to enforce our intellectual property and proprietary rights, which could result in substantial costs and diversion of our resources. In addition, third parties may initiate lawsuits against us alleging infringement of their intellectual property or proprietary rights or declaring their non-infringement of our intellectual property or proprietary rights. In the event of a successful claim of infringement and our failure or inability to develop non-infringing technology or license the infringed or similar technology on a timely basis, our business could be harmed. Even if we are able to license the infringed or similar technology, license fees could be available only on commercially unreasonable and unfavorable terms, which may adversely affect our business, results of operations and financial condition. For additional information on the risks relating to intellectual property, see the section titled "Risk Factors — Risks Related to Our Business and Industry — We rely on patents, unpatented proprietary know-how, trade secrets and contractual restrictions to protect our intellectual property and other proprietary rights. Failure to adequately obtain, maintain, enforce and protect our intellectual property and other proprietary rights may undermine our competitive position and could materially and adversely affect our business, prospects, results of operations or financial condition," and "Risk Factors — Risks Related to Our Business and Industry — We may be sued by third parties for alleged infringement, misappropriation or other violation of their proprietary technology or other intellectual property rights, which could be time-consuming and costly and result in significant legal liability or require us to cease using certain technology or other intellectual property rights, which could harm our business, financial condition, operating results and reputation."

Data Security and Privacy

To enable our autonomous driving solutions, we collect, store, transmit and otherwise process data from vehicles, users, employees, drivers and other third parties, some of which may involve personal data or confidential or proprietary information, such as a user's name, phone number, place of departure and destination. We have implemented and maintained data protection policies, including our data classification policy and data life cycle specification, which have been designed to ensure that the collection, use, storage, transmission and dissemination of such data are in compliance with applicable laws across jurisdictions in which we operate, including China and the United States, and with prevalent industry practice. In particular, data collected in China and the United States are stored and preserved separately from each other. We endeavor to keep our users informed of how their personal information is handled by us throughout its life cycle. Users may access our privacy policy on our official site, which describes the type of personal information we collect, and how we use, share and protect users' personal information, among other information.

We have established an all-round information system designed in compliance with data security requirements and best practices and intend to continually invest heavily in data security and privacy protection. Our information system applies multiple layers of safeguards, including internal and external firewalls, enterprise-standard web application firewalls, and risk management platform. We adopt various technical means including encryption, desensitization, verification and backup to ensure the confidentiality, integrity and availability of the data we collect throughout its life cycle. We implement a robust internal authentication and authorization system designed to ensure confidential and important data can only be accessed by authorized staff. We have also completed certain information security, privacy and compliance certifications/validations. For instance, our system is on file with the relevant public security authorities in China with a Level 3 information system security level.

In addition, we have a designated data security team and an incident response team comprising members across various disciplines to provide daily cybersecurity and data security protection support, including a quick, effective and orderly response to servers and personal information related potential or actual incidents such as virus infections, hacker attempts and break-ins, improper disclosure of confidential information, system service interruptions, breach of personal information, and other events with serious information security implications.

As of the date of this prospectus, we have not received any claim from any third party against us alleging any violation of such party's data privacy rights, and we have not experienced any material data loss or breach incidents. See "Risk Factors — Risks Related to Our Business and Industry — Any unauthorized access, collection, control, manipulation, interruption, compromise or improper disclosure of personal information, cyber-attacks or other security incidents or data breaches that affect our networks or systems, or those of our service providers or our customers and/or passengers, whether inadvertent or purposeful, could degrade our ability to conduct our business, compromise the integrity of our products and services or our platform and data, result in significant data losses or the theft of our intellectual property, damage our reputation, expose us to liability to third parties and require us to incur significant additional costs to maintain the security of our networks and data, in any case of the foregoing, which could adversely affect our business, financial condition and results of operations."

Environmental, Social and Governance

We are committed to promoting corporate social responsibility and sustainable development and integrating it into all major aspects of our business operations. Corporate social responsibility is viewed as part of our core growth philosophy that will be pivotal to our ability to create sustainable value for our shareholders by embracing diversity and public interests.

The autonomous driving technology we are developing has significant safety benefits. Our autonomous driving technology is designed to reduce the risk of human error on the road, which is a major cause of accidents and fatalities worldwide. By achieving that, our autonomous vehicles have the potential to reduce crashes, prevent injuries and save lives.

We aim to build a sustainable community with our employees, customers and business partners by supporting local initiatives that aim to create effective and lasting benefits to the local community, through

various initiatives that may include corporate philanthropy, establishing community partnerships, and mobilizing our employees to participate in volunteer work. Our corporate social responsibility footprints follow us everywhere we go. In Beijing, we launched a charity campaign in April 2022 together with the Red Cross Society of China and the White Whale charity organization, promoting low-carbon commutes and donating supplies to people in need. In Guangzhou and Shenzhen, we took the initiative to support farming communities and purchased fruits from local farmers to ease the impact of the COVID-19 on their business. In addition, we collaborated with local associations and schools across China to co-host on-campus science and technology events, promoting autonomous driving technology to the rising next generations in China.

We strive to reduce our carbon footprint and promote sustainable development. We design our autonomous vehicles to be capable of operating more efficiently than human-driven cars by optimizing routes, maintaining a consistent speed and avoiding sudden acceleration or braking, which helps to reduce fuel consumption and carbon emission. Our vehicle testing results indicate that robotrucks integrated with our *Virtual Driver* technology can achieve a fuel consumption reduction of over 10% when compared to trucks operated by human drivers. The autonomous vehicle models we are co-developing with our OEM partners are primarily based on electric vehicle platforms, which produce fewer emissions than traditional gasoline-powered vehicles. We also endeavor to reduce negative impacts on the environment through our commitment to energy saving and sustainable development during our day-to-day business operations. For example, we incorporate environmental concerns into the design, decoration and operation of our workplace in Shanghai. We apply 3M window film to 80 square meters of the window glass in our Shanghai office, which is expected to save 7530 KwH of electricity and reduce CO2 by 7.23 tons. Additionally, we launched an office-wide Clean Plastic Project in Shanghai in August 2022, which aims to recycle and reuse plastic bottles that are not yet effectively absorbed by the food chain, turning them into valuable items.

Employees are what have been driving our long-term growth. We endeavor to create a comfortable, free and equal working environment for our employees and to help them grow and thrive alongside our business expansion. In recognition of the support from our employees' family members, we hosted our "Family Day" event for three years in a row, inviting them to visit our office, communicate with our senior management team and have in-person autonomous driving experience. While maximizing equal career opportunity for everyone, we will also continue to promote work-life balance and create a pleasant culture in our workplace for our employees.

Transition risks related to climate change may have material effects on our business, financial condition and results of operations. For example, governments and regulatory authorities around the world are increasingly introducing policies and regulations aimed at reducing greenhouse gas emissions and mitigating the impacts of climate change. Governments may introduce emissions standards or regulations that impose operational and compliance burdens on autonomous driving companies including us, such as restrictions on the use of certain types of vehicles or fuels. We may also face higher costs associated with compliance and carbon pricing, which could impact our financial condition and results of operations.

Competition

We face competition from primarily technology-focused companies building end-to-end technical capabilities for autonomous driving applications, and autonomous players building internal autonomous development programs. The principal competitive success factors in our market include but not limited to:

- Technology quality, safety and reliability;
- Vehicle engineering and integration capabilities;
- Business model and go-to-market approach;
- Strategic partnerships;
- Cost efficiency; and
- Patents and intellectual property portfolio.

Because of the depth and breadth of our talents, full-stack autonomous driving technology, differentiated go-to-market approach, and extensive strategic partnerships that drive commercialization at scale, we believe that we are able to compete favorably across these factors.

See the section titled “Risk Factors” for a more comprehensive description of risks related to competition.

Our People

We pride ourselves on the talent, passion, and dedication of our employees, who are united in our vision to make autonomous mobility safe, sustainable and accessible to people and businesses around the world. As of December 31, 2021 and 2022, we had a total of 1,303 and 1,244 employees, respectively. A substantial majority of our employees are based in China, with the remaining located in Fremont, California.

The following table sets forth the breakdowns of our employees by functions as of December 31, 2022:

Function	Number of Employees	Percentage
Research and development	522	42.0%
Technology deployment and production	230	18.5%
Operation	356	28.5%
Sales, general and administration	136	11.0%
Total	**1,244**	**100.0%**

We believe that we maintain a good working relationship with our employees, and we have not experienced any material labor disputes in the past. None of our employees are represented by labor unions with respect to his or her employment.

Facilities

Our principal executive office is located in Guangzhou, China, with an aggregate of approximately 12,889.93 square meters, primarily for corporate administration as well as research and development. We also have leased properties in Beijing, Shanghai, Shenzhen and some other cities in China, with a total of approximately 25,719.67 square meters, primarily for office, research and development and fleet operation uses. In addition, we operate internationally with offices in the United States, including Fremont, California and Tucson, Arizona, with an aggregate of approximately 39,050 square feet. We believe that our current facilities are adequate to meet our current needs.

Legal Proceedings

We are from time to time subject to various claims, lawsuits and other legal and administrative proceedings arising in the ordinary course of business. However, we do not consider any such claims, lawsuits or proceedings that are currently pending, individually or in the aggregate, to be material to our business or likely or result in a material adverse effect on our future operating results, financial condition or cash flows.

REGULATION

PRC REGULATIONS

This section sets forth a summary of the most significant PRC laws and regulations relevant to our business and operations in the PRC and the key provisions of such laws and regulations.

Regulations on Foreign Investment

On January 1, 2020, the Foreign Investment Law of the PRC (the "**FIL**") became effective and simultaneously replaced the prior laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law of the PRC, the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC and the Wholly Foreign-invested Enterprise Law of the PRC, together with their implementation rules and ancillary regulations. Pursuant to the FIL, "foreign investments" refer to investment activities conducted by foreign investors directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors, (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC, (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors, and (iv) investment of other methods as specified in laws, administrative regulations, or as stipulated by the State Council.

Pursuant to the FIL, China has adopted a system of pre-establishment national treatment plus a negative list with respect to foreign investment administration. The negative list shall be issued by, amended or released upon approval by the State Council, from time to time. The negative list sets forth industries in which foreign investments are prohibited and industries in which foreign investments are restricted. Foreign investment in prohibited industries is not allowed, while foreign investment in restricted industries must satisfy certain conditions stipulated in the negative list. Foreign investments and domestic investments in industries outside of the negative list will be treated equally. The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021 Version), which was promulgated by the National Development and Reform Commission of the PRC (the "**NDRC**") and the Ministry of Commerce of the PRC (the "**MOFCOM**") on December 27, 2021 and became effective on January 1, 2022, and the Catalogue of Encouraged Industries for Foreign Investment (2022 Version), which was promulgated by the NDRC and the MOFCOM on October 25, 2022 and became effective on January 1, 2023, replace previous negative list and encouraging catalogue and list the categories of encouraged, restricted, and prohibited industries.

On December 30, 2019, the MOFCOM and the SAMR jointly promulgated the Measures for Reporting of Information on Foreign Investment, which became effective on January 1, 2020 and pursuant to which, foreign investors or foreign-invested enterprises shall report investment information to the MOFCOM and its local counterparts when foreign investors carry out investment activities directly or indirectly within China, and its subsequent changes are required to submit an initial or change report through the enterprise registration system.

Pursuant to the Measures for the Security Review of Foreign Investment promulgated by the NDRC and the MOFCOM on December 19, 2020 and became effective on January 18, 2021, any foreign investment that has or possibly has an impact on state security shall be subject to security review in accordance with the provisions hereof.

Regulations on Autonomous Driving

On July 27, 2021, the Ministry of Industry and Information Technology (the "**MIIT**"), the Ministry of Public Security (the "**MPS**") and the Ministry of Transport (the "**MOT**") promulgated the Administrative Norms for Road Testing and Demonstrative Application of Intelligent Connected Vehicles (for Trial Implementation) (the "**Road Testing Administrative Norms**"), which came into effect on September 1, 2021 and replaced the Norms on Administration of Road Testing of Autonomous Driving Vehicles (Trial Implementation) issued in April 2018. The Road Testing Administrative Norms is the main national level regulation on road testing of autonomous driving vehicles in the PRC, under which, road testing refers to the testing of autonomous driving function of intelligent connected vehicles (a PRC regulatory concept that encompasses autonomous driving vehicles) carried out on the designated sections of highways, urban roads

and other roads used for the passage of public motor vehicles, and "demonstrative application" of such vehicles refers to pilot and experimental activities of driving such vehicles with passengers and goods, which are carried out on designated sections of certain roads that are used for passage of public motor vehicles.

Pursuant to the Road Testing Administrative Norms, any entity intending to conduct a road testing of autonomous driving vehicles must obtain a road-testing certificate and a temporary license plate for each tested vehicle. To qualify for these required licenses, an autonomous driving applicant entity must satisfy, among others, the following requirements: (i) it must be an independent legal person registered in the PRC with the capacity to conduct businesses in relation to intelligent connected vehicles, such as manufacturing, R&D and testing of vehicles and vehicle parts, which has established protocol to test and assess the performance of autonomous driving system and is capable of conducting real-time remote monitoring of the tested vehicles, and with the ability of event recording, analysis and reproduction of the vehicles under road testing and ensuring the network security of the vehicles and the remote monitoring platforms; (ii) the vehicles must be equipped with a driving system that can switch between autonomous pilot mode and human driving mode in a safe, quick and simple manner and allows human driver to take control of the vehicle instantaneously when necessary; (iii) the vehicles must be equipped with the functions of recording, storing and real-time monitoring the condition of the vehicle and be able to transmit real-time data of the vehicle; (iv) the applicant entity must sign an employment or labor service contract with the driver of the tested vehicle, who must be a licensed driver with more than three years' driving experience and a track record of safe driving and is familiar with the testing protocol for autonomous driving system and proficient in operating the system; (v) the applicant entity must insure each tested vehicle for at least RMB5 million against car accidents or provide a letter of guarantee covering the same. The testing duration for a road testing should not exceed 18 months in principle, and should not exceed the validity period of the certificate of safety technical inspection and the insurance voucher of the tested vehicle.

Pursuant to the Road Testing Administrative Norms, a road-testing entity and a demonstrative application entity must submit a periodic report every 6 months to the competent governmental authority and provide a summary report within 1 month upon conclusion of the road testing or demonstrative application. The entity responsible for the road testing or the demonstrative application must report information on the traffic accidents during the road testing or demonstrative application to the competent authorities on a monthly basis. In case of any traffic violation, the traffic administrative department of the public security department must impose the penalties on the responsible parties in accordance with the laws and regulations on road traffic safety. In the case of serious injuries or deaths of any person or serious damage of a vehicle, the entity responsible for the road testing or the demonstrative application must report such accident to the competent governmental authority within 24 hours, and if such entity fails to report as required, its road testing or demonstrative application activities may be suspended for 24 months.

On July 30, 2021, the MIIT issued the Opinion on Strengthening the Access Administration of Intelligent Connected Vehicles Manufacturing Enterprises and Their Products, which strengthens the safety management of products with autopilot function and provides that such products shall at least meet the requirements as follows: (i) being able to automatically identify the failure of the autopilot system and whether the designed operating conditions are continuously satisfied, and to take measures to minimize risks; (ii) having the function of human-computer interaction to display the operating status of the autopilot system; (iii) having the event data recording system and the autopilot data recording system; (iv) satisfying the process assurance requirements, such as functional safety and network security, as well as testing requirements in relation to simulation, roads, network security, software upgrading and data recording.

On August 25, 2022, the Ministry of Natural Resources issued the Notice on Promoting the Development of Intelligent Connected Vehicles and Maintaining the Security of Surveying, Mapping and Geo-information, which among others, provides that for any vehicle manufacturer, service provider or autonomous driving software provider that engages in the collection, storage, transmission and processing of certain geo-information that is surveying and mapping data in nature, if it is a domestic enterprise, it shall obtain the surveying and mapping qualification in accordance with the law or engage an agency with such qualification to carry out the surveying and mapping activities; if it is a foreign-invested enterprise, it shall engage an agency with such qualification to carry out the surveying and mapping activities. Pursuant to the Notice on Strengthening the Production, Test, Application and Management of Autopilot Maps issued by the former National Administration of Surveying, Mapping and Geo-information on February 3,

2016, without the approval of the regulatory authorities of surveying, mapping and geo-information at or above the provincial level, mapping data may not be provided to or shared with foreign entities and individuals or foreign-invested enterprises incorporated in the PRC. Pursuant to the Surveying and Mapping Law, which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on December 28, 1992, and last amended on April 27, 2017 and became effective on July 1, 2017, conducting surveying and mapping activities without obtaining the necessary qualification may be ordered to cease such activities, and the unlawful gains from the surveying and mapping activities shall be confiscated. In addition, a fine of not less than one time but not more than two times of the unlawful gains from the activities may be imposed on.

On August 20, 2021, the MIIT promulgated the Taxonomy of Driving Automation for Vehicles, which became effective on March 1, 2022. It provides for six levels from Level 0 to 5 for the taxonomy of driving automation, among which Level 2 refers to combined driving assistance, Level 3 refers to conditionally-automated driving, Level 4 refers to highly-automated driving and Level 5 refers to fully-automated driving.

A number of local governments in China, such as Beijing, Guangzhou, Shanghai and Shenzhen, have also released rules that regulate road testing and application of autonomous driving vehicles. For example, Beijing Municipal Commission of Transport, Beijing Municipal Bureau of Public Security and Beijing Municipal Bureau of Economy and Information Technology promulgated the Implementing Rules for Road Testing Management of Autonomous Vehicles (for Trial Implementation), effective on November 12, 2020, which stipulates the detailed procedures and requirements for road testing and trial operations in Beijing, including those for general technical test, special weather test, highway test, driverless test, etc. On July 8, 2021, Guangzhou Municipal Industry and Information Technology Bureau promulgated the Opinions on Gradually Launching Regional Piloting Policies for the Application, Demonstration and Operation of Intelligent Connected Vehicles (Automatic Driving) under Different Mixed Environments, and the Work Plan for the Application, Demonstration and Operation of Intelligent Connected Vehicles (Automatic Driving) under Different Mixed Environments, which among others, provide that intelligent connected vehicles (autonomous driving) may be used to carry out passenger transport activities, such as taxis and buses, and carry out ordinary road freight transport (except for dangerous goods) and other demonstrative operations, provided that the relevant license, permit and other regulatory requirements are met.

Regulations on Road Transport

Pursuant to the Regulations on Road Transport, which was promulgated by the State Council on April 30, 2004, last amended on March 29, 2022, and became effective on May 1, 2022, operators engaging in the road passenger transport business operations, the road freight transport business operations and road transport related business shall abide by this regulation. An operator may engage in freight transport business only after obtaining a road transport business operation license, except for those operators that use any general freight transport vehicle with a total mass of 4.5 tons or below to engage in the general freight transport business operations. In addition, any vehicle used by freight transport business operators for transportation shall obtain a vehicle operation certificate, except for those vehicles with a total mass of 4.5 tons or below. The road transport business operation license as well as the vehicle operation certificate are also required for operating the road passenger transport business.

Pursuant to the Administrative Provisions on Road Freight Transport and Stations promulgated by the MOT on June 16, 2005, last amended on September 26, 2022 and became effective on the same date, an operator of road freight transport shall engage in business operations of road freight transport within the business scope as specified in the operation license for road transport and shall hire drivers with practice qualification certificates as required by the relevant provisions. If an operator intends to establish a branch engaging in road freight transport business, it shall file for record with the competent road transport department of the place where the branch is to be established.

On August 11, 2021, the MOT promulgated the Provisions on the Administration of Cruising Taxi Operating Services, which provides that cruising taxi operating services refer to the business activities of cruising on the street for attracting customers or waiting for passengers at taxi ranks, spraying and installing the taxi logos, providing travelling services for passengers through the passenger cars with seven seats or less and driving services, driving according to the wishes of passengers, and charging fares by mileage and time. Operators shall apply to the local government for providing cruising taxi services, and the local

government shall issue a written decision on approving administrative licensing for cruising taxi operation, specify the business scope, the operating areas, the number of vehicles and the requirements therefor, the valid period of the right to operate cruising taxis, and other matters, and issue the road transport business license to the applicant, if the applicant is satisfied with the requirements. After verifying that the vehicles comply with the relevant requirements, the licensing authority shall issue the road transport certificates to the vehicles.

Regulations on Road Traffic Safety

The Road Traffic Safety Law, which promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on October 28, 2003, and last amended and became effective on April 29, 2021, sets out the basic framework for road traffic safety and provides the rules for the drivers of vehicles, pedestrians, passengers and the entities and individuals involved in road traffic activities. Pursuant to the Road Traffic Safety Law, the relevant traffic control department of the public security authorities shall be in charge of determination of responsibilities in traffic accidents, which is also reiterated and brought into details by the last amended Regulation for the Implementation of the Road Traffic Safety Law of the PRC promulgated by the State Council on October 7, 2017.

On March 24, 2021, the MPS issued the Draft Proposed Amendments of the Road Traffic Safety Law (the "**MPS Proposed Amendments**"). The MPS Proposed Amendments clarify, among others, the requirements related to road testing of, and access by, vehicles equipped with autonomous driving functions, as well as regulating how liability for traffic violations and accidents will be allocated. The MPS Proposed Amendments stipulate that vehicles equipped with autonomous driving functions should first pass tests in closed roads and venues and obtain temporary license plates before embarking on road testing. The MPS Proposed Amendments provide that when vehicles equipped with autonomous driving functions and human driving modes are involved in road traffic violations or accidents, the responsibility of the driver or the autonomous driving system developer shall be determined in accordance with laws, as well as the liability for damage. For vehicles on the road that are equipped with autonomous driving functions without human driving modes, this liability issue should be separately dealt with by relevant departments of the State Council. However, the last amended Road Traffic Safety Law did not adopt the aforementioned proposed amendments.

Regulations on Cybersecurity, Information Security, Privacy and Data Protection

Cybersecurity

Pursuant to the National Security Law of the PRC promulgated by the SCNPC on February 22, 1993 and latest amended and became effective on July 1, 2015, the state shall establish systems and mechanisms for national security review and supervision, conduct national security review on key technology, network information technology products and services related to state security, so as to prevent and neutralize state security risks in an effective way. On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (the "**Cybersecurity Law**"), which became effective on June 1, 2017. The Cybersecurity Law requires network operators to perform certain functions related to cyber security protection and strengthen the network information management. For instance, under the Cybersecurity Law, network operators of critical information infrastructure generally shall, during their operations in the PRC, store the personal information and important data collected and produced within the territory of the PRC, fulfill additional obligations of security protection, and is subject to cybersecurity review when purchasing of network products and services that may threaten the national security. When collecting and using personal information, in accordance with the Cybersecurity Law, network operators shall abide by the "lawful, justifiable and necessary" principles. Network operators shall collect and use personal information by announcing rules for collection and use, expressly notify the purpose, methods and scope of such collection and use, and obtain the consent of the person whose personal information is to be collected. Network operators shall not disclose, tamper with or destroy personal information that it has collected, or disclose such information to others without prior consent of the person whose personal information has been collected, unless such information has been processed to prevent specific person from being identified and such information from being restored.

On July 30, 2021, the State Council promulgated the Regulations on Security Protection of Critical Information Infrastructure (the "**CII Regulations**"), effective on September 1, 2021. Pursuant to the

CII Regulations, a "critical information infrastructure" has the meaning of an important network facility and information system in important industries such as, among others, public communications and information services, energy, transport, water conservation, finance, public services, e-government affairs and national defense science, as well as other important network facilities and information systems that may seriously endanger national security, national economy, people's livelihood, or public interests in the event of damage, loss of function, or data leakage. The competent regulatory authorities as well as the supervision and administrative authorities of the aforementioned important industries and sectors will be responsible for (i) organizing the identification of critical information infrastructures in their respective industries in accordance with certain identification rules, and (ii) promptly notifying the identified operators and the public security department of the State Council of the identification results.

On December 28, 2021, thirteen regulatory authorities, including the Cyberspace Administration of China (the "**CAC**"), the China Securities Regulatory Commission (the "**CSRC**"), jointly released the Cybersecurity Review Measures (the "**Cybersecurity Review Measures**") which became effective on February 15, 2022. Pursuant to the Cybersecurity Review Measures, network platform operators holding personal information of over one million users shall apply for cybersecurity review before listing abroad. The cybersecurity review will evaluate, among others, the risk of critical information infrastructure, core data, important data, or the risk of a large amount of personal information being influenced, controlled or maliciously used by foreign governments after going public, and cyber information security risk.

On July 22, 2020, the MPS issued the Guiding Opinions on Implementing the Multi-Level Protection Scheme for Cybersecurity and the Security Protection System for Critical Information Infrastructure (the "**Guiding Opinions on MLPS and CII**"). The Guiding Opinions on MLPS and CII restates the basic principles and work objectives of implementing the requirements on multi-level protection scheme and security protection of critical information infrastructure, and requires network operators to undertake the assessment and filing of their own network systems in time under the multi-level protection scheme. In addition, according to the Guiding Opinions on MLPS and CII, the industrial regulatory authorities shall develop the rules for the identification of critical information infrastructure in such industries, promptly notify the relevant operators of the identification results and report the same to the MPS for record.

Data Protection

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (the "**Data Security Law**"), which became effective on September 1, 2021. The Data Security Law provides for data security obligations on entities and individuals carrying out data activities. The Data Security Law also introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken for each respective category of data. For example, a processor of important data shall designate the personnel and the management body responsible for data security, carry out risk assessments for its data processing activities and file the risk assessment reports with the competent authorities. In addition, the Data Security Law provides a national security review procedure for those data activities which may affect national security and imposes export restrictions on certain data and information.

On August 16, 2021, five regulatory authorities, including the CAC, promulgated the Several Provisions on the Administration of Automotive Data Security Management (for Trial Implementation) (the "**Provisions on Automotive Data Security**"), which became effective on October 1, 2021. The Provisions on Automotive Data Security clearly defines the definition of "automotive data", "processing of automotive data", "automotive data processor", "personal information", "sensitive personal information" and "important data", and further elaborate the principles of and requirements for the automotive data operating activities within the PRC. Furthermore, the Provisions on Automotive Data Security also prescribes the implementation of classified protection of cybersecurity, the obligations of automotive data operators to inform, anonymize and obtain individuals' consents, and the specific requirements for processing sensitive personal information, as well as the risk assessment when operating important data and the security assessment when providing data abroad.

On December 8, 2022, the MIIT issued the Measures for Data Security Administration in the Industry and Information Technology Field (for Trial Implementation) (the "**MIIT Measures for Data Security**"), which became effective on January 1, 2023. In accordance with the MIIT Measures for Data Security, data processors in the field of industry and information technology shall classify data firstly based on the data's category and then match the corresponding organizational and technical measures. It also imposes certain obligations on them in relation to, among others, implementation of data full-life security protection system which includes data collection, data storage, data usage, data transmission, data disclosure, safety audit and emergency plans.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Data Cross-border Transfer (the "**Measures for Data Cross-border Transfer**"), which became effective on September 1, 2022. The Measures for Data Cross-border Transfer provides four circumstances, under any of which data processors shall, through the local cyberspace administration at the provincial level, apply to the national cyberspace administration for security assessment of data cross-border transfer. These circumstances include: (i) where the data to be transferred to an overseas recipient contains important data; (ii) where a personal information processor that has processed personal information of more than one million individuals or an critical information infrastructure operator provides personal information overseas; (iii) where a data processor has provided personal information of 100,000 people or sensitive personal information of 10,000 people in total abroad since January 1 of the previous year; or (iv) other circumstances prescribed by the CAC for which declaration for security assessment for cross-border data transfers is required.

On February 22, 2023, the CAC promulgated the Measures for the Standard Contract for Cross-border Transfer of Personal Information (the "**Measures for Standard Contract**"), which will become effective on June 1, 2023. The Measures for Standard Contract requires that any personal information processor transferring personal information abroad by entering into the standard contract shall meet all of the following conditions: (i) it is not a critical information infrastructure operator; (ii) it processes the personal information of less than 1 million individuals; (iii) it has cumulatively transferred abroad the personal information of less than 100,000 individuals since January 1 of the previous year; and (iv) it has cumulatively transferred abroad the sensitive personal information of less than 10,000 individuals since January 1 of the previous year. Where there are other relevant provisions in any laws, administrative regulations or rules of the CAC, such provisions shall apply. It also emphasizes that any personal information processor shall not use methods such as quantity splitting of the personal information that is required by law to undergo the security assessment for data cross-border transfer under the Measures for Data Cross-border Transfer. The standard contract shall be concluded in strict accordance with the annex of the Measures for Standard Contract, and the personal information processors shall, within 10 working days after the standard contract enters into effect, apply for filing with the local cyberspace administration at the provincial level.

Personal Information Protection

On May 28, 2020, the SCNPC adopted the Civil Code of the PRC (the "**Civil Code**"), effective on January 1, 2021. Pursuant to the Civil Code, individuals have the right of privacy. No organization or individual shall process any individual's private information or infringe an individual's right of privacy, unless otherwise prescribed by law or with the consent of such individual or such individual's guardian. In addition, any processing of personal information shall be subject to the principles of legitimacy, legality and necessity. An information processor shall not divulge or falsify the personal information collected and stored by it, or illegally provide the personal information of an individual to others without the consent of such individual , except for information that has been processed so that specific person cannot be identified and that cannot be restored.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law (the "**Personal Information Protection Law**"), which integrates the scattered rules with respect to personal information rights and privacy protection and became effective on November 1, 2021. The Personal Information Protection Law applies to personal information processing activities within China, as well as certain personal information processing activities outside China, including those for provision of products and services to natural persons within China or for analyzing and assessing acts of natural persons within China. The Personal Information Protection Law provides the circumstances under which a personal information processor could process personal information, which include but not limited to, where the consent of the individual

concerned is obtained and where it is necessary for the conclusion or performance of a contract to which the individual is a contractual party. It also stipulates certain specific rules with respect to the obligations of a personal information processor, such as to inform the purpose, the method of processing, the type of personal information processed and retention period to the individuals, and the obligation of the third party who has access to the personal information by way of co-processing or delegation etc. Processors processing personal information exceeding the threshold to be set by the CAC and operators of critical information infrastructure are required to store, within the territory of the PRC, the personal information collected and produced within the territory of the PRC. Furthermore, the Personal Information Protection Law also provides for the rights of natural persons whose personal information is processed, and takes special care of the personal information of children under 14 and other sensitive personal information.

On July 16, 2013, the MIIT promulgated the Regulations on Protection of Personal Information of Telecommunication and Internet Users, which took effect on September 1, 2013, to regulate the collection and use of users' personal information in the provision of telecommunication services and Internet information services in China. Telecommunication business operators and Internet service providers are required to constitute their own rules for the collection and use of users' personal information and they cannot collect or use their information without users' consent. Telecommunication business operators and Internet service providers must specify the purposes, manners and scopes of personal information collection and usage, and keep the collected personal information confidential. Telecommunication business operators and Internet service providers are prohibited from disclosing, tampering with, damaging, selling or illegally providing others with, collected personal information. Telecommunication business operators and Internet service providers are required to take technical and other measures to prevent the collected personal information from any unauthorized disclosure, damage or loss.

On January 23, 2019, the CAC, the MIIT, the MPS and the SAMR jointly issued the Notice on Special Governance of Illegal Collection and Use of Personal Information via Apps, which restate the requirement of legal collection and use of personal information, and announces that the above departments jointly organize the special governance against the illegal collection and use of personal information in China from January to December 2019.

In March 2019, the Personal Information Protection Tasks Force on Apps issued the Guide to the Self-Assessment of Illegal Collection and Use of Personal Information by Apps, which's recommended to be used by App operators to carry out self-check concerning their collection and use of personal information, in the aspects of texts of privacy policies, activities of collection and use of personal information by Apps, and protection of users' rights by App operators.

On November 28, 2019, the CAC, the MIIT, the MPS and the SAMR jointly promulgated the Notice on the Measures for Determining the Illegal Collection and Use of Personal Information through Mobile Applications, which aims to provide reference for supervision and administration departments and provide guidance for mobile applications operators' self-examination and self-correction and social supervision by netizens, and further elaborates the forms of behavior constituting illegal collection and use of the personal information through mobile applications including: (i) failing to publish the rules on the collection and use of personal information; (ii) failing to explicitly explain the purposes, methods and scope of the collection and use of personal information; (iii) collecting and using personal information without the users' consent; (iv) collecting personal information unrelated to the services they provide and beyond the necessary principle; (v) providing personal information to others without the users' consent; (vi) failing to provide the function of deleting or correcting the personal information according to the laws or failing to publish information such as ways of filing complaints and reports.

On March 12, 2021, the CAC, the MIIT, the MPS and the SAMR jointly promulgated the Provisions on the Scope of Essential Personal Information for Common Types of Mobile Internet Applications with effective date from May 1, 2021. In relation to ride hailing applications, the basic functional services are "online taxi booking service, cruise taxi call service", for which the necessary personal information includes mobile phone numbers, place of departure, place of destination, location information, whereabouts and tracks of passengers and payment information. In addition, Internet application operators shall not refuse users from using the basic functions of the Internet application on the ground that users do not agree to the collection of unnecessary personal information.

Regulations on Foreign Exchange Control and Dividend Distribution

Regulations on Foreign Currency Exchange

Pursuant to the Foreign Exchange Administrative Regulations of the PRC promulgated by the State Council on January 29, 1996, and last amended and became effective on August 5, 2008, Renminbi is freely convertible for payments of current account items such as trade and service-related foreign exchange transactions and dividend payments after the relevant financial institutions have reasonably examined the authenticity of the transactions and their consistency with foreign exchange receipts and payments, but are not freely convertible for capital expenditure items such as direct investment, loans or investments in securities outside the PRC unless the approval of the State Administration of Foreign Exchange of the PRC (the "**SAFE**") or its local counterparts is obtained in advance.

On March 30, 2015, the SAFE promulgated the Circular on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-Invested Enterprises (the "Circular 19"), which became effective on June 1, 2015 and amended in 2019. The SAFE further promulgated the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement under the Capital Account (the "Circular 16") on June 9, 2016, which, among other things, amended certain provisions of the Circular 19. According to the Circular 19 and the Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. Violations of the Circular 19 or the Circular 16 could result in administrative penalties.

On January 26, 2017, the SAFE promulgated the Notice on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Control, which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting the profits.

On October 23, 2019, the SAFE issued the Notice on Further Promoting Cross-border Trade and Investment Facilitation (the "**Circular 28**"), which expressly allows foreign-invested enterprises that do not have equity investments in their approved business scope to use their capital obtained from foreign exchange settlement to make domestic equity investments as long as the investments are real and in compliance with the foreign investment-related laws and regulations. In addition, Circular 28 stipulates that qualified enterprises in certain pilot areas may use their capital income from registered capital, foreign debt and overseas listing, for the purpose of domestic payments without providing authenticity certifications to the relevant banks in advance for those domestic payments.

On April 10, 2020, SAFE issued the Notice of the SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (the "Circular 8"). The Circular 8 provides that under the condition that the use of funds is genuine and compliant with current administrative provisions on use of income relating to capital account, enterprises are allowed to use income under capital account such as capital funds, foreign debts and overseas listings for domestic payment, without submission to the bank prior to each transaction of materials evidencing the veracity of such payment.

Regulations on Foreign Exchange Registration of Overseas Investment by PRC Residents

On July 4, 2014, the SAFE promulgated the Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (the "**SAFE Circular 37**") for the purpose of simplifying the approval process, and for the promotion of the cross-border investment. Under the SAFE Circular 37, (i) before the PRC residents or entities conducting investment in offshore special purpose vehicles with their legitimate onshore and offshore assets or equities, they must register with local SAFE branches with respect to their investments; and (ii) following the initial registration, they must update their SAFE registrations when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such PRC citizens or residents, name and operation term, increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions).

The SAFE further promulgated the Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment on February 13, 2015, which came into effect on June 1, 2015 and allows PRC residents or entities to register with qualified banks in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. The qualified banks, under the supervision of SAFE, directly examine the applications and conduct the registration.

Failure to comply with the registration procedures set forth in the SAFE Circular 37 may result in restrictions being imposed on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliate, and may also subject relevant PRC residents to penalties under PRC foreign exchange administration regulations. PRC residents who control the company from time to time are required to register with the SAFE in connection with their investments in the company. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC laws for evasion of foreign exchange controls.

Regulations on Dividend Distribution

Under applicable PRC laws and regulations, foreign investment enterprises in China may pay dividends only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, foreign investment enterprises in China are required to allocate at least 10% of their respective accumulated after-tax profits each year, if any, to fund statutory reserve funds unless these reserves have reached 50% of the registered capital of the respective enterprises. A PRC company may, at its discretion, allocate a portion of its after-tax profits based on the PRC accounting standards to other reserve funds. These reserves are not distributable as cash dividends. A PRC company shall not distribute any profits until any losses from prior fiscal years have been offset and the reserve funds have been funded. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

Regulations on Intellectual Property

Patent

The Patent Law of the PRC, which was promulgated by the SCNPC on March 12, 1984 and last amended on October 17, 2020 and became effective on June 1, 2021, provides for three types of patents, namely, "invention", "utility model" and "design". Invention patents are valid for twenty years, design patents are valid for fifteen years and utility model patents are valid for ten years, from the date of application. The Chinese patent system adopts a "first-to-file" principle, which means that where more than one person files a patent application for the same invention, a patent will be granted to the person who files the application first. To be patentable, invention or utility models must meet three criteria: novelty, inventiveness and practicability. A third party must obtain consent or a proper license from the patent owner to use the patent. Otherwise, the use constitutes an infringement of the patent rights.

Pursuant to Announcement on the Interim Measures for Handling Relevant Examination after the Implementation of the Amended Patent Law (2023 Revision) issued by the China National Intellectual Property Administration on January 4, 2023, design patents filed no later than May 31, 2021 are valid for 10 years from the date of application.

Copyright

The Copyright Law of the PRC (the "**Copyright Law**"), which first became effective on June 1, 1991, and was latest amended in 2020 and became effective on June 1, 2021, provides that PRC citizens, legal persons, or other organizations shall, whether published or not, own copyright in their copyrightable works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners enjoy certain legal rights, including right of publication, right of authorship and right of reproduction. The Copyright Law extends copyright protection to Internet activities, products disseminated over the internet and software products. In addition, the Copyright Law provides for a voluntary registration system administered by the China Copyright Protection Center.

Pursuant to the Computer Software Copyright Protection Regulations promulgated by the State Council on June 4, 1991, and amended on January 30, 2013 and became effective on March 1, 2013, software copyright owners may go through the registration formalities with a software registration authority recognized by the State Council's copyright administrative department. Software copyright owners may authorize others to exercise that copyright, and is entitled to receive remuneration.

Trademark

Pursuant to the Trademark Law of the PRC, promulgated by the SCNPC on August 23, 1982, and last amended on April 23, 2019 and became effective on November 11, 2019, the Trademark Office of China National Intellectual Property Administration is responsible for the registration and administration of trademarks and is also responsible for resolving trademark disputes in China. A registered trademark is valid for ten years from the date the registration is approved. A registrant may apply to renew a registration within twelve months before the expiration date of the registration. If the registrant fails to apply in a timely manner, a grace period of six additional months may be granted. If the registrant fails to apply before the grace period expires, the registered trademark shall be deregistered. Renewed registrations are valid for ten years.

Domain Names

Internet domain name registration and related matters are primarily regulated by the Measures on Administration of Internet Domain Names promulgated by the MIIT on August 24, 2017 and became effective on November 1, 2017, and the Implementing Rules on Registration of National Top-level Domain Names promulgated by China Internet Network Information Centre and took into effect on June 18, 2019. The domain name services follow a "first come, first file" principle. Applicants for registration of domain names shall provide their true, accurate and complete information of such domain names to and enter into registration agreements with domain name registration service institutions. The applicants will become the holders of such domain names upon the completion of the registration procedure.

Regulations on Taxation

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (the "**EIT Law**"), which was promulgated by the SCNPC on March 16, 2007, and was last amended and became effective on December 29, 2018, and the Enterprise Income Tax Implementation Regulations of the PRC (the "**EITIR**"), which was promulgated by the State Council on December 6, 2007, and was amended and became effective on April 23, 2019, enterprises are classified as "resident enterprises" and "non-resident enterprises", and both resident enterprises and non-resident enterprises are subject to tax in the PRC. Pursuant to the EIT Law and the EITIR, PRC resident enterprises typically pay an enterprise income tax at the rate of 25% while non-PRC resident enterprises without any branches in the PRC should pay an enterprise income tax in connection with their income from the PRC at the tax rate of 10%. Enterprises established under the laws of foreign countries or regions whose "de facto management bodies" are located in the PRC are considered to be PRC resident enterprises, and will generally be subject to enterprise income tax at the rate of 25% of their global income. The EITIR defines "de facto management bodies" as "establishments that carry out substantial and overall management and control over production and operations, personnel, accounting, and properties" of the enterprise.

Pursuant to Notice of the State Taxation Administration on Issues about the Determination of Chinese-Controlled Enterprises Registered Abroad as Resident Enterprises on the Basis of Their Body of Actual Management (the "**STA Circular 82**") issued by the State Taxation Administration of the PRC (the "**STA**") in April 2009 and amended in December 2017, an overseas registered enterprise controlled by a PRC company or a PRC company group will be classified as a "resident enterprise" with its "de facto management body" located within China if the following requirements are satisfied: (i) the senior management and core management departments in charge of its daily operations are mainly located in the PRC; (ii) its financial and human resources decisions are subject to determination or approval by persons or bodies located in the PRC; (iii) its major assets, accounting books, company seals, and minutes and files of its board and

shareholders' meetings are located or kept in the PRC; and (iv) no less than half of the enterprise's directors or senior management with voting rights reside in the PRC. The STA issued additional rules to provide more guidance on the implementation of STA Circular 82 in July 2011, and issued an amendment to STA Circular 82 in January 2014 delegating the authority to its provincial branches to determine whether a Chinese-controlled overseas-incorporated enterprise should be considered a PRC resident enterprise. Although the STA Circular 82, the additional guidance and its amendment only apply to overseas registered enterprises controlled by PRC enterprises and not those controlled by PRC individuals or foreigners, the determining criteria set forth in the circular may reflect STA's general position on how the "de facto management body" test should be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises, PRC individuals or foreigners. If our offshore entities are deemed PRC resident enterprises, these entities may be subject to the EIT at the rate of 25% on their global income, except that the dividends distributed by our PRC subsidiaries may be exempt from the EIT to the extent such dividends are deemed "dividends among qualified resident enterprises."

In addition, pursuant to the EIT Law, enterprises qualified as "High and New Technology Enterprises" are entitled to a 15% enterprise income tax rate rather than the 25% uniform statutory tax rate. The preferential tax treatment continues as long as an enterprise can retain its "High and New Technology Enterprise" status.

Dividends Withholding Tax

According to the EIT Law and the EITIR, dividends paid by foreign-invested companies to their foreign investors that are non-resident enterprises as defined under the law are subject to withholding tax at a rate of 10%, unless otherwise provided in the relevant tax agreements entered into with the central government of the PRC. Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income promulgated on August 21, 2006, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such tax arrangement, the withholding tax rate on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5% from 10% applicable under the EIT Law and the EITIR.

However, based on the Notice of the State Taxation Administration on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties promulgated by the STA and effective on February 20, 2009, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. Based on the Notice of the State Taxation Administration on the Recognition of Beneficial Owners in Tax Treaties, which was promulgated by the STA on February 3, 2018 and came into effect on April 1, 2018, a comprehensive analysis will be used to determine beneficial ownership based on the actual situation of a specific case combined with certain principles, and if an applicant was obliged to pay more than 50% of its income to a third country (region) resident within 12 months of the receipt of the income, or the business activities undertaken by an applicant did not constitute substantive business activities including substantive manufacturing, distribution, management and other activities, the applicant was unlikely to be recognized as a beneficial owner to enjoy tax treaty benefits.

Furthermore, the Administrative Measures for Convention Treatment for Non-resident Taxpayers, which became effective on January 1, 2020, require that non-resident taxpayers claiming treaty benefits shall be handled in accordance with the principles of "self-assessment, claiming for the enjoyment of treaty benefits, and retention of the relevant materials for future inspection." Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the provisions of these Measures for future inspection, and subject to subsequent administration by relevant competent tax authorities.

Value-added Tax and Business Tax

Before August 2013 and pursuant to applicable PRC tax regulations, any entity or individual conducting business in the service industry is generally required to pay a business tax. In November 2011, the Ministry

of Finance (the "**MOF**") and the STA promulgated the Pilot Plan for Imposition of Value-Added Tax to Replace Business Tax. In May and December 2013, April 2014, March 2016 and July 2017, the MOF and the STA promulgated five circulars to further expand the scope of services that are to be subject to value-added tax (the "**VAT**") instead of business tax. Pursuant to these tax rules, from August 1, 2013, a VAT was imposed to replace the business tax in certain service industries, including technology services, and from May 1, 2016, VAT replaced business tax in all industries on a nationwide basis. On November 19, 2017, the State Council further amended the Interim Regulation of the People's Republic of China on Value Added Tax to reflect the normalization of the pilot program.

On March 20, 2019, the MOF, the STA and the General Administration of Customs jointly issued the Announcement of Strengthening Reform of VAT Policies (the "**Announcement No. 39**"), which provides certain VAT reduction arrangements. According to the Announcement No. 39: (i) for general VAT payers' sales activities or imports that are subject to VAT at an existing applicable rate of 16% or 10%, the applicable VAT rate is respectively adjusted to 13% or 9%; (ii) for the agricultural products purchased by taxpayers to which an existing 10% deduction rate is applicable, the deduction rate is adjusted to 9%; (iii) for the agricultural products purchased by taxpayers for production or commissioned processing, which are subject to VAT at 13%, the input VAT will be calculated at a 10% deduction rate; (iv) for the exportation of goods or labor services that are subject to VAT at 16%, with the applicable export refund at the same rate, the export refund rate is adjusted to 13%; and (v) for the exportation of goods or cross-border taxable activities that are subject to VAT at 10%, with the export refund at the same rate, the export refund rate is adjusted to 9%.

Enterprise Income Tax on Indirect Transfer of Non-Resident Enterprises

On December 10, 2009, the STA issued the Notice on Strengthening the Administration of Enterprise Income Tax on Equity Transfers of Non-resident Enterprises (the "**Circular 698**"). By promulgating and implementing the Circular 698, the PRC tax authorities enhanced their scrutiny over the indirect transfer of equity interests in a PRC resident enterprise by a non-resident enterprise. The STA further issued the Public Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (the "**Circular 7**") on February 3, 2015, which replaces certain provisions in the Circular 698. The Circular 7 introduces a new tax regime that is significantly different from that under the Circular 698. The Circular 7 extends its tax jurisdiction to capture not only indirect transfer as set forth under the Circular 698 but also transactions involving transfer of immovable property in China and assets held under the establishment and place, in China of a foreign company through the offshore transfer of a foreign intermediate holding company. The Circular 7 also provides clearer criteria than the Circular 698 on how to assess reasonable commercial purposes and introduces safe harbor scenarios applicable to internal group restructurings. Where a non-resident enterprise indirectly transfers equity interests or other assets of a PRC resident enterprise by implementing arrangements that are not for reasonable commercial purposes to avoid its obligation to pay enterprise income tax, such an indirect transfer shall, in accordance with the EIT Law, be recognized by the competent PRC tax authorities as a direct transfer of equity interests or other assets of the PRC resident enterprise.

On October 17, 2017, the STA promulgated the Announcement on Matters Concerning Withholding and Payment of Income Tax of Non-resident Enterprises from Source (the "**STA Circular 37**"), which replaced the Circular 698 and certain provisions in the Circular 7 on December 1, 2017 and was partly amended on June 15, 2018. The STA Circular 37, among other things, simplifies the procedures of withholding and payment of income tax levied on non-resident enterprises. Pursuant to STA Circular 37, where the party responsible for withholding such income tax did not, or was unable to, withhold the taxes that should have been withheld to the relevant tax authority, the party may be subject to penalties. Where the non-resident enterprise receiving such income failed to declare and pay taxes that should have been withheld to the relevant tax authority, the party may be ordered to rectify within a specific time limit.

Regulations on Employment and Social Welfare

The Labor Contract Law

The PRC employment laws and regulations mainly include the Labor Law of the PRC promulgated by the SCNPC on July 5, 1994, and last amended and became effective on December 29, 2018, the Labor

Contract Law of the PRC promulgated by the SCNPC on June 29, 2007, and amended on December 28, 2012 and became effective on July 1, 2013, and the Regulations on the Implementation of the Labor Contract Law promulgated by the State Council and became effective on September 18, 2008. According to such employment laws and regulations, labor relationships between employers and employees must be executed in written form. Wages may not be lower than the local minimum wage standard and must be paid in a timely manner. Employers must establish a system for labor safety and sanitation, strictly abide by state standards and provide relevant training to its employees. It is required that employers provide safe and sanitary working conditions for employees.

Social Insurance and Housing Fund

Pursuant to the Social Security Law of the PRC, which was promulgated by the SCNPC on October 28, 2010, and was amended on December 29, 2018, and other relevant PRC laws and regulations such as the Interim Regulations on the Collection and Payment of Social Insurance Premiums effective on January 22, 1999 and amended on March 24, 2019, Regulations on Work Injury Insurance implemented on January 1, 2004 and amended on December 20, 2010, Regulations on Unemployment Insurance promulgated on January 22, 1999 and Trial Measures on Employee Maternity Insurance of Enterprises implemented on January 1, 1995, the employer shall contribute to social insurance plans covering basic pensions insurance, basic medical insurance, maternity insurance, employment injury insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees, while employment injury insurance and maternity insurance contributions shall be paid only by employers, and employers who failed to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fee, and where late payment fee is not made within the stipulated period, the relevant administrative authorities shall impose a fine.

Pursuant to the Regulations on the Administration of Housing Fund, which was promulgated by the State Council on April 3, 1999, and last amended and became effective on March 24, 2019, enterprises in the PRC must register with the competent managing center for housing provident funds and upon the examination by such center, these enterprises shall complete procedures for opening an account at the relevant bank for the deposit of employees' housing provident funds. Enterprises are also required to pay and deposit housing provident funds on behalf of their employees in full and in a timely manner. Employers that violate these regulations and fail to process housing provident fund payments or deposit registrations with the housing provident fund administration center within a designated period are subject to a fine.

Labor Dispatch

Pursuant to the Interim Provisions on Labor Dispatch issued on January 24, 2014, and implemented on March 1, 2014, by the Ministry of Human Resources and Social Security, employers may only use dispatched workers for temporary, ancillary, or substitute positions. The aforementioned temporary positions shall mean positions lasting for no more than six months; ancillary positions shall mean positions of non-major business that serve positions of major business; and substitute positions shall mean positions that can be substituted by other workers for a certain period during which the workers who originally hold such positions are unable to work as a result of full-time study, being on leave or other reasons. Pursuant to the Interim Provisions on Labor Dispatch, employers should strictly control the number of dispatched workers, and the number of the dispatched workers shall not exceed 10% of the total amount of their employees. Pursuant to the Labor Contract Law, where rectification is not made within the stipulated period, the employers may be subject to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold.

Employee Stock Incentive Plan

Pursuant to the Notice of Issues Related to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company, which was issued by the SAFE on February 15, 2012, employees, directors, supervisors, and other senior management who participate in any stock incentive plan of a publicly-listed overseas company and who are PRC citizens or non-PRC citizens residing in China for a continuous period of no less than one year, subject to a few exceptions, are

required to register with the SAFE through a qualified domestic agent, which may be a PRC subsidiary of such overseas listed company, and complete certain other procedures.

In addition, the STA has issued certain circulars concerning employee stock options and restricted shares. Under these circulars, employees working in the PRC who exercise stock options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of an overseas listed company are required to file documents related to employee stock options and restricted shares with relevant tax authorities and to withhold individual income taxes of employees who exercise their stock options or purchase restricted shares. If the employees fail to pay or the PRC subsidiaries fail to withhold income tax in accordance with relevant laws and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC regulatory authorities.

Regulations on Anti-Monopoly and Anti-Unfair Competition

Pursuant to the Anti-Monopoly Law promulgated by the SCNPC on August 30, 2007, which was amended on June 24, 2022 and became effective on August 1, 2022, where the concentration of business operators reaches the filing thresholds stipulated by the State Council, business operators shall file a declaration with the SAMR, and no concentration shall be implemented until the SAMR clears the anti-monopoly filing. On February 7, 2021, the Anti-Monopoly Committee of the State Council promulgated the Anti-monopoly Guidelines for the Platform Economy Sector (the "**Anti-monopoly Guideline**"), aiming to improve anti-monopoly administration on online platforms. The Anti-monopoly Guideline, operating as the compliance guidance under the existing PRC anti-monopoly regulatory regime for platform economy operators, specifically prohibits certain acts of the platform economy operators that may have the effect of eliminating or limiting market competition, such as concentration of undertakings.

Pursuant to the Anti-Unfair Competition Law promulgated by the SCNPC on September 2, 1993, which was amended on April 23, 2019 and became effective on the same date, operators are prohibited from engaging in unfair competition activities such as market confusion, commercial bribery, misleading false publicity, infringement on trade secrets, price dumping, and illegitimate premium sales. Any operator in violation of the Anti-Unfair Competition Law may be ordered to cease illegal activities, eliminate the adverse effect thereof or compensate for the damages caused to any other party. The competent authorities may also confiscate any illegal gains or impose fines on these operators.

Regulations on M&A Rules and Overseas Listings

On August 8, 2006, six PRC regulatory agencies, including the MOFCOM, State-owned Assets Supervision and Administration Commission of the State Council, STA, State Administration for Industry and Commerce of the PRC, CSRC and SAFE, issued the Regulations on Merger with and Acquisition of Domestic Enterprises by Foreign Investors (the "**M&A Rules**"), which became effective on September 8, 2006 and was amended on June 22, 2009. The M&A Rules, among other things, require that if an overseas company established or controlled by PRC companies or individuals intends to acquire equity interests or assets of any other PRC domestic company affiliated with such PRC companies or individuals, such acquisition must be submitted to MOFCOM for approval. The M&A Rules also require offshore special purpose vehicles that controlled by PRC companies or individuals and formed for overseas listing purposes through acquisitions of PRC domestic companies or subscription of new shares issued by PRC domestic company using the equity of offshore special purpose vehicles or using its new shares as consideration, to obtain the approval of China Securities Regulatory Commission prior to publicly listing their securities on an overseas stock exchange.

On February 3, 2011, the General Office of the State Council promulgated a Notice on Establishing the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the "**Circular 6**"), which officially established a security review system for mergers and acquisitions of domestic enterprises by foreign investors. Further, on August 25, 2011, MOFCOM promulgated the Regulations on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors (the "**MOFCOM Security Review Regulations**"), which became effective on September 1, 2011, to implement Circular 6. Under Circular 6, a security review is required for mergers and acquisitions by foreign investors having "national defense and security" concerns and mergers and acquisitions by which foreign investors may acquire the "de facto control" of domestic enterprises with

"national security" concerns. Under the MOFCOM Security Review Regulations, MOFCOM will focus on the substance and actual impact of the transaction when deciding whether a specific merger or acquisition is subject to security review. If MOFCOM decides that a specific merger or acquisition is subject to security review, it will submit it to the Inter-Ministerial Panel, an authority established under the Circular 6 led by the NDRC, and MOFCOM under the leadership of the State Council, to carry out the security review. The regulations prohibit foreign investors from bypassing the security review by structuring transactions through trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions.

On February 17, 2023, the CSRC published the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines, collectively the Overseas Listing Filing Rules, which came into effect from March 31, 2023 and regulate both direct and indirect overseas offering and listing of PRC-based companies by adopting a filing-based regulatory regime. According to the Overseas Listing Filing Rules, if the issuer meets both of the following criteria, the overseas securities offering and listing conducted by such issuers shall be deemed as indirect overseas offering and listing: (i) more than 50% of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent accounting year is accounted for by domestic companies; and (ii) the main parts of the issuer's business activities are conducted in China, or its main places of business are located in China, or the senior managers in charge of its business operation and management are majority Chinese citizens or domiciled in China.

The Overseas Listing Filing Rules provide that (i) the filing applications be submitted to the CSRC within three business days after the issuer submits its application documents relating to the initial public offering and/or listing in overseas; (ii) a timely report be submitted to the CSRC and update its CSRC filing within three business days after the occurrence of any of the following material events, if any of the following events occurs before the completion of the overseas offering and/or listing but after the completion of its CSRC filing: (a) any material change to principal business, licenses or qualifications of the issuer, (b) a change of control of the issuer or any material change to equity structure of the issuer, and (c) any material change to the offering and listing plan; (iii) after the completion of the listing, a report relating to the issuance information of such offering and/or listing be submitted to the CSRC and a report be submitted to the CSRC within three business days upon the occurrence and public announcement of any of the following material events after the overseas offering and/or listing: (a) a change of control of the issuer, (b) the investigation, sanction or other measures undertaken by any foreign securities regulatory agencies or relevant competent authorities in respect of the issuer, (c) change of the listing status or transfer of the listing board, and (d) the voluntary or mandatory delisting of the issuer; and (iv) where there is material change in the main business of the issuer after overseas offering and listing, which does not apply to the Overseas Listing Filing Rules therefore, such issuer shall submit to the CSRC a report and a relevant legal opinion issued by a domestic law firm within three business days after occurrence of such change.

On February 17, 2023, the CSRC also held a press conference for the release of the Overseas Listing Filing Rules and issued the Notice on the Management Arrangements for the Filing of Overseas Offering and Listing by Domestic Companies, which clarifies, among others, that (i) the CSRC will solicit opinions from relevant regulatory authorities and complete the filing of the overseas listing of companies with VIE contractual arrangements which duly meet the compliance requirements, and support the development and growth of these companies; and (ii) the issuer that has already submitted applications overseas but has not yet obtained the consent from overseas regulators on or prior to the effective date of the Overseas Listing Filing Rules, may reasonably arrange the timing for submitting their filing applications with the CSRC, and must complete the filing before the completion of their overseas offering and/or listing.

Based on the Overseas Listing Trial Measures, violation of the Overseas Listing Trial Measures or the completion of an overseas listing in breach of the conditions listed in the Overseas Listing Trial Measures may result in rectification, warning and a fine ranging from RMB1,000,000 to RMB10,000,000. Furthermore, the controlling shareholders and actual controllers of the relevant PRC domestic companies that organize or instruct such violations or enable such violations by concealing relevant matters, may be subject to a fine ranging from RMB1,000,000 to RMB10,000,000; and the directly responsible supervisors and other directly liable persons may be subject to warning and a fine ranging from RMB500,000 to RMB5,000,000.

On February 24, 2023, the CSRC, together with other governmental authorities, released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (the "**Confidentiality and Archives Administration Provisions**"), which became effective from March 31, 2023 and aims to expand the applicable scope of the regulation to indirect overseas offerings and listings by PRC domestic companies and emphasize the confidentiality and archive management duties of PRC domestic companies during the process of overseas offerings and listings. The Confidentiality and Archives Administration Provisions require, among others, that PRC domestic enterprises seeking to offer and list securities in overseas markets, either directly or indirectly, shall establish the confidentiality and archives system, and shall complete approval and filing procedures with competent authorities, if such PRC domestic enterprises or their overseas listing entities provide or publicly disclose documents or materials involving state secrets and work secrets of PRC government agencies to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals.

U.S. REGULATIONS

While autonomous driving laws and regulations are expected to continue to evolve in numerous jurisdictions in the United States, there has been relatively little mandatory government regulation of the autonomous driving industry to date in the United States. At both the federal and state levels, the United States provides a positive regulatory environment to permit safe testing and development of autonomous vehicle functionality. Currently, there are no Federal Motor Vehicle Safety Standards ("FMVSS") that relate to the performance of autonomous driving technology. Further, there are currently no widely accepted uniform standards to certify autonomous driving technology and its commercial use on public roads.

As of now, the safety of commercial motor vehicles is regulated by the NHTSA and the Federal Motor Carrier Safety Administration (the "FMCSA"). NHTSA establishes the FFMVSS for motor vehicles and motor vehicle equipment and oversees the actions that manufacturers of motor vehicles and motor vehicle equipment are required to take regarding the reporting of information related to defects or injuries related to their products and the recall and repair of vehicles and equipment that contain safety defects or fail to comply with the FMVSS. FMCSA regulates the safety of commercial motor carriers operating in interstate commerce, the qualifications and safety of commercial motor vehicle drivers, and the safe operation of commercial trucks.

Motor vehicle equipment manufacturers are subject to existing stringent requirements under the Vehicle Safety Act, including a duty to report, subject to strict timing requirements, safety defects. The Vehicle Safety Act imposes potentially significant civil penalties for violations including the failure to comply with such reporting actions. They are also subject to the existing TREAD Act, which requires motor vehicle equipment manufacturers to comply with "Early Warning" requirements by reporting certain information to the NHTSA, such as information related to defects or reports of injury. The TREAD Act imposes criminal liability for violating such requirements if a defect subsequently causes death or bodily injury.

At the state level, states, such as Arizona, Florida, Nevada, and Texas, continue to attract autonomous driving companies with a welcoming regulatory climate that provides the predictability necessary to deploy autonomous driving technology in those communities. Some states, particularly California, impose restrictions and enforce some operational or registration requirements for certain autonomous functions, and many other states are still considering them.

In addition, the autonomous driving industry is also subject to trade, customs product classification and sourcing regulations as well as various federal, state and local laws and regulations governing the occupational health and safety of our employees and wage regulations. Specifically, it's subject the laws and regulations of export controls, including the U.S. Department of Commerce's Export Administration Regulations, and the requirements of the federal Occupational Safety and Health Act, as amended, and comparable state laws that protect and regulate employee health and safety. Moreover, it's subject to environmental regulations, including water use; air emissions; use of recycled materials; energy sources; the storage, handling, treatment, transportation and disposal of hazardous materials; and the remediation of environmental contamination. Compliance with these rules may include permits, licenses and inspections of company facilities and products.

The U.S. federal government and various states and governmental agencies also have adopted or are considering adopting various laws, regulations, and standards regarding the collection, use, retention, security, disclosure, transfer, and other processing of sensitive and personal information. In addition, many states have laws that protect the privacy and security of sensitive and personal information. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information than federal, international, or other state laws, and such laws may differ from each other, which may complicate compliance efforts. For example, in 2018, California enacted the California Consumer Privacy Act , which came into effect on January 1, 2020, and has since been amended by the California Privacy Rights Act which came into effect on January 1, 2023 (collectively, the "CCPA"). The CCPA creates individual privacy rights for California residents, including rights to opt out of certain processing such as the transfer of personal information for the purpose of cross contextual behavioral advertising, the processing of sensitive personal information for certain purposes, as well as "sales" of personal information, and increases the privacy and security obligations of entities handling personal information of California consumers and meeting certain thresholds. The CCPA is currently enforceable by the California Attorney General, and provides for civil penalties for violations as well as a private right of action for certain data breaches that result in the unauthorized access to, or exfiltration, theft or disclosure of certain types of personal information. This private right of action is expected to increase the likelihood of, and risks associated with, class action data breach litigation. Though regulatory fines have been imposed, the CCPA has not been subject to significant litigation and judicial interpretation and it remains unclear how various provisions will be enforced. Additionally, the CCPA's further expansion under the California Privacy Rights Act may impact our business particularly given its establishment of a new regulatory agency dedicated to enforcing the CCPA's requirements in addition to the California Attorney General, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses, and potentially change our business practices, in an effort to comply.

In addition, many similar laws have been proposed at the federal level and in other states. For instance, the state of Nevada recently enacted a law that went into force on October 1, 2019 and requires companies to honor consumers' requests to no longer sell their data. Violators may be subject to injunctions and civil penalties of up to $5,000 per violation. New legislation proposed or enacted in Illinois, Massachusetts, New Jersey, New York, Rhode Island, Washington, and other states, and a proposed right to privacy amendment to the Vermont Constitution, imposes, or has the potential to impose, additional obligations on companies that collect, store, use, retain, disclose, transfer, and otherwise process confidential, sensitive, and personal information, and will continue to shape the data privacy environment throughout the United States. State laws are changing rapidly and there is discussion in the U.S. Congress of a new federal data protection and privacy law to which the autonomous driving industry would become subject if it is enacted.

MANAGEMENT

Directors and Executive Officers

The following table sets forth information regarding our executive officers and directors upon the completion of this offering.

Directors and Executive Officers	Age	Position/Title
Dr. Jun Peng	48	Chairman of the Board, Co-founder, Chief Executive Officer
Dr. Tiancheng Lou	37	Director, Co-founder, Chief Technology Officer
Dr. Haojun Wang	46	Chief Financial Officer
Mr. Ning Zhang	37	Vice President
Mr. Hengyu Li	39	Vice President
Dr. Luyi Mo	34	Vice President
Tian Gao Esq.	38	Vice President, Chief of Staff, General Counsel

Dr. Jun Peng co-founded Pony.ai in 2016 and currently serves as Chairman of the Board and our Chief Executive Officer. Prior to co-founding Pony.ai, Dr. Peng served as the Chief Architect of Baidu from 2011 to 2016, in charge of the R&D of Baidu's autonomous driving unit. Prior to that, Dr. Peng worked as a software engineer at Google between 2005 and 2011, specializing in back-end and front-end advertising systems. Dr. Peng also serves as the independent director of Qutoutiao Inc. Dr. Peng obtained a bachelor's degree from Tsinghua University, a master's degree from the State University of New York-Buffalo, and a Ph.D. degree from Stanford University.

Dr. Tiancheng Lou co-founded Pony.ai in 2016 and currently serves as a Director and our Chief Technology Officer. Prior to co-founding Pony.ai, Dr. Lou worked at Quora and Baidu. At Baidu, he was recognized as the youngest Principal Engineer. Prior to that, Dr. Lou worked as an engineer at Google from 2012 to 2016 and joined their autonomous driving unit in his last year there. Dr. Lou holds a bachelor's degree in computer science and a Ph.D. degree in computer science from Tsinghua University. Dr. Lou is well-known as a top computer programmer, who is a 10-year medalist of the TopCoder competitions and 2-time champion of the global programming competition Google Code Jam.

Dr. Haojun Wang joined Pony.ai in 2016 and currently serves as our Chief Financial Officer. He also heads our human resources team. He is responsible for our corporate financing transactions and oversees our financial planning and management matters. Prior to joining Pony.ai, Dr. Wang worked at Baidu as a software architect and then a senior software architect from 2014 to 2016. Prior to that, Dr. Wang worked at IBM as an advisory software engineer from 2009 to 2014 and worked at Shanghai Online as software engineer from 1998 to 2001. Dr. Wang holds a bachelor's degree in information engineering from Shanghai Jiao Tong University and a Ph.D. in computer science from University of Southern California.

Mr. Ning Zhang has served as our vice president since 2017. Mr. Zhang currently serves as our vice president, general manager of our Beijing R&D Center and head of our autonomous driving behavior department. Prior to joining Pony.ai, Mr. Zhang worked at Google as an engineer from 2014 to 2017. He studied under the tutelage of Academician Yao Qizhi (the only Turing Award winner in China), and was a member of the first Yao Class of Tsinghua University. He received a bachelor's degree in computer science from Tsinghua University and a master's degree in computer science from the University of Waterloo in Canada.

Mr. Hengyu Li joined Pony.ai in 2017 and currently serves as our vice president. Mr. Li established our Beijing R&D center from scratch, and is currently overseeing our robotruck business. Prior to joining Pony.ai, Mr. Li worked at Baidu as a senior engineer in its advertisement search and autonomous driving unit from 2008 to 2017 and was awarded the 2013 Baidu "Million Dollar Prize." Mr. Li holds a bachelor's degree in electronics and information technology from Sichuan University and a master's degree in communication and information system from Sichuan University.

Dr. Luyi Mo joined Pony.ai in 2018 and currently serves as our vice president. She is responsible for overseeing our Guangzhou and Shenzhen offices as well as our robotaxi business. Prior to joining Pony.ai,

Dr. Mo worked as a senior software engineer at NetEase, specializing in game engine development. Dr. Mo holds a bachelor's degree in mathematics from Zhejiang University and a Ph.D. degree in computer science from the University of Hong Kong. During her university time, Dr. Mo received world champion at the 35th Annual ACM International Collegiate Programming Contest World Finals in 2011, making her the first female world champion from China since 1977.

Tian Gao Esq. joined Pony.ai in 2021 and currently serves as our vice president and chief of staff. He works closely with our Chief Executive Officer in furthering Pony.ai's corporate strategy, corporate finance, commercialization and other important company initiatives. He also heads our global legal and public relation teams and serves as our general counsel and the secretary of our board of directors. Prior to joining Pony.ai, Tian Gao Esq. worked at Cleary Gottlieb Steen & Hamilton LLP's New York and Beijing offices from 2010 to 2021, during which period he served as an associate and then as a counsel. Tian Gao Esq. holds a bachelor's degree in law from Renmin University of China, a master's degree in law from the University of Pennsylvania, and a J.D. degree from the University of Chicago. Tian Gao Esq. is a member of the New York Bar.

Employment Agreements and Indemnification Agreements

[We [have entered]] into employment agreements with each of our executive officers. Each of our executive officers is employed for a specified time period, which can be renewed upon both parties' agreement before the end of the current employment term. We may terminate an executive officer's employment by giving a prior written notice or by paying certain compensation. An executive officer may terminate his or her employment at any time by giving a prior written notice.

Each executive officer has agreed to hold, unless expressly consented to by us, at all times during and after the termination of his or her employment agreement, in strict confidence and not to use, any of our confidential information or the confidential information of our customers and suppliers. In addition, In addition, each executive officer has agreed to be bound by certain non-competition and non-solicitation restrictions during the term of his or her employment and for two years following the last date of employment.

[We have also entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or officer of our company.]

Board of Directors

Our board of directors will consist of directors, including independent directors, namely , upon the SEC's declaration of effectiveness of our registration statement on Form F-1 to which this prospectus forms a part. A director is not required to hold any shares in our company to qualify to serve as a director. The Corporate Governance Rules of the [NYSE]/[Nasdaq] generally require that a majority of an issuer's board of directors must consist of independent directors. [However, the Corporate Governance Rules of the [NYSE]/[Nasdaq] permit foreign private issuers like us to follow "home country practice" in certain corporate governance matters. We rely on this "home country practice" exception and do not have a majority of independent directors serving on our board of directors.]

A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with our company is required to declare the nature of his or her interest at a meeting of our directors. A general notice given to the directors by any director to the effect that he or she is a member, shareholder, director, partner, officer or employee of any specified company or firm and is to be regarded as interested in any contract or transaction with that company or firm shall be deemed a sufficient declaration of interest for the purposes of voting on a resolution in respect to a contract or transaction in which he/she has an interest, and after such general notice it shall not be necessary to give special notice relating to any particular transaction. A director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he/she may be interested therein and if he/she does so, his/her vote shall be counted and he/she may be counted in the quorum at any meeting of the directors at which any such contract or proposed contract or arrangement is considered. Our board of directors may exercise all of the powers of our

Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock or other securities whenever money is borrowed or as security for any debt, liability or obligation of our company or of any third party. [None of our directors has a service contract with us that provides for benefits upon termination of service as a director.]

Committees of the Board of Directors

We intend to establish an audit committee, a compensation committee and a nominating and corporate governance committee under our board of directors immediately and adopt a charter for each of the three committees upon the effectiveness of our registration statement on Form F-1, of which this prospectus is a part. We intend to establish these committees prior to the completion of this offering. Each committee's members and functions are described below.

Audit Committee. Our audit committee will consist of , and is chaired by . We have determined that satisfy the requirements of [Section 303A of the Corporate Governance Rules of the NYSE]/ [Rule 5605(a)(2) of the Listing Rules of the Nasdaq] and meet the independence standards under Rule 10A-3 under the Securities Exchange Act of 1934, as amended. We have determined that qualifies as an "audit committee financial expert." The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- [reviewing and recommending to our board for approval, the appointment, re-appointment or removal of the independent auditor, after considering its annual performance evaluation of the independent auditor;
- approving the remuneration and terms of engagement of the independent auditor and pre-approving all auditing and non-auditing services permitted to be performed by our independent auditors at least annually;
- obtaining a written report from our independent auditor describing matters relating to its independence and quality control procedures;
- reviewing with the independent registered public accounting firm any audit problems or difficulties and management's response;
- discussing with our independent auditor, among other things, the audits of the financial statements, including whether any material information should be disclosed, issues regarding accounting and auditing principles and practices;
- reviewing and approving all proposed related party transactions, as defined in Item 404 of Regulation S-K under the Securities Act;
- reviewing and recommending the financial statements for inclusion within our quarterly earnings releases and to our board for inclusion in our annual reports;
- discussing the annual audited financial statements with management and the independent registered public accounting firm;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any special steps taken to monitor and control major financial risk exposures;
- at least annually, reviewing and reassessing the adequacy of the committee charter;
- approving annual audit plans, and undertaking an annual performance evaluation of the internal audit function;
- establishing and overseeing procedures for the handling of complaints and whistleblowing;
- meeting separately and periodically with management and the independent registered public accounting firm;
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance; and

- reporting regularly to the board.]

Compensation Committee. Our compensation committee will consist of and is chaired by . [We have determined that satisfy the "independence" requirements of [Section 303A of the Corporate Governance Rules of the NYSE]/ [Rule 5605(a)(2) of the Listing Rules of the Nasdaq].] The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which their compensation is deliberated upon. The compensation committee is responsible for, among other things:

- [overseeing the development and implementation of compensation programs in consultation with our management;
- at least annually, reviewing and approving, or recommending to the board for its approval, the compensation for our executive officers;
- at least annually, reviewing and recommending to the board for determination with respect to the compensation of our non-executive directors;
- at least annually, reviewing periodically and approving any incentive compensation or equity plans, programs or other similar arrangements;
- reviewing executive officer and director indemnification and insurance matters;
- overseeing our regulatory compliance with respect to compensation matters, including our policies on restrictions on compensation plans and loans to directors and executive officers;
- at least annually, reviewing and reassessing the adequacy of the committee charter;
- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management; and
- reporting regularly to the board.]

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee will consist of , and is chaired by . [We have determined that satisfy the "independence" requirements of [Section 303A of the Corporate Governance Rules of the NYSE]/ [Rule 5605(a)(2) of the Listing Rules of the Nasdaq].] The nominating and corporate governance committee assists the board in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee is responsible for, among other things:

- [recommending nominees to the board for election or re-election to the board, or for appointment to fill any vacancy on the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience, expertise, diversity and availability of service to us;
- developing and recommending to our board such policies and procedures with respect to nomination or appointment of members of our board and chairs and members of its committees or other corporate governance matters as may be required pursuant to any SEC or [NYSE]/[Nasdaq] rules, or otherwise considered desirable and appropriate;
- selecting and recommending to the board the names of directors to serve as members of the audit committee and the compensation committee, as well as of the nominating and corporate governance committee itself;
- at least annually, reviewing and reassessing the adequacy of the committee charter;
- developing and reviewing at least annually the corporate governance principles adopted by the board and advising the board with respect to significant developments in the law and practice of corporate governance and our compliance with such laws and practices; and
- evaluating the performance and effectiveness of the board as a whole.]

Duties and Functions of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly and a duty to act in what they consider in good faith to be in our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also owe to our company a duty to exercise the skill they actually possess and such care and diligence that a reasonable prudent person would exercise in comparable circumstances. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time. Our Company has the right to seek damages if a duty owed by our directors is breached. In limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached. [In accordance with our post-offering amended and restated articles of association, the functions and powers of our board of directors include, among others, (i) convening shareholders' annual general meetings and reporting its work to shareholders at such meetings, (ii) declaring dividends, (iii) appointing officers and determining their terms of offices and responsibilities, and (iv) approving the transfer of shares of our company, including the registering of such shares in our share register. In addition, in the event of a tie vote, the chairman of our board of directors has, in addition to his personal vote, the right to cast a tie-breaking vote.]

Terms of Directors and Officers

Our officers are elected by and serve at the discretion of the board. Each director is not subject to a term of office and holds office until such time as his successor takes office or until the earlier of his death, resignation or removal from office by special resolution or the unanimous written resolution of all shareholders. A director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found by our company to be of unsound mind; (iii) resigns by notice in writing to our company; (iv) without special leave of absence from our board of directors, is absent from [three] consecutive meetings of the board.

Interested Transactions

A director may, subject to any separate requirement for audit committee approval under applicable law or applicable [NYSE]/[Nasdaq] rules, vote in respect of any contract or transaction in which he or she is interested, provided that the nature of the interest of any directors in such contract or transaction is disclosed by him or her at or prior to its consideration and any vote in that matter.

Compensation of Directors and Executive Officers

For the year ended December 31, 2022, we paid an aggregate of US$4.0 million in cash to our executive officers, and we did not pay any cash compensation to our non-executive directors. We have not set aside or accrued any amount to provide for pension, retirement or other similar benefits to our directors and executive officers. For equity incentive grants to our directors and executive officers, see "Management — Equity Incentive Plans."

Equity Incentive Plan

2016 Share Plan

We adopted an employee equity incentive plan (the "2016 Share Plan") in November 2016. The purpose of the 2016 Share Plan is to enable us to grant equity awards to selected participants as incentives or rewards for their contribution to our group, in particular, (i) to motivate them to optimize their performance and efficiency for the benefit of our group; (ii) to attract and retain them whose contributions are or will be beneficial to our group; and (iii) to encourage them to enhance cooperation and communication amongst team members for the growth of our group. The maximum number of ordinary shares that may be issued

pursuant to equity awards granted under the 2016 Share Plan is 58,427,257, subject to certain adjustments pursuant to the terms of the 2016 Share Plan.

As of December 31, 2022, awards with options to purchase a total of 14,855,045 share options and 21,217,861 restricted share units corresponding to a total of 36,072,906 underlying Class A ordinary shares had been granted and are outstanding under the 2016 Share Plan, among which 934,143 share options and 3,813,440 restricted share units had become vested.

The following paragraphs summarize the terms of the 2016 Share Plan.

Types of Awards. The 2016 Share Plan permits the direct award or sale of shares and the grant of options to purchase shares or restricted share units. Options may be ISOs intended to qualify under Code Section 422 or nonstatutory options not intended to so qualify.

Plan Administration. The 2016 Share Plan shall be may be administered by one or more committees and each Committee shall consist of one or more members of the Board of Directors who have been appointed by the Board of Directors.

Eligibility. Only employees, outside directors and consultants shall be eligible for the grant of nonstatutory options, restricted share units or the direct award or sale of shares. Only employees and certain other qualified persons shall be eligible for the grant of ISOs.

Grant or Purchase Agreement. Under the 2016 Share Plan, each award of shares shall be evidenced by a Share Grant Agreement between the Grantee and our company, and each sale of shares shall be evidenced by a Share Purchase Agreement between the Purchaser and our company. Such award or sale shall be subject to all applicable terms and conditions which are not inconsistent with the 2016 Share Plan and which the board of directors deems appropriate for inclusion in a Share Grant Agreement or Share Purchase Agreement. The provisions of the various Share Grant Agreements and Share Purchase Agreements entered into under the 2016 Share Plan need not be identical.

Option Agreement. Each grant of an option under the 2016 Share Plan shall be evidenced by a Share Option Agreement between the Optionee and our company. The option shall be subject to all applicable terms and conditions of the 2016 Share Plan and may be subject to any other terms and conditions that are not inconsistent with the 2016 Share Plan and that the board of directors deems appropriate for inclusion in a Share Option Agreement. An Optionee, or a transferee of an Optionee, shall have no rights as a shareholder with respect to any Shares covered by the Optionee's option until such person becomes entitled to receive such Shares by filing a notice of exercise and paying the Exercise Price pursuant to the terms of such option.

Payment for Shares. The entire purchase price or Exercise Price of shares issued under the 2016 Share Plan shall be payable in cash or cash equivalents at the time when such Shares are purchased, except as otherwise provided. In addition, the Board of Directors in its sole discretion may also permit payment through any of the methods: (i) services rendered, (ii) promissory note, (iii) surrender of shares, (iv) exercise/sale, (v) net exercise, and (vi) other forms of payment.

Restricted Share Unit Award Agreement. Under the 2016 Share Plan, each award of restricted share unit award shall be evidenced by a Restricted Share Unit Award Agreement between the Grantee and our company. Each Restricted Share Unit Award may or may not be subject to vesting, as determined by the Board of Directors in its sole discretion. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Restricted Share Unit Award Agreement. The holders of Restricted Share Unit Awards shall have no voting rights.

Settlement of Restricted Share Unit Awards. Settlement of any vested Restricted Share Unit Award may be made in the form of (a) shares, (b) cash or (c) any combination of both, as determined by the Board of Directors in its sole discretion. The actual number of Restricted Share Units eligible for settlement may be larger or smaller than the number included in the original Restricted Share Unit Award, based on predetermined performance factors. Methods of converting Restricted Share Units into cash may include (without limitation) a method based on the average fair market value of a share over a series of trading days.

Amendment, Suspension or Termination of the 2016 Share Plan. The board of directors may amend, suspend or terminate the 2016 Share Plan at any time and for any reason, except that to the extent required by applicable law, any amendment of the 2016 Share Plan will be subject to the approval of our company's shareholders within 12 months of the amendment date if it (i) increases the number of shares available for issuance (unless otherwise provided under the 2016 Share Plan), or (ii) materially changes the class of persons who are eligible for the grant of ISOs. In addition, an amendment effecting any other material change to the term of the 2016 Share Plan will be subject to approval of our company's shareholders only if required by applicable law. Shareholder approval shall not be required for any other amendment of the 2016 Share Plan.

The following table summarizes, as of the date of this prospectus, the number of Class A ordinary shares underlying options, restricted share units and other equity awards that we granted to our directors and executive officers and are outstanding:

	Class A Ordinary Shares Underlying Options or Restricted Share Units	Purchase or Exercise Price (US$/Share)	Date of Grant	Date of Expiration
Dr. Jun Peng	—	—	—	—
Dr. Tiancheng Lou	—	—	—	—
Dr. Haojun Wang	*	US$0.0005 to US$3.28	December 5, 2016 and February 24, 2021	December 4, 2026 and December 5, 2030
Mr. Ning Zhang	*	US$0.82	July 18, 2019	July 17, 2029
	*	N/A(1)	Various dates from March 30, 2018 to March 24, 2022	Various dates from March 29, 2028 to March 23, 2032
Mr. Hengyu Li	*	N/A(1)	May 28, 2021 and June 2, 2022	May 27, 2031 and June 1, 2032
Dr. Luyi Mo	*	US$0.63 to US$1.65	September 6, 2018 and April 23, 2020	September 4, 2028 and April 22, 2030
	*	N/A(1)	Various dates from May 28, 2021 to June 2, 2022	Various dates from May 27, 2031 to June 1, 2032
Tian Gao Esq.	*	N/A(1)	May 28, 2021	May 27, 2031
All directors and executive officers as a group	3,398,392	—	—	—

Notes:

* Less than 1% of our total outstanding shares.

(1) No exercise price with respect to restricted share units held by such individual(s).

As December 31, 2022, the total number of Class A ordinary shares underlying the options and restricted share units granted to directors and executive officers as a group was 3,398,392. As of the date of this prospectus, our employees and other qualified individuals other than members of our senior management as a group held a total of 12,616,653 outstanding share options and 20,057,861 outstanding restricted share units, which will entitle them to acquire 32,674,514 ordinary shares of our company.

For discussions of our accounting policies and estimates for awards granted pursuant to the 2016 Share Plan, see "Management's Discussion and Analysis of Financial Condition and Results of Operations".

PRINCIPAL SHAREHOLDERS

The following table sets forth information concerning the beneficial ownership of our ordinary shares as of the date of this prospectus, assuming conversion of all of our issued and outstanding Series A, Series B, Series B+, Series B2, Series C, Series C+ and Series D preferred shares into Class A ordinary shares on a one-to-one basis, by:

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

We have adopted a dual-class voting structure. Dr. Jun Peng, our Chief Executive Officer and director, and Dr. Tiancheng Lou, our Chief Technology Officer and director, beneficially own Class B ordinary shares. All the issued and outstanding Series A, Series B, Series B+, Series B2, Series C, Series C+ and Series D preferred shares prior to this offering will be converted into Class A ordinary shares, in each case on a one-to-one basis immediately prior to the completion of this offering.

The calculations in the table below are based on 290,691,395 ordinary shares on an as-converted basis issued and outstanding as of the date of this prospectus and ordinary shares issued and outstanding immediately after the completion of this offering, including (i) Class A ordinary shares to be sold by us in this offering in the form of ADSs (assuming that the underwriters do not exercise their option to purchase additional ADSs), (ii) 81,088,770 Class B ordinary shares beneficially owned by Dr. Jun Peng and Dr. Tiancheng Lou, (iii) 10,708,762 Class A ordinary shares issued and outstanding prior to this offering, and (iv) 198,893,863 Class A ordinary shares converted from our preferred shares on a one-to-one basis.

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

	Ordinary Shares Beneficially Owned Prior To This Offering			Ordinary Shares Beneficially Owned After This Offering			
	Class A Ordinary Shares	Class B Ordinary Shares	% of total ordinary shares on an as-converted basis**	Class A Ordinary Shares	Class B Ordinary Shares	% of total ordinary shares on an as-converted basis	% of aggregate voting power***
Directors and Executive Officers:†							
Dr. Jun Peng[1]	—	60,000,000	20.6%				
Dr. Tiancheng Lou[2]	466,120	21,088,770	7.4%				
Dr. Haojun Wang	*	—	*				
Mr. Ning Zhang	*	—	*				
Mr. Hengyu Li	*	—	*				
Dr. Luyi Mo	*	—	*				
Tian Gao Esq.	*	—	*				
All directors and executive officers as a group	4,816,845	81,088,770	29.3%				
Principal Shareholders:							
Dr. Jun Peng[1]	—	60,000,000	20.6%				
Toyota Motor Corporation[3]	42,453,831	—	14.6%				
Entities affiliated with Sequoia Capital China[4]	32,307,267	—	11.1%				
Dr. Tiancheng Lou[2]	466,120	21,088,770	7.4%				
IDG entities[5]	18,248,471	—	6.3%				
5Y entities[6]	17,890,233	—	6.2%				
2774719 Ontario Limited[7]	16,001,949	—	5.5%				
ClearVue entities [8]	14,849,413	—	5.1%				

* Less than 1% of our total outstanding shares on an as-converted basis.

** For each person and group included in this table, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of (i) 290,691,395, being the number of ordinary shares outstanding as of the date of this prospectus, and (ii) the number of ordinary shares underlying share options or warrants held by such person or group that are exercisable within 60 days after the date of this prospectus.

*** For each person and group included in this column, percentage of voting power is calculated by dividing the voting power beneficially owned by such person or group by the voting power of all of our ordinary shares as a single class. Our current issued and outstanding share capital consists of Class A ordinary shares and Class B ordinary shares. Dr. Jun Peng, our Chief Executive Officer and director, and Dr. Tiancheng Lou, our Chief Technology Officer and director, collectively beneficially own all of our issued Class B ordinary shares and collectively. Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. Each Class A ordinary share is entitled to one vote and each Class B ordinary share is entitled to ten (10) votes. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

† The address of our directors and executive officers (except Dr. Jun Peng, Dr. Tiancheng Lou, Dr. Haojun Wang and Dr. Luyi Mo) is A1 Building, Zhongguancun No.1 West Zone, 81 Beiqing Road, Haidian District, Beijing, People's Republic of China. The address of Dr. Jun Peng, Dr. Tiancheng Lou and Dr. Haojun Wang is 3501 Gateway Blvd, Fremont, CA, 94538. The address of Dr. Luyi Mo is 13 F, Mingzhu Development Building, Nansha District, Guangzhou, Guangdong, People's Republic of China.

(1) Represents (i) 57,978,000 Class B ordinary shares held of record by Dr. Jun Peng, (ii) 1,011,000 Class B ordinary shares held of record by Alicia Peng Irrevocable Trust for the benefit of Dr. Jun Peng, and (iii) 1,011,000 Class B ordinary shares held of record by Selena Peng Irrevocable Trust for the benefit of Dr. Jun Peng. The business address of Dr. Jun Peng is 2948 Villa Savona Ct, Fremont, CA 94539, USA. The trustee of both Alicia Peng Irrevocable Trust and Selena Peng Irrevocable Trust is Juan Xu.

(2) Represents (i) 466,120 Series A preferred shares held of record by IWAY LLC, a Delaware company wholly owned by Dr. Tiancheng Lou, (ii) 19,068,770 Class B ordinary shares held of record by IWAY LLC, and (iii) 2,020,000 Class B ordinary shares held of record by Amber Luna Lou Irrevocable Trust for the benefit of Dr. Tiancheng Lou. The registered address of IWAY LLC is the Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801. The trustee of Amber Luna Lou Irrevocable Trust is the South Dakota Trust Company LLC.

(3) Represents 42,453,831 Series C preferred shares held of record by Toyota Motor Corporation, a company incorporated in Japan. The registered address of Toyota Motor Corporation is 1, Toyota-cho, Toyota, Aichi 471-8572, Japan. Toyota Motor Corporation is listed on the Tokyo Stock Exchange, the Nagoya Stock Exchange and the London Stock Exchange. Toyota Motor Corporation is also a reporting company under the Exchange Act and is listed on the New York Stock Exchange.

(4) Represents (i) 24,290,370 Series A preferred shares and 2,887,060 Series B preferred shares held of record by SCC Venture VI Holdco, Ltd., and (ii) 4,362,919 Series B+ preferred shares and 766,918 Series B2 preferred shares held of record by SCC Venture VII Holdco, Ltd., which is wholly-owned by Sequoia Capital China Venture Fund VI, L.P. The general partner of Sequoia Capital China Venture Fund VI, L.P. is SC China Venture VI Management, L.P., whose general partner is SC China Holding Limited. The sole shareholder of SCC Venture VII Holdco, Ltd. is Sequoia Capital China Venture Fund VII, L.P., whose general partner is SC China Venture VII Management, L.P. The general partner of SC China Venture VII Management, L.P. is SC China Holding Limited. SC China Holding Limited is wholly-owned by SNP China Enterprises Limited, which is in turn wholly-owned by Mr. Neil Nanpeng Shen. The registered address of each of SCC Venture VI Holdco, Ltd. and SCC Venture VII Holdco, Ltd. is c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

(5) Represents (i) 7,177,800 Series A preferred shares, 2,047,490 Series B preferred shares, 483,466 Series B+ preferred shares and 393,909 Series B2 preferred shares held of record by IDG China Venture Capital Fund IV L.P., a limited partnership organized in the Cayman Islands, (ii) 918,990 Series A preferred shares, 262,150 Series B preferred shares, 61,899 Series B+ preferred shares and 50,433 Series B2 preferred shares held of record by IDG China IV Investors L.P., a limited partnership organized in the Cayman Islands, (iii) 233,390 Class A ordinary shares and 6,296,199 Series B preferred shares held of record by IDG China Capital Fund III L.P., a limited partnership organized in the Cayman Islands, and (iv) 11,536 Class A ordinary shares and 311,209 Series B preferred shares held of record by IDG China Capital III Investors L.P., a limited partnership organized in the Cayman Islands. The directors of IDG China Venture Capital Fund GP IV Associates Ltd. are Chi Sing Ho and Quan Zhou. IDG China Venture Capital Fund GP IV Associates Ltd. is also the general partner of IDG China IV Investors L.P.. The general partner of IDG China Capital Fund III L.P. is IDG China Capital Fund III Associates L.P., whose general partner is IDG China Capital Fund GP III Associates Ltd., a company organized under the laws of the Cayman Islands. The directors of IDG China Capital Fund GP III Associates Ltd. are Chi Sing Ho and Quan Zhou. IDG China Capital Fund GP III Associates Ltd. is also the general partner of IDG China Capital III Investors L.P. The registered address of each of IDG China Venture Capital Fund IV L.P., IDG China IV Investors L.P., IDG China Capital Fund III L.P., IDG China Capital III Investors L.P. is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY 1-9008, Cayman Islands. The general partner of IDG China Venture Capital Fund IV L.P. is IDG China Venture Capital Fund IV Associates L.P., whose general partner is IDG China Venture Capital Fund GP IV Associates Ltd., a company organized under the laws of the Cayman Islands.

(6) Represents (i) 10,498,390 Series B preferred shares, 1,487,359 Series B+ preferred shares, 511,777 Series B2 preferred shares and 181,495 Series D preferred shares held of record by Morningside China TMT Fund IV, L.P., a limited partnership organized in the Cayman Islands, (ii) 59,376 Class A ordinary shares, 1,049,840 Series B preferred shares, 148,736 Series B+ preferred shares, 51,178 Series B2 preferred shares, 299,107 Series C preferred shares and 18,149 Series D preferred shares held of record by Morningside China TMT Fund IV Co-Investment, L.P., a limited partnership organized in the Cayman Islands, and (iii) 593,760 Class A ordinary shares and 2,991,066 Series C preferred shares held of record by Morningside China TMT Special Opportunity

Fund II, L.P., a limited partnership organized in the Cayman Islands. Morningside China TMT Fund IV, L.P., Morningside China TMT Special Opportunity Fund II, L.P. and Morningside China TMT Fund IV Co-Investment, L.P. are controlled by Morningside China TMT GP IV, L.P., their general partner, which, in turn, is controlled by TMT General Partner Ltd. its general partner. TMT General Partner Ltd. is controlled by its board consisting of five individuals, including Qin Liu, Jianming Shi, Gerald Lokchung Chan, Maria K. Lam and Makim Wai On Andrew Ma. The registered address of each of Morningside China TMT Fund IV, L.P., Morningside China TMT Fund IV Co-Investment, L.P. and Morningside China TMT Special Opportunity Fund II, L.P. is P. O. Box 1350, Windward 3, Regatta Office Park, Grand Cayman KY1-1108, Cayman Islands.

(7) Represents 5,306,729 Series C preferred shares, 9,697,001 Series C+ preferred shares and 998,219 Series D preferred shares held of record by 2774719 Ontario Limited, a corporation wholly-owned by Ontario Teachers' Pension Plan Board ("OTPP"), which is the largest single-profession pension plan in Canada. It is an independent organization responsible for investing the pension fund's assets and administers the pensions of 336,000 active and retired teachers in Ontario. OTPP has offices in Toronto, Hong Kong, London, Mumbai, San Francisco and Singapore. The registered address of 2774719 Ontario Limited is 5650 Yonge Street, Suite 1200, Toronto, Ontario M2M 4H5, Canada.

(8) Represents (i) 867,025 Class A ordinary shares held of record by Alpha Plus Holdings, Ltd., a limited company incorporated in the Cayman Islands, (ii) 112,679 Class A ordinary shares, 1,154,820 Series B preferred shares, 272,682 Series B+ preferred shares, 300,887 Series C preferred shares and 199,644 Series D preferred shares held of record by ClearVue Pony AI Plus Holdings, Ltd., a limited company incorporated in the Cayman Islands, and (iii) 11,452,661 Series B+ preferred shares and 489,015 Series B2 preferred shares held of record by ClearVue Pony Holdings, Ltd., a limited company incorporated in the Cayman Islands. M Capital Limited holds 72% of the equity interests of Alpha Plus Holdings, Ltd. Both ClearVue Pony Holdings, Ltd. and ClearVue Pony AI Plus Holdings, Ltd. are wholly-owned by ClearVue Partners II, L.P., which is beneficially owned by Harry Hui and Will Chen.

As of the date of this prospectus, a total of 2,007,012 Class A ordinary shares, 81,088,770 Class B ordinary shares, 575,633 Series A preferred shares, and 191,586 Series B preferred shares are held by record holders in the United States, respectively, representing 28.85% of the outstanding ordinary shares on an as-converted basis. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company. See "Description of Share Capital — History of Securities Issuances" for a description of issuances of our ordinary shares and preferred shares that have resulted in significant changes in ownership held by our major shareholders.

RELATED PARTY TRANSACTIONS

Contractual Arrangements

See "Corporate History and Structure" for a description of the contractual arrangements by and among our PRC subsidiary, the VIEs and the shareholders of the VIEs.

Employment Agreements and Indemnification Agreements

See "Management — Employment Agreements and Indemnification Agreements."

Private Placements

See "Description of Share Capital — History of Securities Issuances."

Shareholders Agreement

See "Description of Share Capital — Shareholders Agreement."

Other Related Party Transactions

In the ordinary course of business, from time to time, we carry out other transactions and enter into other arrangements with other related parties. None of these transactions or arrangements are considered to be material except for the following.

The table below sets forth the major related parties and their relationships with us as of December 31, 2022.

Name of related parties	Relationship with our company
Toyota Motor Corporation ("TMC")	Our shareholder
Sinotrans Limited ("Sinotrans")	Non-controlling shareholder of Cyantron
Dr. Tiancheng Lou	Our director, shareholder and Chief Technology Officer

The table below sets forth our material related party transactions for the periods indicated:

	Year Ended December 31,	
	2021	2022
	US$	US$
	(in thousands)	
Engineering solution services fees from TMC		
TMC	4,632	4,205
Virtual Driver operation services fees from Sinotrans		
Sinotrans	—	21,188

	Year ended December 31,	
	2021	2022
	US$	US$
	(in thousands)	
Operating and finance lease		
Cost:		
Sinotrans	—	843
Selling, general and administrative expenses:		
Sinotrans	—	29
Interest expense:		
Sinotrans	—	101

	Year ended December 31,	
	2021	2022
	US$	US$
	(in thousands)	
Interest income		
Dr. Tiancheng Lou[(1)]	83	83

We have conducted transactions with TMC, our principal shareholder, in the ordinary course of our business. We have rendered engineering solution services to TMC in exchange for service fees of US$4.6 million in 2021 and US$4.2 million in 2022. We have also conducted transactions with Sinotrans, a non-controlling shareholder of our subsidiary Cyantron, in the ordinary course of our business. We offered Virtual Driver operation services to Sinotrans in exchange for services fees of approximately US$21.2 million in 2022.

The table below sets forth the balances with our related parties as of the dates indicated:

	As of December 31,	
	2021	2022
	US$	US$
	(in thousands)	
Amounts due from related parties		
TMC	2,010	1,831
Sinotrans	—	6,475
Subtotal, current	**2,010**	**8,306**
Dr. Tiancheng Lou[(1)], non-current	3,052	2,969
Total	**5,062**	**11,275**

	As of December 31,	
	2021	2022
	US$	US$
	(in thousands)	
Operating and finance lease		
Operating lease liabilities		
Sinotrans	—	141
Finance lease liabilities		
Sinotrans	—	2,597

(1) In 2018, we offered a promissory note to Dr. Tiancheng Lou in the principal amount of US$2.9 million to cover the income taxes resulting from certain equity awards granted to him. The promissory note has a maturity date as of June 4, 2024 and will be repaid by Dr. Tiancheng Lou prior to the public filing of this F-1 registration statement of which this prospectus forms a part. In connection with this promissory note, interest income of us due from Dr. Tiancheng Lou was US$83 thousand in both 2021 and 2022. In March 2023, Dr. Tiancheng Lou (through his affiliated shareholding entity) entered into a share repurchase agreement with us, pursuant to which we agree to repurchase a certain amount of Series A preferred shares for a total cash consideration of US$4.8 million, subject to customary closing conditions. Dr. Tiancheng Lou intends to use such cash proceeds to repay the promissory note.

DESCRIPTION OF SHARE CAPITAL

We are a Cayman Islands exempted company and our affairs are governed by our memorandum and articles of association, as amended and restated from time to time, and Companies Act (as amended) of the Cayman Islands, which we refer to as the "Companies Act" below, and the common law of the Cayman Islands.

Our share capital is divided into ordinary shares and preferred shares. In respect of all of our ordinary shares and preferred shares we have power insofar as is permitted by law, to redeem or purchase any of our shares and to increase or reduce the share capital subject to the provisions of the Companies Act and the articles of association and to issue any shares, whether such shares be of the original, redeemed or increased capital, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers under our memorandum and articles of association.

As of the date hereof, our authorized share capital consists of US$300,000 divided into (i) 307,505,707 Class A ordinary shares of par value US$0.0005 each, (ii) 81,088,770 Class B Ordinary Shares of par value US$0.0005 each, (iii) 34,717,760 Series A Preferred Shares of par value US$0.0005 each, (iv) 44,758,365 Series B Preferred Shares of par value US$0.0005 each, (v) 27,428,047 Series B+ Preferred Shares of par value US$0.0005 each, (vi) 10,478,885 Series B2 Preferred Shares of par value US$0.0005 each, (vii) 57,896,414 Series C Preferred Shares of par value US$0.0005 each, (viii) 16,161,668 Series C+ Preferred Shares of par value US$0.0005 each and (ix) 19,964,384 Series D Preferred Shares of par value US$0.0005 each. As of the date of this prospectus, our total issued share capital is US$45,898.8. All of our issued and outstanding ordinary shares are fully paid. Immediately prior to the completion of this offering, all of our issued and outstanding preferred shares will be redesignated or converted into Class A ordinary shares on a one-for-one basis.

We plan to adopt an eighth amended and restated memorandum and articles of association, which will become effective and replace the current seventh amended and restated memorandum and articles of association in its entirety immediately prior to the completion of this offering. Our authorized share capital upon completion of the offering will be US$ divided into ordinary shares of a par value of US$ each. We will issue Class A ordinary shares represented by ADSs in this offering. All incentive shares, including options, restricted shares and restricted share units, regardless of grant dates, will entitle holders to an equivalent number of ordinary shares once the vesting and exercising conditions are met.

The following are summaries of material provisions of our post-offering amended and restated memorandum and articles of association and the Companies Act insofar as they relate to the material terms of our ordinary shares that we expect will become effective upon the closing of this offering.

Ordinary Shares

[Ordinary Shares. Except in relation to voting rights and conversion rights, holders of ordinary shares will have the same rights. All of our issued and outstanding ordinary shares are fully paid and non-assessable. Our ordinary shares are issued in registered form and are issued when registered in our register of members. We may not issue share to bearer. Our shareholders who are non-residents of the Cayman Islands may freely hold and transfer their ordinary shares.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors subject to our post-offering amended and restated memorandum and articles of association and the Companies Act. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Our post-offering amended and restated articles of association provide that dividends may be declared and paid out of our profits, realized or unrealized, or from any reserve set aside from profits which our board of directors determine is no longer needed. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Act. No dividend

may be declared and paid unless our directors determine that, immediately after the payment, we will be able to pay our debts as they become due in the ordinary course of business and we have funds lawfully available for such purpose.

Classes of Ordinary Shares. Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Except for conversion rights and voting rights, the Class A ordinary shares and Class B ordinary shares shall carry equal rights and rank *pari passu* with one another, including but not limited to the rights to dividends and other capital distributions.

Conversion Rights. Each Class B ordinary share is convertible into one (1) Class A ordinary share at any time by the holder thereof. The right to convert shall be exercisable by the holder of the Class B ordinary share delivering a written notice to our company that such holder elects to convert a specified number of Class B ordinary shares into Class A ordinary shares. In no event shall Class A ordinary shares be convertible into Class B ordinary shares.

Voting Rights. In respect of all matters subject to a shareholders' vote, holders of Class A ordinary shares and Class B ordinary shares shall, at all times, vote together as one class on all matters submitted to a vote by the members at any such general meeting. Each Class A ordinary share shall be entitled to one vote on all matters subject to the vote at general meetings of our company, and each Class B ordinary share shall be entitled to [ten (10)] votes on all matters subject to the vote at general meetings (including extraordinary general meetings) of our company. Voting at any meeting of shareholders shall be determined by poll and not on a show of hands.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of all votes, calculated on a fully converted basis, cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting, while a special resolution requires the affirmative vote of no less than two-thirds of all votes, calculated on a fully converted basis, cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting. A special resolution will be required for important matters such as a change of name or making changes to our post-offering amended and restated memorandum and articles of association.

General Meetings of Shareholders. A quorum required for a meeting of shareholders consists of shareholders holding a majority of all votes attaching to the issued and outstanding shares entitled to vote at general meetings present in person or by proxy or, if a corporation or other non-natural person, by its duly authorized representative. Our post-offering amended and restated memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting in which case we will specify the meeting as such in the notices calling it, and the annual general meeting will be held at such time and place as may be determined by our directors. We, however, will hold an annual shareholders' meeting during each fiscal year, as required by the Listing Rules at the [NYSE/ Nasdaq]. Each general meeting, other than an annual general meeting, shall be an extraordinary general meeting. Shareholders' annual general meetings and any other general meetings of our shareholders may be called by a majority of our board of directors or our chairman or upon a requisition of shareholders holding at the date of deposit of the requisition not less than one-third of all votes attaching to the issued and outstanding shares entitled to vote at general meetings, in which case the directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our post-offering amended and restated memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders. Advance notice of at least seven (7) business days is required for the convening of our annual general meeting and other general meetings unless such notice is waived in accordance with our articles of association.

Transfer of Ordinary Shares. Subject to the restrictions in our post-offering amended and restated memorandum and articles of association as set out below, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

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

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four;
- the shares are free from any lien in favor of our company; and
- a fee of such maximum sum as the [NYSE/Nasdaq] may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

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

The registration of transfers may, after compliance with any notice required of the [NYSE/Nasdaq], be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine, *provided*, *however*, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year as our board may determine.

Liquidation. On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of ordinary shares), if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders in proportion to the par value of the shares held by them. Any distribution of assets or capital to a holder of ordinary share will be the same in any liquidation event.

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

Redemption, Repurchase and Surrender of Ordinary Shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders thereof, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors or by a special resolution of our shareholders. Our Company may also repurchase any of our shares provided that the manner and terms of such purchase have been approved by our board of directors or by [ordinary resolution] of our shareholders, or are otherwise authorized by our post-offering amended and restated memorandum and articles of Association. Under the Companies Act, the redemption or repurchase of any share may be paid out of our company's profits or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if the company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding, or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares. If at any time our share capital is divided into different classes or series of shares, the rights attached to any class or series of shares (unless otherwise provided by the terms of issue of the shares of that class or series), whether or not our company is being wound- up, may be varied with the consent in writing of a majority the holders of the issued shares of that class or series or with the sanction of a special resolution at a separate meeting of the holders of the shares of the class or series. The rights conferred upon the holders of the shares of any class issued shall not, unless otherwise expressly

provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with such existing class of shares.

Inspection of Books and Records. Holders of our ordinary shares have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we will provide our shareholders with annual audited financial statements. See "Where You Can Find Additional Information."

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

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

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

Our board of directors may issue preferred shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Anti-Takeover Provisions. Some provisions of our post-offering amended and restated memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that authorize our board of directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders.

Exempted Company. We are an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may issue negotiable or bearer shares or shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on that shareholder's shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Exclusive Forum. Without limiting the jurisdiction of the Cayman courts to hear, settle and/or determine disputes related to our company, the courts of the Cayman Islands shall be the sole and exclusive

forum for (i) any derivative action or proceeding brought on behalf of our company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of our company to our company or the members, (iii) any action asserting a claim arising pursuant to any provision of the Companies Act or our articles of association including but not limited to any purchase or acquisition of shares, security, or guarantee provided in consideration thereof, or (iv) any action asserting a claim against our company which if brought in the United States of America would be a claim arising under the internal affairs doctrine (as such concept is recognized under the laws of the United States from time to time).

Unless we consent in writing to the selection of an alternative forum, federal courts of the United States of America shall have exclusive jurisdiction within the United States for the resolution of any complaint asserting a cause of action arising out of or relating in any way to the federal securities laws of the United States, including those arising from the Securities Act and the Exchange Act, regardless of whether such legal suit, action, or proceeding also involves parties other than our company. Any person or entity purchasing or otherwise acquiring any share or other securities in our company shall be deemed to have notice of and consented to the provisions of our articles of association.]

Register of Members

Under the Companies Act, we must keep a register of members and there should be entered therein:

- the names and addresses of our members, and a statement of the shares held by each member distinguishing each share by its number (so long as the share has a number), confirming the amount paid or agreed to be considered as paid on the shares of each member, confirming the number and category of shares held by each member, and confirming whether each relevant category of shares held by a member carries voting rights under the articles of association of our company, and if so, whether such voting rights are conditional);
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under the Companies Act, the register of members of our company is prima facie evidence of the matters set out therein (that is, the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a member registered in the register of members is deemed as a matter of the Companies Act to have legal title to the shares as set against its name in the register of members. Upon completion of this offering, we will perform the procedure necessary to immediately update the register of members to record and give effect to the issuance of shares by us to the Depositary (or its nominee) as the depositary. Once our register of members has been updated, the shareholders recorded in the register of members will be deemed to have legal title to the shares set against their name.

If the name of any person is incorrectly entered in or omitted from our register of members, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a member of our company, the person or member aggrieved (or any member of our company or our company itself) may apply to the Grand Court of the Cayman Islands for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Differences in Corporate Law

The Companies Act is derived, to a large extent, from the older Companies Acts of England, but does not follow many recent English law statutory enactments. In addition, the Companies Act differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act applicable to us and the laws applicable to companies incorporated in the State of Delaware.

Mergers and Similar Arrangements. The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) a

"consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a declaration as to the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman Islands parent company and its Cayman Islands subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman Islands subsidiary if a copy of the plan of merger is given to every member of that Cayman Islands subsidiary to be merged unless that member agrees otherwise. For this purpose a company is a "parent" of a subsidiary if it holds issued shares that together represent at least ninety percent (90%) of the votes at a general meeting of the subsidiary.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain limited circumstances, a shareholder of a Cayman Islands constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to the merger or consolidation, provide the dissenting shareholder complies strictly with the procedures set out in the Companies Act. The exercise of dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Act also contains statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, *provided* that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act.

The Companies Act also contains a statutory power of compulsory acquisition which may facilitate the "squeeze out" of a dissenting minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90.0% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares to the offeror on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, or if a tender offer is made and accepted, a dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits. In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company, and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to follow and apply the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge actions where:

- a company acts or proposes to act illegally or ultra vires;
- the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- those who control the company are perpetrating a "fraud on the minority."

Indemnification of Directors and Executive Officers and Limitation of Liability. Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. [Our post-offering amended and restated memorandum and articles of association provide that that we shall indemnify our officers and directors against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such directors or officer, other than by reason of such person's dishonesty, willful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere.] This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

In addition, we have entered into indemnification agreements with our directors and executive officers that provide such persons with additional indemnification beyond that provided in our post-offering amended and restated memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he owes the following duties to the company — a duty to act bona fide in the best interests of the company, a duty not to make a profit based on his position as director (unless the company permits him to do so), a duty not to put himself in a position where the interests of the company conflict with his personal interest or his duty to a third party, and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder Action by Written Consent. Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. The Companies Act and our post-offering amended and restated articles of association provide that our shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

Shareholder Proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Act provide shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering amended and restated articles of association allow our shareholders holding in aggregate not less than [one-third] of all votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings to requisition an extraordinary general meeting of our shareholders, in which case our board is obliged to convene an extraordinary general meeting and to put the resolutions so requisitioned to a vote at such meeting. Other than this right to requisition a shareholders' meeting, our post-offering amended and restated articles of association do not provide our shareholders with any other right to put proposals before annual general meetings or extraordinary general meetings not called by such shareholders. As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. There are no prohibitions in relation to cumulative voting under the laws of the Cayman Islands but our post-offering amended and restated articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our post-offering amended and restated articles of association, directors may be removed with or without cause, by an [ordinary resolution] of our shareholders. A director shall hold office until the expiration of his or her term or his or her successor shall have been elected and qualified, or until his or her office is otherwise vacated. In addition, a director's office shall be vacated if the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) is found to be or becomes of unsound mind or dies; (iii) resigns his office by notice in writing to the company; (iv) without special leave of absence from our board of directors, is absent from three consecutive meetings of the board and the board resolves that his office be vacated; (v) is

prohibited by law from being a director; or (vi) is removed from office pursuant to any other provisions of our post-offering amended and restated memorandum and articles of association.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting share within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, the directors of our company are required to comply with fiduciary duties which they owe to our company under Cayman Islands laws, including the duty to ensure that, in their opinion, any such transactions must be entered into bona fide in the best interests of our company, and are entered into for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so. Under the Companies Act and our post-offering amended and restated articles of association, our company may be dissolved, liquidated or wound up by a special resolution of our shareholders.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Cayman Islands law and our post-offering amended and restated articles of association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class with the written consent of the holders of a majority of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under the Companies Act and our post-offering amended and restated memorandum and articles of association, our memorandum and articles of association may only be amended by a special resolution of our shareholders.

Rights of Nonresident or Foreign Shareholders. There are no limitations imposed by our post-offering amended and restated memorandum and articles of association on the rights of nonresident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our post-offering amended and restated memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.]

History of Securities Issuances

The following is a summary of our securities issuances in the past three years.

Class A Ordinary Shares

On March 1, 2021, we issued 46,666 Class A ordinary shares to Mr. CYRUS F ABARI for a consideration of US$29,399.58.

On March 1, 2021, we issued 15,625 Class A ordinary shares to Mr. STEPHEN LEE for a consideration of US$9,843.75.

On May 8, 2021, we issued 1,500,000 Class A ordinary shares to Free Pony Limited for nil consideration.

On May 8, 2021, we issued 162,500 Class A ordinary shares to Mr. Jian Peng for nil consideration.

On May 8, 2021, we issued 192,500 Class A ordinary shares to Starburst Limited for a consideration of US$121,275.00.

On May 19, 2021, we issued 18,125 Class A ordinary shares to Mr. Stephanie A. Bruno, as trustee of BoLe 2021 Family Trust for a consideration of US$11,148.75.

On September 8, 2021, we issued 35,000 Class A ordinary shares to Mr. JIALIN JIAO for a consideration of US$22,050.00.

On September 8, 2021, we issued 16,041 Class A ordinary shares to Mr. KEVIN CHIHPEI SHEU for a consideration of US$10,105.83.

On September 8, 2021, we issued 13,750 Class A ordinary shares to Mr. YUI-HONG MATTHIAS TAN for a consideration of US$8,662.50.

On September 8, 2021, we issued 86,666 Class A ordinary shares to Mr. KELVIN KAI WANG CHAN for a consideration of US$142,998.90.

On September 8, 2021, we issued 16,250 Class A ordinary shares to Mr. CHUN-YU, CHUNG for a consideration of US$10,237.50.

On April 23, 2022, we issued 16,250 Class A ordinary shares to Mr. Francisco Javier Rovira de la Torre for a consideration of US$10,237.50.

On April 23, 2022, we issued 38,750 Class A ordinary shares to Mr. George Chu Luo for a consideration of US$24,412.50.

On April 23, 2022, we issued 15,000 Class A ordinary shares to Mr. Michael Wu for a consideration of US$12,300.00.

On April 23, 2022, we issued 3,541 Class A ordinary shares to Mr. Philip Hawzen Mao for a consideration of US$ US$5,842.65.

Preferred Shares

On March 13, 2020, we issued 42,453,831 Series C preferred shares to Toyota Motor Corporation for a consideration of US$400,000,000.

On March 13, 2020, we issued 250,864 Series C preferred shares to Morningside China TMT Fund IV Co-Investment, L.P. for a consideration of US$2,363,636.

On March 13, 2020, we issued 2,508,636 Series C preferred shares to Morningside China TMT Special Opportunity Fund II, L.P. for a consideration of US$23,636,364.

On March 13, 2020, we issued 265,336 Series C preferred shares to ERVC Technology IV LP for a consideration of US$2,500,000.

On March 13, 2020, we issued 3,396,307 Series C preferred shares to Fidelity China Special Situations PLC for a consideration of US$32,000,000.

On November 16, 2020, we issued 849,077 Series C preferred shares to CITY ACE INVESTMENT CORPORATION for a consideration of US$8,000,000.

On November 16, 2020, we issued 48,243 Series C preferred shares to Morningside China TMT Fund IV Co-Investment, L.P. for a consideration of US$454,545.

On November 16, 2020, we issued 482,430 Series C preferred shares to Morningside China TMT Special Opportunity Fund II, L.P., for a consideration of US$4,545,455.

On November 16, 2020, we issued 5,306,729 Series C preferred shares to 2774719 Ontario Limited, for a consideration of US$50,000,000.

On November 16, 2020, we issued 212,269 Series C preferred shares to ERVC Technology IV LP, for a consideration of US$2,000,000.

On November 16, 2020, we issued 849,077 Series C preferred shares to CITY ACE INVESTMENT CORPORATION for a consideration of US$8,000,000, and on March 1, 2021, CITY ACE INVESTMENT CORPORATION transferred 300,887 Series C preferred shares to ClearVue Pony Al Plus Holdings, Ltd.

On June 22, 2021, we issued 2,122,692 Series C preferred shares to FAW Equity Investment (Tianjin) Company Limited, for a consideration of US$20,000,000.

On November 16, 2020, we issued 9,697,001 Series C+ preferred shares to 2774719 Ontario Limited, for a consideration of US$150,000,000.

On January 13, 2021, we issued 2,585,220 Series C+ preferred shares to CPE Investment (Hong Kong) 2018 Limited, for a consideration of US$39,990,000.

On January 13, 2021, we issued 3,878,800 Series C+ preferred shares to Raumier Limited, for a consideration of US$60,000,000.

On February 23, 2022, we issued 199,644 Series D preferred shares to ClearVue Pony AI Plus Holdings, Ltd., for a consideration of US$5,000,000.

On March 4, 2022, we issued 3,992,877 Series D preferred shares to China-UAE Investment Cooperation Fund, L.P., for a consideration of US$100,000,000.

On March 4, 2022, we issued 1,597,151 Series D preferred shares to Raumier Limited, for a consideration of US$40,000,000.

On March 4, 2022, we issued 18,149 Series D preferred shares to Morningside China TMT Fund IV Co-Investment, L.P., for a consideration of US$454,545.

On March 4, 2022, we issued 181,495 Series D preferred shares to Morningside China TMT Fund IV, L.P., for a consideration of US$4,545,455.

On March 4, 2022, we issued 266,192 Series D preferred shares to Evodia Investments, for a consideration of US$6,666,672.16.

On March 4, 2022, we issued 998,219 Series D preferred shares to 2774719 Ontario Limited, for a consideration of US$25,000,000.

On March 4, 2022, we issued a warrant to purchase 199,644 Series D preferred shares for a consideration of US$5,000,000 to Assets Key Limited. Pursuant to such warrant, we issued 199,644 Series D preferred shares to Assets Key Limited on December 29, 2022.

Our Series A preferred shares, Series B preferred shares, Series B+ preferred shares, Series B2 preferred shares, Series C preferred shares, Series C+ preferred shares and Series D preferred shares will automatically

convert into Class A ordinary shares upon the completion of this offering at an initial conversion ratio of one-to-one, adjusted for share splits, share dividends, recapitalizations and similar transactions.

Warrants

On March 4, 2022, we issued a warrant with an aggregate exercise price up to US$25,000,000 to purchase Series D preferred shares at the warrant price of US$25.0446 per share to China-UAE Investment Cooperation Fund, L.P. The right of the holder to purchase the warrant shares is exercisable at any time after March 4, 2022 but no later than the earlier of (i) March 4, 2024, and (ii) the consummation of a Qualified IPO as defined in our shareholders agreement.

On March 4, 2022, we issued a warrant to purchase 133,096 Series D preferred shares for a consideration of US$3,333,336.08 to Hainan Kaibeixin Investment Limited Partnership. We expect that such warrants will be exercised in full before the completion of this offering.

On March 4, 2022, we issued a warrant to purchase 39,928 Series D preferred shares for a consideration of US$1,000,000 to Shenzhen ZY Venture Investment Limited. We expect that such warrants will be exercised in full before the completion of this offering.

Option and Restricted Share Grants

We have granted options to purchase our ordinary shares and restricted share units to certain of our executive officers and employees. See "Management — Share Incentive Plan."

Shareholders Agreement

Our currently effective sixth amended and restated shareholders agreement was entered into on March 4, 2022 by and among us, our shareholders, and certain other parties named therein.

The current shareholders agreement provides for certain special rights, including registration right, right of first refusal, right of co-sale, and drag-along right and contains provisions governing the board of directors and other corporate governance matters. Those special rights (except the registration right as described below), as well as the corporate governance provisions, will terminate upon the completion of this offering.

Registration Rights

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

Demand Registration Rights. A at any time or from time to time after the earlier of (a) December 28, 2024, or (b) the date that is six (6) months after the closing of this offering, holders holding thirty percent (30%) or more of the voting power of the then outstanding registrable securities held by all holders may request in writing that we effect a registration of at least thirty percent (30%) of all the then outstanding registrable securities. Upon receipt of such a request, we shall (x) promptly give written notice of the proposed registration to all other holders and (y) as soon as practicable, use our commercially reasonable efforts to cause the registrable securities specified in the request, together with any registrable securities of any holder who requests in writing to join such registration within fifteen (15) days after our delivery of written notice, to be registered and/or qualified for sale and distribution in such jurisdiction as the initiating holders may request. We shall be obligated to effect no more than two (2) registrations that have been declared and ordered effective; provided, however, that if the sale of all of the registrable securities sought to be included is not consummated, such registration shall not be deemed to constitute one of the registration rights granted.

Piggyback Registration Rights. If we propose to register for our own account any of our equity securities, or for the account of any holder of equity securities any of such holder's equity securities, in connection with the public offering of such securities, we shall promptly give each holder written notice of such registration and, upon the written request of any holder given within fifteen (15) days after delivery of

such notice, we shall use our reasonable best efforts to include in such registration any registrable securities thereby requested to be registered by such holder. If a holder decides not to include all or any of its registrable securities in such registration by us, such holder shall nevertheless continue to have the right to include any registrable securities in any subsequent registration statement or registration statements as may be filed by us, all upon the terms and conditions set forth herein.

In connection with any offering involving an underwriting of our equity securities, we shall not be required to register the registrable securities of a holder unless such holder's registrable securities are included in the underwritten offering and such holder enters into an underwriting agreement in customary form with the underwriter or underwriters of internationally recognized standing selected by us and setting forth such terms for the underwritten offering as have been agreed upon between we and the underwriters. In the event the underwriters advise holders seeking registration of registrable securities in writing that market factors (including the aggregate number of registrable securities requested to be registered, the general condition of the market, and the status of the persons proposing to sell securities pursuant to the registration) require a limitation of the number of registrable securities to be underwritten, the underwriters may exclude all of the registrable securities requested to be registered in the IPO and up to seventy percent (70%) of the registrable securities requested to be registered in any other public offering, but in any case only after first excluding all other equity securities (except for securities sold for the account of us) from the registration and underwriting and so long as the registrable securities to be included in such registration on behalf of any non-excluded holders are allocated among all holders in proportion, as nearly as practicable, to the respective amounts of registrable securities requested by such holders to be included. To facilitate the allocation of shares in accordance with the above provisions, we or the underwriters may round the number of shares allocated to a holder to the nearest one hundred (100) shares.

Form F-3 Registration Rights. In case we receive from any holders holding twenty percent (20%) or more of the voting power of the registrable securities then outstanding written requests that we effect a registration on Form F-3, as the case may be, we shall, subject to certain limitations, file a registration statement on Form F-3 covering the registrable securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the holders. Upon receipt of such a request, we shall (a) promptly give written notice of the proposed registration to all other holders and (b) as soon as practicable, use its commercially reasonable efforts to cause the registrable securities specified in the request, together with any registrable securities of any holder who requests in writing to join such registration within fifteen (15) days after our delivery of written notice, to be registered and qualified for sale and distribution in such jurisdiction.

Expenses of Registration. We will bear all registration expenses incurred in connection with any demand, piggyback or F-3 registration, subject to certain limitations.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

[American Depositary Shares

, as depositary, will register and deliver American Depositary Shares, also referred to as ADSs. Each ADS represents Class A ordinary shares (or a right to receive Class A ordinary shares) deposited with , as custodian for the depositary in Hong Kong. Each ADS will also represent any other securities, cash or other property which may be held by the depositary. The deposited shares together with any other securities, cash or other property held by the depositary are referred to as the deposited securities. The depositary's office at which the ADSs will be administered is located at . 's principal executive office is located at .

You may hold ADSs either (A) directly (i) by having an American Depositary Receipt, also referred to as an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (ii) by having uncertificated ADSs registered in your name, or (B) indirectly by holding a security entitlement in ADSs through your broker or other financial institution that is a direct or indirect participant in The Depository Trust Company, also called DTC. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

Registered holders of uncertificated ADSs will receive statements from the depositary confirming their holdings.

As an ADS holder, we will not treat you as one of our shareholders and you will not have shareholder rights. Cayman Islands law governs shareholder rights. The depositary will be the holder of the shares underlying the ADSs. As a registered holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the depositary, ADS holders and all other persons indirectly or beneficially holding ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADSs. Any action or proceeding against or involving us or the depositary, arising out of or based upon the deposit agreement or the transactions contemplated thereby or by virtue of owning the ADSs (including any such action or proceeding that may arise under the Securities Act or Exchange Act) may only be instituted in a state or federal court in New York, New York. As a holder of the ADSs, you will have irrevocably waived any objection which you may have to the laying of venue of any such proceeding, and irrevocably submitted to the exclusive jurisdiction of such courts in any such action or proceeding.

The following is a summary of the material provisions of the deposit agreement. For more complete information, you should read the entire deposit agreement and the form of ADR. For directions on how to obtain copies of those documents, see "Where You Can Find Additional Information."

Dividends and Other Distributions

How Will You Receive Dividends and Other Distributions on the Shares?

The depositary has agreed to pay or distribute to ADS holders the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, upon payment or deduction of its fees and expenses. You will receive these distributions in proportion to the number of shares the ADSs represent.

Cash. The depositary will convert any cash dividend or other cash distribution we pay on the shares into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If that is not possible or if any government approval is needed and cannot be obtained, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. It will hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest.

Before making a distribution, any withholding taxes, or other governmental charges that must be paid will be deducted. See "Taxation." The depositary will distribute only whole U.S. dollars and cents and will

round fractional cents to the nearest whole cent. *If the exchange rates fluctuate during a time when the depositary cannot convert the foreign currency, you may lose some of the value of the distribution.*

Shares. The depositary may distribute additional ADSs representing any shares we distribute as a dividend or free distribution. The depositary will only distribute whole ADSs. It will sell shares which would require it to deliver a fraction of an ADS (or ADSs representing those shares) and distribute the net proceeds in the same way as it does with cash. If the depositary does not distribute additional ADSs, the outstanding ADSs will also represent the new shares. The depositary may sell a portion of the distributed shares (or ADSs representing those shares) sufficient to pay its fees and expenses in connection with that distribution.

Rights to purchase additional shares. If we offer holders of our securities any rights to subscribe for additional shares or any other rights, the depositary may (i) exercise those rights on behalf of ADS holders, (ii) distribute those rights to ADS holders or (iii) sell those rights and distribute the net proceeds to ADS holders, in each case after deduction or upon payment of its fees and expenses. To the extent the depositary does not do any of those things, it will allow the rights to lapse. In that case, you will receive no value for them. The depositary will exercise or distribute rights only if we ask it to and provide satisfactory assurances to the depositary that it is legal to do so. If the depositary will exercise rights, it will purchase the securities to which the rights relate and distribute those securities or, in the case of shares, new ADSs representing the new shares, to subscribing ADS holders, but only if ADS holders have paid the exercise price to the depositary. U.S. securities laws may restrict the ability of the depositary to distribute rights or ADSs or other securities issued on exercise of rights to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.

Other Distributions. The depositary will send to ADS holders anything else we distribute on deposited securities by any means it thinks is legal, fair and practical. If it cannot make the distribution in that way, the depositary has a choice. It may decide to sell what we distributed and distribute the net proceeds, in the same way as it does with cash. Or, it may decide to hold what we distributed, in which case ADSs will also represent the newly distributed property. However, the depositary is not required to distribute any securities (other than ADSs) to ADS holders unless it receives satisfactory evidence from us that it is legal to make that distribution. The depositary may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution. U.S. securities laws may restrict the ability of the depositary to distribute securities to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. In particular, we cannot make ADSs, shares, rights or other securities available to you in the United States unless we register both the distribution and sale of the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. In addition, under the deposit agreement, the depositary will not make rights available to you unless both the distribution and sale of the rights and the underlying securities to be distributed to ADS holders are either registered under the Securities Act or exempt from registration under the Securities Act. We have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADSs, shares, rights or anything else to ADS holders. This means that you may not receive the distributions we make on our shares or any value for them if it is illegal or impractical for us to make them available to you.

Deposit, Withdrawal and Cancellation

How Are ADSs Issued?

The depositary will deliver ADSs if you or your broker deposits shares or evidence of rights to receive shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will register the appropriate number of ADSs in the names you request and will deliver the ADSs to or upon the order of the person or persons that made the deposit.

How Can ADS Holders Withdraw the Deposited Securities?

You may surrender the ADSs for the purpose of withdrawal at the depositary's office. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will deliver the shares and any other deposited securities underlying the ADSs to the ADS holder or a person the ADS holder designates at the office of the custodian. Or, at your request, risk and expense, the depositary will deliver the deposited securities at its office, if feasible. The depositary may charge you a fee and its expenses for instructing the custodian regarding delivery of deposited securities.

How Do ADS Holders Interchange Between Certificated ADSs and Uncertificated ADSs?

You may surrender your ADR to the depositary for the purpose of exchanging your ADR for uncertificated ADSs. The depositary will cancel that ADR and will send to the ADS holder a statement confirming that the ADS holder is the registered holder of uncertificated ADSs. Upon receipt by the depositary of a proper instruction from a registered holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depositary will execute and deliver to the ADS holder an ADR evidencing those ADSs.

Voting Rights

How Do You Vote?

ADS holders may instruct the depositary how to vote the number of deposited shares their ADSs represent. If we request the depositary to solicit your voting instructions (and we are not required to do so), the depositary will notify you of a shareholders' meeting and send or make voting materials available to you. Those materials will describe the matters to be voted on and explain how ADS holders may instruct the depositary how to vote. For instructions to be valid, they must reach the depositary by a date set by the depositary. The depositary will try, as far as practical, subject to the laws of the Cayman Islands and the provisions of our articles of association or similar documents, to vote or to have its agents vote the shares or other deposited securities as instructed by ADS holders. If we do not request the depositary to solicit your voting instructions, you can still send voting instructions, and, in that case, the depositary may try to vote as you instruct, but it is not required to do so.

Except by instructing the depositary as described above, you won't be able to exercise voting rights unless you surrender the ADSs and withdraw the shares. However, you may not know about the meeting enough in advance to withdraw the shares. In any event, the depositary will not exercise any discretion in voting deposited securities and it will only vote or attempt to vote as instructed.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your shares. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise voting rights and there may be nothing you can do if your shares are not voted as you requested.

In order to give you a reasonable opportunity to instruct the depositary as to the exercise of voting rights relating to Deposited Securities, if we request the Depositary to act, we agree to give the depositary notice of any such meeting and details concerning the matters to be voted upon at least [45] days in advance of the meeting date.

Fees and Expenses

Persons depositing or withdrawing shares or ADS holders must pay:	For:
• US$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	• Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property • Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
• US$0.05 (or less) per ADS	• Any cash distribution to ADS holders
• A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs	• Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depositary to ADS holders
• US$0.05 (or less) per ADS per calendar year	• Depositary services
• Registration or transfer fees	• Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares
• Expenses of the depositary	• Cable and facsimile transmissions (when expressly provided in the deposit agreement) • Converting foreign currency to U.S. dollars
• Taxes and other governmental charges the depositary or the custodian has to pay on any ADSs or shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes	• As necessary
• Any charges incurred by the depositary or its agents for servicing the deposited securities	• As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the depositary may make payments to us to reimburse us for costs and expenses generally arising out of establishment and maintenance of the ADS program, waive fees and expenses for services provided to us by the depositary or share revenue from the fees collected from ADS holders. In performing its duties under the deposit agreement, the depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the depositary and that may earn or share fees, spreads or commissions.

The depositary may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depositary or its affiliate receives when buying or selling foreign currency for its own account. The depositary makes no representation that the exchange rate used or obtained in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined

will be the most favorable to ADS holders, subject to the depositary's obligations under the deposit agreement. The methodology used to determine exchange rates used in currency conversions is available upon request.

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable on the ADSs or on the deposited securities represented by any of the ADSs. The depositary may refuse to register any transfer of the ADSs or allow you to withdraw the deposited securities represented by the ADSs until those taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your American Depositary Shares to pay any taxes owed and you will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to ADS holders any proceeds, or send to ADS holders any property, remaining after it has paid the taxes.

Tender and Exchange Offers; Redemption, Replacement or Cancellation of Deposited Securities

The depositary will not tender deposited securities in any voluntary tender or exchange offer unless instructed to do by an ADS holder surrendering ADSs and subject to any conditions or procedures the depositary may establish.

If deposited securities are redeemed for cash in a transaction that is mandatory for the depositary as a holder of deposited securities, the depositary will call for surrender of a corresponding number of ADSs and distribute the net redemption money to the holders of called ADSs upon surrender of those ADSs.

If there is any change in the deposited securities such as a sub-division, combination or other reclassification, or any merger, consolidation, recapitalization or reorganization affecting the issuer of deposited securities in which the depositary receives new securities in exchange for or in lieu of the old deposited securities, the depositary will hold those replacement securities as deposited securities under the deposit agreement. However, if the depositary decides it would not be lawful and to hold the replacement securities because those securities could not be distributed to ADS holders or for any other reason, the depositary may instead sell the replacement securities and distribute the net proceeds upon surrender of the ADSs.

If there is a replacement of the deposited securities and the depositary will continue to hold the replacement securities, the depositary may distribute new ADSs representing the new deposited securities or ask you to surrender your outstanding ADRs in exchange for new ADRs identifying the new deposited securities.

If there are no deposited securities underlying ADSs, including if the deposited securities are cancelled, or if the deposited securities underlying ADSs have become apparently worthless, the depositary may call for surrender or of those ADSs or cancel those ADSs upon notice to the ADS holders.

Amendment and Termination

How May the Deposit Agreement Be Amended?

We may agree with the depositary to amend the deposit agreement and the ADRs without your consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the depositary for registration fees, facsimile costs, delivery charges or similar items, or prejudices a substantial right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the depositary notifies ADS holders of the amendment. *At the time an amendment becomes effective, you are considered, by continuing to hold the ADSs, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended*.

How May the Deposit Agreement Be Terminated?

The depositary will initiate termination of the deposit agreement if we instruct it to do so. The depositary may initiate termination of the deposit agreement if

- 60 days have passed since the depositary told us it wants to resign but a successor depositary has not been appointed and accepted its appointment;
- we delist our shares from an exchange on which they were listed and do not list the shares on another exchange;
- we appear to be insolvent or enter insolvency proceedings
- all or substantially all the value of the deposited securities has been distributed either in cash or in the form of securities;
- there are no deposited securities underlying the ADSs or the underlying deposited securities have become apparently worthless; or
- there has been a replacement of deposited securities.

If the deposit agreement will terminate, the depositary will notify ADS holders at least 90 days before the termination date. At any time after the termination date, the depositary may sell the deposited securities. After that, the depositary will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement, unsegregated and without liability for interest, for the pro rata benefit of the ADS holders that have not surrendered their ADSs. Normally, the depositary will sell as soon as practicable after the termination date.

After the termination date and before the depositary sells, ADS holders can still surrender their ADSs and receive delivery of deposited securities, except that the depositary may refuse to accept a surrender for the purpose of withdrawing deposited securities if it would interfere with the selling process. The depositary may refuse to accept a surrender for the purpose of withdrawing sale proceeds until all the deposited securities have been sold. The depositary will continue to collect distributions on deposited securities, but, after the termination date, the depositary is not required to register any transfer of ADSs or distribute any dividends or other distributions on deposited securities to the ADSs holder (until they surrender their ADSs) or give any notices or perform any other duties under the deposit agreement except as described in this paragraph.

Limitations on Obligations and Liability

Limits on Our Obligations and the Obligations of the Depositary; Limits on Liability to Holders of ADSs

The deposit agreement expressly limits our obligations and the obligations of the depositary. It also limits our liability and the liability of the depositary. We and the depositary:

- are only obligated to take the actions specifically set forth in the deposit agreement without negligence or bad faith;
- are not liable if we are or it is prevented or delayed by law or by events or circumstances beyond our or its ability to prevent or counteract with reasonable care or effort from performing our or its obligations under the deposit agreement;
- are not liable if we or it exercises discretion permitted under the deposit agreement;
- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement, or for any special, consequential or punitive damages for any breach of the terms of the deposit agreement;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the deposit agreement on your behalf or on behalf of any other person;
- are not liable for the acts or omissions of any securities depository, clearing agency or settlement system; and
- may rely upon any documents we believe or it believes in good faith to be genuine and to have been signed or presented by the proper person.

In the deposit agreement, we and the depositary agree to indemnify each other under certain circumstances.

Requirements for Depositary Actions

Before the depositary will deliver or register a transfer of ADSs, make a distribution on ADSs, or permit withdrawal of shares, the depositary may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any shares or other deposited securities;
- satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may refuse to deliver ADSs or register transfers of ADSs when the transfer books of the depositary or our transfer books are closed or at any time if the depositary or we think it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

Your Right to Receive the Shares Underlying the ADSs

ADS holders have the right to cancel their ADSs and withdraw the underlying shares at any time except:

- when temporary delays arise because: (i) the depositary has closed its transfer books or we have closed our transfer books; (ii) the transfer of shares is blocked to permit voting at a shareholders' meeting; or (iii) we are paying a dividend on our shares;
- when you owe money to pay fees, taxes and similar charges; or
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Direct Registration System

In the deposit agreement, all parties to the deposit agreement acknowledge that the Direct Registration System, also referred to as DRS, and Profile Modification System, also referred to as Profile, will apply to the ADSs. DRS is a system administered by DTC that facilitates interchange between registered holding of uncertificated ADSs and holding of security entitlements in ADSs through DTC and a DTC participant. Profile is feature of DRS that allows a DTC participant, claiming to act on behalf of a registered holder of uncertificated ADSs, to direct the depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depositary of prior authorization from the ADS holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the deposit agreement understand that the depositary will not determine whether the DTC participant that is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery as described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the deposit agreement, the parties agree that the depositary's reliance on and compliance with instructions received by the depositary through the DRS/Profile system and in accordance with the deposit agreement will not constitute negligence or bad faith on the part of the depositary.

Shareholder Communications; Inspection of Register of Holders of ADSs

The depositary will make available for your inspection at its office all communications that it receives from us as a holder of deposited securities that we make generally available to holders of deposited securities. The depositary will send you copies of those communications or otherwise make those communications available to you if we ask it to. You have a right to inspect the register of holders of ADSs, but not for the purpose of contacting those holders about a matter unrelated to our business or the ADSs.

Jury Trial Waiver

The deposit agreement provides that, to the extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws. If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance with applicable case law. You will not, by agreeing to the terms of the deposit agreement, be deemed to have waived our or the depositary's compliance with U.S. federal securities laws or the rules and regulations promulgated thereunder.]

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this offering, we will have ADSs outstanding, representing Class A ordinary shares, or approximately % of our outstanding ordinary shares, assuming the underwriters do not exercise their option to purchase additional ADSs. All of the ADSs sold in this offering will be freely transferable by persons other than our "affiliates" without restriction or further registration under the Securities Act. Sales of substantial amounts of the ADSs in the public market could adversely affect prevailing market prices of the ADSs. Prior to this offering, there has been no public market for our Class A ordinary shares or the ADSs, and [while the ADSs have been approved for listing on the [NYSE/Nasdaq],] we cannot assure you that a regular trading market will develop in the ADSs.

Lock-up Agreements

We, [our directors, executive officers and existing shareholders] have agreed, subject to some exceptions, not to offer, pledge, sell, or dispose of, directly or indirectly, any shares of our share capital, or securities convertible into or exchangeable or exercisable for any shares of our share capital, for a period of 180 days after the date of this prospectus. After the expiration of the 180-day period, the ordinary shares or ADSs held by our directors, executive officers and our existing shareholders may be sold subject to the restrictions under Rule 144 under the Securities Act or by means of registered public offerings.

Rule 144

All of our ordinary shares outstanding prior to this offering are "restricted shares" as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only if they are subject to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirements. Under Rule 144 as currently in effect, a person who has beneficially owned our restricted shares for at least six months is generally entitled to sell the restricted securities without registration under the Securities Act beginning 90 days after the date of this prospectus, subject to certain additional restrictions.

Our affiliates may sell within any three-month period a number of restricted shares that does not exceed the greater of the following:

- 1% of the then outstanding Class A ordinary shares of the same class, in the form of ADSs or otherwise, which will equal approximately Class A ordinary shares immediately after this offering, assuming the underwriters do not exercise their option to purchase additional ADSs; or
- the average weekly trading volume of our Class A ordinary shares in the form of ADSs or otherwise on the [NYSE/Nasdaq] during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Affiliates who sell restricted securities under Rule 144 may not solicit orders or arrange for the solicitation of orders, and they are also subject to notice requirements and the availability of current public information about us.

Persons who are not our affiliates are only subject to one of these additional restrictions, the requirement of the availability of current public information about us, and this additional restriction does not apply if they have beneficially owned our restricted shares for more than one year.

Rule 701

In general, under Rule 701 of the Securities Act as currently in effect, each of our employees, consultants or advisors who purchases our ordinary shares from us in connection with a compensatory stock or option plan or other written agreement relating to compensation is eligible to resell such ordinary shares 90 days after we became a reporting company under the Exchange Act in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144.

Registration Rights

Upon completion of this offering, certain holders of our ordinary shares or their transferees will be entitled to request that we register their shares under the Securities Act, following the expiration of the lock-up agreements described above. See "Description of Share Capital — Registration Rights."

TAXATION

The following discussion of Cayman Islands, PRC and U.S. federal income tax consequences of an investment in the ADSs or Class A ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this prospectus, all of which are subject to change. This discussion does not deal with all possible tax consequences relating to an investment in the ADSs or Class A ordinary shares, such as the tax consequences under state, local and other tax laws. To the extent that the discussion relates to matters of Cayman Islands tax law, it represents the opinion of Walkers (Hong Kong), our Cayman Islands counsel. To the extent that the discussion relates to matters of PRC tax law, it represents the opinion of Haiwen & Partners, our PRC legal counsel.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation, and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us or holders of the ADSs or ordinary shares levied by the government of the Cayman Islands, except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of the ADSs or Class A ordinary shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of the ADSs or Class A ordinary shares, nor will gains derived from the disposal of the ADSs or Class A ordinary shares be subject to Cayman Islands income or corporation tax.

People's Republic of China Taxation

Under the PRC EIT Law, which became effective on January 1, 2008 and was last amended on December 29, 2018, an enterprise established outside the PRC with "de facto management bodies" within the PRC is considered a "resident enterprise" for PRC enterprise income tax purposes and is generally subject to a uniform 25% enterprise income tax rate on its worldwide income. Under the implementation regulations to the PRC 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 properties of an enterprise.

In addition, the STA Circular 82 issued by the STA in April 2009 and was amended in December 2017, specifies that certain offshore incorporated enterprises controlled by PRC enterprises or PRC enterprise groups will be classified as PRC resident enterprises if the following are located or resident in the PRC: (a) senior management personnel and departments that are responsible for daily production, operation and management; (b) financial and personnel decision making bodies; (c) key properties, accounting books, company seal, minutes of board meetings and shareholders' meetings; and (d) half or more of the senior management or directors having voting rights. Further to STA Circular 82, the STA issued the Administrative Measures on Income Tax on Overseas Registered Chinese-funded Holding Resident Enterprises (Trial Implementation), or the STA Bulletin 45, which took effect in September 2011 and was last amended in June 2018, to provide more guidance on the implementation of STA Circular 82. STA Bulletin 45 provides for procedures and administration details of determination on resident status and administration on post-determination matters. Our Company is a company incorporated outside the PRC. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside the PRC. As such, we do not believe that our company meets all of the conditions above and as a result we do not believe our company is a PRC resident enterprise for PRC tax purposes. For similar reasons, we believe our other entities outside of China are also not PRC resident enterprises. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." There can be no assurance that the PRC regulatory authority will ultimately take a view that is consistent with us. If the PRC tax authorities determine that our Cayman Islands holding company is a PRC resident enterprise for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. For example,

a 10% withholding tax would be imposed on dividends we pay to our non-PRC enterprise shareholders (including the ADS holders), if such shareholders do not have an establishment or place of business in the PRC, or if they have such establishment or place of business in the PRC but the relevant income is not effectively connected with such establishment or place of business, to the extent such dividends have their sources within the PRC. In addition, non-resident enterprise shareholders (including the ADS holders) may be generally subject to PRC tax at a rate of 10% on gains realized on the sale or other disposition of ADSs or Class A ordinary shares, if such income is treated as sourced from within the PRC. Furthermore, if we are deemed a PRC resident enterprise, dividends paid to our non-PRC individual shareholders (including the ADS holders) and any gain realized on the transfer of ADSs or Class A ordinary shares by such shareholders may be subject to PRC tax at a rate of 20% (which, in the case of dividends, may be withheld at source). These rates may be generally reduced by an applicable tax treaty, but it is unclear whether non-PRC shareholders of our company would be able to obtain the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise.

Material U.S. Federal Income Tax Considerations

The following are material U.S. federal income tax consequences to you of the ownership and disposition of our ADSs or Class A ordinary shares, but this discussion does not purport to be a comprehensive description of all of the tax considerations that may be relevant to your decision to own the ADSs or Class A ordinary shares.

This discussion applies to you only if you are a U.S. Holder, you acquire our ADSs in this offering and you hold the ADSs or underlying Class A ordinary shares as capital assets for U.S. federal income tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of your particular circumstances, including the alternative minimum tax, the Medicare contribution tax on net investment income and tax consequences applicable to you if you are subject to special rules, such as if you are:

- a financial institution;
- an insurance company;
- a regulated investment company;
- a dealer or electing trader in securities that uses a mark-to-market method of tax accounting;
- a person that holds ADSs or Class A ordinary shares as part of a straddle, integrated or similar transaction;
- a person whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- an entity classified as a partnership for U.S. federal income tax purposes or a partner or member thereof;
- a tax-exempt entity, “individual retirement account” or “Roth IRA”;
- a person that owns or is deemed to own ADSs or Class A ordinary shares representing 10% or more of our stock by vote or value; or
- a person that holds ADSs or Class A ordinary shares in connection with a trade or business outside the United States.

If you are a partnership (or other entity classified as a partnership for U.S. federal income tax purposes) that owns ADSs or Class A ordinary shares, the U.S. federal income tax treatment of your partners will generally depend on their status and your activities. If you are a partnership that intends to acquire our ADSs or Class A ordinary shares you should consult your tax adviser as to the particular U.S. federal income tax consequences to you and your partners of owning and disposing of our ADSs or Class A ordinary shares.

This discussion is based on the Internal Revenue Code of 1986, as amended (the “Code”), administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, and the income tax treaty between the United States and the PRC (the “Treaty”), all as of the date hereof, any of which is

subject to change, possibly with retroactive effect. This discussion assumes that each obligation under the deposit agreement and any related agreement will be performed in accordance with its terms.

For purposes of this discussion you are a "U.S. Holder" if you are, for U.S. federal income tax purposes, a beneficial owner of the ADSs or Class A ordinary shares and:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

In general, if you own our ADSs you will be treated as the owner of the underlying Class A ordinary shares represented by those ADSs for U.S. federal income tax purposes. Accordingly, no gain or loss will be recognized if you exchange your ADSs for the underlying Class A ordinary shares represented by those ADSs.

This discussion does not address the effects of any state, local or non-U.S. tax laws, or any U.S. federal taxes other than income taxes (such as U.S. federal estate or gift tax consequences). You should consult your tax adviser concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of our ADSs or Class A ordinary shares in your particular circumstances.

Taxation of Distributions

The following discussion is subject to the discussion under "— *Passive Foreign Investment Company Rules*" below.

We currently do not intend to make distributions to our shareholders and ADS holders. Any distributions paid on the ADSs or Class A ordinary shares, other than certain pro rata distributions of ADSs or Class A ordinary shares, will be treated as dividends to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Because we do not maintain calculations of our earnings and profits under U.S. federal income tax is expected that distributions generally will be reported to you as dividends. Dividends will not be eligible for a dividends received deduction. Because our ADSs are expected to be listed on the [New York Stock Exchange]/[Nasdaq Global Market], if you are a non-corporate U.S. Holder of ADSs, subject to applicable limitations dividends paid to you with respect to your ADSs may be taxable at a favorable rate. If you are a non-corporate U.S. Holder you should consult your tax adviser regarding the availability of this favorable tax rate and any applicable limitations in your particular circumstances.

Dividends generally will be included in your income on the date of receipt by you (in the case of Class A ordinary shares) or by the depositary (in the case of ADSs). The amount of income with respect to a dividend paid in foreign currency will be the U.S. dollar amount calculated by reference to the spot rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars on that date. If the dividend is converted into U.S. dollars on the date of receipt, you generally should not be required to recognize foreign currency gain or loss in respect of the amount received. You may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt.

Dividends paid by a non-U.S. corporation are generally treated as foreign-source income for foreign tax credit purposes. However, under Section 904(h) of the Code dividends paid by a non-U.S. corporation that is at least 50% owned by U.S. persons (a "United States-owned foreign corporation") may be treated as income derived from sources within the United States for foreign tax credit purposes to the extent the non-U.S. corporation has more than a specified *de minimis* amount of income from sources within the United States. We believe we are a United States owned foreign corporation and may continue to be one in the future. As a result, for any applicable taxable year for which we are a United States-owned foreign corporation, a portion of the dividends (if any) paid by us may be treated as U.S.-source income, which could adversely affect your foreign tax credit limitation (and, depending on your particular circumstances, may limit your ability to credit any PRC withholding tax on dividends against your U.S. federal income tax liability). You

should consult your tax adviser regarding the impact of Section 904(h) of the Code on dividends, if any, that we pay with respect to the ADSs or Class A ordinary shares.

As described in "— People's Republic of China Taxation," dividends paid by us may be subject to PRC withholding tax. For U.S. federal income tax purposes, the amount of the dividend income will include any amounts withheld in respect of PRC withholding tax. Subject to applicable limitations, which vary depending upon your circumstances, and the discussion above regarding the possible application of Section 904(h) of the Code and the discussion below regarding certain Treasury regulations, PRC taxes withheld from dividend payments (at a rate not exceeding any rate applicable under the Treaty, if you are eligible for Treaty benefits) generally will be creditable against your U.S. federal income tax liability. The rules governing foreign tax credits are complex. For example, Treasury regulations provide that, in the absence of an election to apply the benefits of an applicable income tax treaty, in order for non-U.S. income taxes to be creditable, the relevant non-U.S. income tax rules must be consistent with certain U.S. federal income tax principles, and we have not determined whether the PRC income tax system meets this requirement. You should consult your tax adviser regarding the creditability of foreign taxes in your particular circumstances. In lieu of claiming a credit, you may be able to elect to deduct creditable PRC taxes in computing your taxable income, subject to applicable limitations. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all creditable foreign taxes paid or accrued in the relevant taxable year.

Sale or Other Taxable Disposition of ADSs or Class A Ordinary Shares

The following discussion is subject to the discussion under "— *Passive Foreign Investment Company Rules*" below.

You will generally recognize capital gain or loss on a sale or other taxable disposition of ADSs or Class A ordinary shares in an amount equal to the difference between the amount realized on the sale or disposition and your tax basis in the ADSs or Class A ordinary shares disposed of, in each case as determined in U.S. dollars. The gain or loss will be long-term capital gain or loss if, at the time of the sale or disposition, you have owned the ADSs or Class A ordinary shares for more than one year. If you are a non-corporate U.S. Holder, any long-term capital gains recognized by you will generally be subject to tax rates that are lower than those applicable to ordinary income. The deductibility of capital losses is subject to limitations.

As described in "— People's Republic of China Taxation," gains on the sale of ADSs or Class A ordinary shares may be subject to PRC taxes. Under the Code, capital gains of U.S. persons are generally treated as U.S.-source income. However, if you are eligible for the benefits of the Treaty you may be able to elect to treat the gain as foreign-source income under the Treaty and claim foreign tax credits in respect of any PRC tax on a disposition. Treasury regulations generally preclude you from claiming a foreign tax credit with respect to PRC income taxes imposed on gains from dispositions of ADSs or Class A ordinary shares unless you are eligible for Treaty benefits and elect to apply them. However, in that case it is possible that any PRC taxes on disposition gains may either be deductible or reduce the amount realized on the disposition. You should consult your tax adviser regarding the consequences to you of the imposition of any PRC tax on disposition gains, including the Treaty's resourcing rule, any reporting requirements with respect to a Treaty-based return position and the creditability or deductibility of any PRC tax on disposition gains in your particular circumstances (including any applicable limitations).

Passive Foreign Investment Company Rules

In general, a non-U.S. corporation is a passive foreign investment company ("PFIC") for U.S. federal income tax purposes for any taxable year in which (i) 75% or more of its gross income consists of passive income, or (ii) 50% or more of the average value of its assets (generally determined on a quarterly basis) consists of assets that produce, or are held for the production of, passive income. Passive income generally includes dividends, interest, investment gains and certain rents and royalties (other than rents and royalties that are derived in the conduct of an active business and meet certain requirements). Cash and cash equivalents are generally passive assets for these purposes. The value of a company's goodwill is treated as an active asset to the extent associated with business activities that produce active income. For purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation

and received directly its proportionate share of the income of the other corporation. Equity interests of less than 25% by value in any other corporation are treated as passive assets, regardless of the nature of the other corporation's business.

Based on the current composition of our income and assets and the estimated value of our assets, including goodwill, which is based in large part on the expected price of the ADSs in this offering, we do not expect to be a PFIC for our current taxable year. However, our PFIC status for any taxable year is an annual determination that can be made only after the end of that year and will depend on the composition of our income and assets and the value of our assets from time to time. The value of our goodwill may be determined, in large part, by reference to our market capitalization, which could be volatile. Because we will hold a substantial amount of cash after this offering, we may become a PFIC for any taxable year if our market capitalization fluctuates or declines considerably. Moreover, it is not entirely clear how the contractual arrangements among us and the VIEs will be treated for purposes of the PFIC rules, and we may be or become a PFIC if the VIEs are not treated as owned by us for these purposes. Accordingly, there can be no assurance that we will not be a PFIC for our current or any future taxable year.

If we are a PFIC for any taxable year and any entity in which we own or are deemed to own equity interests (including our subsidiaries and VIEs) is also a PFIC (a "Lower-tier PFIC"), you will be deemed to own a proportionate amount (by value) of the shares of each Lower-tier PFIC and will be subject to U.S. federal income tax according to the rules described in the next paragraph on (i) certain distributions by the Lower-tier PFIC and (ii) dispositions of shares of the Lower-tier PFIC, in each case as if you held such shares directly, even though you will not receive any proceeds of those distributions or dispositions.

In general, if we are a PFIC for any taxable year during which you own our ADSs or Class A ordinary shares, gain recognized by you on a sale or other disposition (including certain pledges) of your ADSs or Class A ordinary shares will be allocated ratably over your holding period. The amounts allocated to the taxable year of the sale or disposition and to any year before we became a PFIC will be taxed as ordinary income. The amount allocated to each other taxable year will be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge will be imposed on the resulting tax liability for each such year. Furthermore, to the extent that distributions received by you in any taxable year on your ADSs or Class A ordinary shares exceed 125% of the average of the annual distributions on the ADSs or Class A ordinary shares received during the preceding three taxable years or your holding period, whichever is shorter, the excess distributions will be subject to taxation in the same manner. If we are a PFIC for any taxable year during which you own ADSs or Class A ordinary shares, we will generally continue to be treated as a PFIC with respect to you for all succeeding years during which you own the ADSs or Class A ordinary shares, even if we cease to meet the threshold requirements for PFIC status, unless you make a timely "deemed sale" election, in which case any gain on the deemed sale will be taxed under the PFIC rules described above.

Alternatively, if we are a PFIC and if the ADSs are "regularly traded" on a "qualified exchange" (as defined in applicable Treasury regulations), you may be able to make a mark-to-market election with respect to the ADSs that will result in tax treatment different from the general tax treatment for PFICs described in the preceding paragraph. The ADSs will be treated as regularly traded for any calendar year in which more than a *de minimis* quantity of the ADSs are traded on a qualified exchange on at least 15 days during each calendar quarter. The [NYSE/Nasdaq], where the ADSs are expected to be listed, is a qualified exchange for this purpose. If you are a U.S. Holder of ADSs and make the mark-to-market election, you generally will recognize as ordinary income any excess of the fair market value of the ADSs at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the ADSs over their fair market value at the end of the taxable year to the extent of the net amount of income previously included as a result of the mark-to-market election. If you make the election, your tax basis in the ADSs will be adjusted to reflect the income or loss amounts recognized. Any gain recognized on the sale or other disposition of ADSs in a taxable year in which we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election, with any excess treated as capital loss). If you make the mark-to-market election, distributions paid on ADSs will be treated as discussed under "— *Taxation of Distributions*" above (but subject to the discussion in the following paragraph). Once made, the election will remain in effect for all taxable years in which we are a PFIC, unless it is revoked with

the Internal Revenue Service's consent, or the ADSs cease to be regularly traded on a qualified exchange. There is no provision of law or official guidance that provides for a right to make a mark-to-market election with respect to any Lower-tier PFIC unless the shares of such Lower-tier PFIC are themselves "marketable." As a result, if you make a mark-to-market election with respect to our ADSs, you could nevertheless be subject to the PFIC rules described in the preceding paragraph with respect to your indirect interest in any Lower-tier PFIC. You should consult your tax adviser regarding the availability and advisability of making a mark-to-market election in your particular circumstances if we are a PFIC for any taxable year.

If we are a PFIC (or treated as a PFIC with respect to you) for any taxable year in which we pay a dividend or the preceding taxable year, the favorable tax rate described above with respect to dividends paid to certain non-corporate U.S. Holders will not apply.

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

If we are a PFIC for any taxable year during which you own ADSs or Class A ordinary shares, you will generally be required to file annual reports on Internal Revenue Service Form 8621. You should consult your tax adviser regarding our PFIC status for any taxable year and the potential application of the PFIC rules to your ownership of ADSs or Class A ordinary shares.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries may be subject to information reporting and backup withholding, unless (i) you are a corporation or other "exempt recipient" and (ii) in the case of backup withholding, you provide a correct taxpayer identification number and certify that you are not subject to backup withholding. The amount of any backup withholding from a payment to you will be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

If you are an individual or one of certain specified entities, you may be required to report information relating to your ownership of ADSs or Class A ordinary shares, or non-U.S. accounts through which your ADSs or Class A ordinary shares are held. You should consult your tax adviser regarding your reporting obligations with respect to our ADSs and Class A ordinary shares.

UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement with respect to the ADSs being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of ADSs indicated in the following table. [Goldman Sachs (Asia) L.L.C. and BofA Securities, Inc.] are the representatives of the underwriters.

Underwriters	Number of ADSs
[Goldman Sachs (Asia) L.L.C.	
BofA Securities, Inc.]	
Total	

The underwriters are committed to take and pay for all of the ADSs being offered, if any are taken, other than the ADSs covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional ADSs from us to cover sales by the underwriters of a greater number of ADSs than the total number set forth in the table above. They may exercise that option for 30 days. If any ADSs are purchased pursuant to this option, the underwriters will severally purchase ADSs in approximately the same proportion as set forth in the table above.

The following tables show the per ADS and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional ADSs.

Paid by us	No Exercise	Full Exercise
Per ADS	US$	US$
Total	US$	US$

ADSs sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any ADSs sold by the underwriters to securities dealers may be sold at a discount of up to US$ per ADS from the initial public offering price. After the initial offering of the ADSs, the representatives may change the offering price and the other selling terms. The offering of the ADSs by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

[We have agreed to reimburse the underwriters for certain of their expenses in an amount up to US$. The underwriters have agreed to reimburse us for US$ of our expenses in connection with the offering.]

[Goldman Sachs (Asia) L.L.C. will offer ADSs in the United States through its SEC-registered broker-dealer affiliate in the United States, Goldman Sachs & Co. LLC. The address of Goldman Sachs (Asia) L.L.C. is 68th Floor, Cheung Kong Center, 2 Queens Road, Central, Hong Kong. The address of BofA Securities, Inc. is One Bryant Park, New York, United States.]

Prior to the offering, there has been no public market for our ordinary shares or the ADSs. The initial public offering price will be negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of the ADSs, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

An application will be made to list the ADSs on the [New York Stock Exchange/Nasdaq Global Market] under the symbol " ."

Lock-Up Arrangements

We have agreed that, without the prior written consent of the representatives, we will not, during the period ending 180 days after the date of this prospectus, (i) offer, pledge, sell, contract to sell, sell any option

or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or ADSs or any securities convertible into or exercisable or exchangeable for such ordinary shares or ADSs; (ii) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of ordinary shares or ADSs; (iii) file any registration statement with the SEC relating to the offering of any ordinary shares, ADSs or any securities convertible into or exercisable or exchangeable for ordinary shares or ADSs; or (iv) publicly disclose the intention to make any offer, sale, pledge, disposition or filing, in each case regardless of whether any such transaction described above is to be settled by delivery of ordinary shares, ADSs, or such other securities, in cash or otherwise.

Each of our directors, executive officers and existing shareholders have agreed that, without the prior written consent of the representatives, it will not, during the period ending 180 days after the date of this prospectus, [(1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or ADSs or any securities convertible into or exercisable or exchangeable for ordinary shares or ADSs, (2) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of ordinary shares or ADSs, or (3) publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, in each case regardless of whether any such transaction described above is to be settled by delivery of ordinary shares, ADSs or such other securities, in cash or otherwise.] This agreement does not apply to any existing employee benefit plans. See "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

In addition, through a letter agreement, we will instruct , as depositary, not to accept any deposit of any ordinary shares or deliver any ADSs until after 180 days following the date of this prospectus unless we consent to such deposit or issuance. We will not provide such consent without the prior written consent of the representatives.

The representatives, in their sole discretion, on behalf of the underwriters may release the ADSs and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice.

Stabilization, Short Positions and Penalty Bids

In connection with this offering, the underwriters may purchase and sell ADSs in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of ADSs than they are required to purchase in this offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the amount of additional ADSs for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional ADSs or purchasing ADSs in the open market. In determining the source of ADSs to cover the covered short position, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market as compared to the price at which they may purchase additional ADSs pursuant to the option described above. "Naked" short sales are any short sales that creates a short position greater than the amount of additional ADSs for which the option described above may be exercised.

The underwriters must cover any such naked short position by purchasing ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ADSs in the open market after pricing that could adversely affect investors who purchase in this offering. Stabilizing transactions consist of various bids for or purchases of ADSs made by the underwriters in the open market prior to the completion of this offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased ADSs sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market

price of the ADSs, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the ADSs. As a result, the price of the ADSs may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities, and may end any of these activities at any time. These transactions may be effected on [the New York Stock Exchange/Nasdaq Global Market], the over-the-counter market or otherwise.

Electronic Distribution

A prospectus in electronic format will be made available on the websites maintained by one or more of the underwriters or one or more securities dealers. One or more of the underwriters may distribute prospectuses electronically. The underwriters may agree to allocate a number of ADSs for sale to their online brokerage account holders. ADSs to be sold pursuant to an internet distribution will be allocated on the same basis as other allocations. In addition, ADSs may be sold by the underwriters to securities dealers who resell ADSs to online brokerage account holders.

Discretionary Sales

The underwriters do not intend sales to discretionary accounts to exceed 5% of the total number of ADSs offered by them.

Indemnification

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing, investment research, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates may have, from time to time, performed, and may in the future perform, various financial advisory, commercial and investment banking services and other services for us and to persons and entities with relationships with us, for which they received or will receive customary fees and commissions.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of us and/or persons and entities with relationships with us. The underwriters and their respective affiliates may also make or communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Selling Restrictions

No action has been taken in any jurisdiction (except in the United States) that would permit a public offering of the ADSs, or the possession, circulation or distribution of this prospectus or any other material relating to us or the ADSs in any jurisdiction where action for that purpose is required.

Accordingly, the ADSs may not be offered or sold, directly or indirectly, and neither this prospectus nor any other material or advertisements in connection with the ADSs may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable laws, rules and regulations of any such country or jurisdiction.

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, or ASIC, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the ADSs may only be made to persons, or the Exempt Investors, who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investor" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the ADSs without disclosure to investors under Chapter 6D of the Corporations Act.

The ADSs applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring ADSs must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Bahamas

The ADSs may not be offered or sold in The Bahamas via a public offer. ADSs may not be offered or sold or otherwise disposed of in any way to any person(s) deemed "resident" for exchange control purposes by the Central Bank of The Bahamas.

Bermuda

The ADSs may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

British Virgin Islands

The ADSs are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the issuer. The ADSs may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) ("BVI Companies"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

Canada

The securities may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts, or NI 33-105, the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Cayman Islands

This prospectus is not intended to constitute a public offer of the ADSs or ordinary shares, whether by way of sale or subscription, in the Cayman Islands. No offer or invitation may be made to the public in the Cayman Islands to subscribe for or purchase the ordinary shares or any ADS. Each underwriter has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any ADSs or ordinary shares in the Cayman Islands.

Chile

These ADSs are privately offered in Chile pursuant to the provisions of Law 18,045, the security market law of, and Norma De Carácter General No. 336 ("Rule 336"), dated June 27, 2012, issued by the Superintendencia De Valores Y Seguros De Chile ("SVS"), the securities regulator of Chile, to resident qualified investors that are listed in Rule 336 and further defined in Rule 216 of June 12, 2008 issued by the SVS.

Pursuant to Rule 336 the following information is provided in Chile to prospective resident investors in the offered securities:

1. The initiation of the offer in Chile is [MM] [DD], [YYYY].
2. The offer is subject to NCG 336 of June 27, 2012 issued by the Superintendencia De Valores Y Seguros De Chile (superintendency of securities and insurance of Chile)
3. The offer refers to securities that are not registered in the Registro De Valores (securities registry) or the Registro De Valores Extranjeros (foreign securities registry) of the SVS and therefore:
    a. The securities are not subject to the oversight of the SVS; and
    b. There issuer thereof is not subject to reporting obligation with respect to itself or the offered securities.
4. The securities may not be publicly offered in Chile unless and until they are registered in the securities registry of the SVS.

Dubai International Finance Center

This document relates to an Exempt Offer, as defined in the Offered Securities Rules module of the DFSA Rulebook, or the OSR, in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This document is intended for distribution only to persons, as defined in the OSR, of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The ADSs to which this document relates may be illiquid and/or subject to restrictions on their resale.

Prospective purchasers of the ADSs offered should conduct their own due diligence on the ADSs. If you do not understand the contents of this document you should consult an authorized financial adviser.

European Economic Area and the United Kingdom

In relation to the EU Prospectus Regulation (EU) 2017/1129 repealing Directive (2003/71/EC), as implemented by the member states of the European Economic Area and the United Kingdom (each, a "Relevant State") as well as any equivalent or similar law, rule or regulation or guidance implemented in the United Kingdom as a result of it ceasing to be part of the European Economic Area ("Prospectus Regulation"), an offer to the public of any ADSs which are the subject of the offering contemplated by this prospectus may not be made in that Relevant State unless the prospectus has been approved by the competent authority in such Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that an offer to the public in that Relevant State of any ADSs may be made at any time under the following exemptions under the Prospectus Regulation, as implemented in that Relevant State:

- to "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation;
- by the underwriters to fewer than 150 natural or legal persons (other than "qualified investors" as defined in the Prospectus Regulation) subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of ADSs shall result in a requirement for the publication by us or the representatives of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Any person making or intending to make any offer of ADSs within the EEA should only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus for such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of ADSs through any financial intermediary, other than offers made by the underwriters which constitute the final offering of ADSs contemplated in this prospectus.

For the purposes of this provision, and your representation below, the expression an "offer of ADSs to the public" in relation to any ADSs in any Relevant State means a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and any ADSs to be offered, so as to enable an investor to decide to purchase any ADSs, as the same may be varied in that Relevant State by any measure implementing the Prospectus Regulation in that Relevant State.

Each person in a Relevant State who receives any communication in respect of, or who acquires any ADSs under, the offer of ADSs contemplated by this prospectus will be deemed to have represented, warranted and agreed to and with us and each underwriter that:

- it is a "qualified investor" within the meaning of the law in that Relevant State implementing Article 2(e) of the Prospectus Regulation (unless otherwise expressly disclosed to us and/or the relevant underwriter in writing); and
- in the case of any ADSs acquired by it as a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, (i) the ADSs acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant State other than "qualified investors" (as defined in the Prospectus Regulation), or in circumstances in which the prior consent of the representatives have been given to the offer or resale; or (ii) where ADSs have been acquired by it on behalf of persons in any Relevant State other than qualified investors, the offer of those ADSs to it is not treated under the Prospectus Regulation as having been made to such persons.

No ADSs have been offered in the United Kingdom, except that an offer to the public of any ADSs may be made in the United Kingdom at any time:

- to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of underwriters for any such offer; or
- in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of the ADSs shall require the issuer or any manager to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the ADSs in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any ADS to be offered so as to enable an investor to decide to purchase or subscribe for any ADSs and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) who are high-net-worth entities falling within Article 49(2) of the Order, and (iii) any other persons to whom it may otherwise lawfully be communicated pursuant to the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

France

Neither this prospectus nor any other offering material relating to the ADSs described in this prospectus has been submitted to the clearance procedures of the Autorité des Marchés Financiers or of the competent authority of another member state of the European Economic Area and notified to the Autorité des Marchés Financiers. The ADSs have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus nor any other offering material relating to the ADSs has been or will be (1) released, issued, distributed or caused to be released, issued or distributed to the public in France; or (2) used in connection with any offer for subscription or sale of the ADSs to the public in France.

Such offers, sales and distributions will be made in France only:

(a) to qualified investors (investisseurs estraint) and/or to a restricted circle of investors (cercle estraint d'investisseurs), in each case investing for their own account, all as defined in, and in accordance with, articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier;

(b) to investment services providers authorized to engage in portfolio management on behalf of third parties; or

(c) in a transaction that, in accordance with article L.411-2-II-1° -or-2° -or 3° of the French Code monétaire et financier and article 211-2 of the General Regulations (Réglement Général) of the Autorité des Marchés Financiers, does not constitute a public offer (appel public á l'épargne).

The ADSs may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L412-1 and L.621-8 through L.621-8-3 of the French Code monétaire et financier.

Germany

This prospectus does not constitute a Prospectus Directive-compliant prospectus in accordance with the German Securities Prospectus Act (Wertpapierprospektgesetz) and does therefore not allow any public offering in the Federal Republic of Germany, or Germany, or any other Relevant Member State pursuant to

§ 17 and § 18 of the German Securities Prospectus Act. No action has been or will be taken in Germany that would permit a public offering of the ADSs, or distribution of a prospectus or any other offering material relating to the ADSs. In particular, no securities prospectus (Wertpapierprospekt) within the meaning of the German Securities Prospectus Act or any other applicable laws of Germany, has been or will be published within Germany, nor has this prospectus been filed with or approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) for publication within Germany.

Each underwriter will represent, agree and undertake (i) that it has not offered, sold or delivered and will not offer, sell or deliver the ADSs within Germany other than in accordance with the German Securities Prospectus Act (Wertpapierprospektgesetz) and any other applicable laws in Germany governing the issue, sale and offering of ADSs, and (ii) that it will distribute in Germany any offering material relating to the ADSs only under circumstances that will result in compliance with the applicable rules and regulations of Germany.

This prospectus is strictly for use of the person who has received it. It may not be forwarded to other persons or published in Germany.

Hong Kong S.A.R. of the PRC

The ADSs may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the ADSs may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Indonesia

This prospectus does not, and is not intended to, constitute a public offering in Indonesia under Law Number 8 of 1995 regarding Capital Market. This prospectus may not be distributed in the Republic of Indonesia and the ADSs may not be offered or sold in the Republic of Indonesia or to Indonesian citizens wherever they are domiciled, or to Indonesia residents, in a manner which constitutes a public offering under the laws of the Republic of Indonesia.

Israel

In the State of Israel, the ADSs offered hereby may not be offered to any person or entity other than the following:

- a fund for joint investments in trust (i.e., mutual fund), as such term is defined in the Law for Joint Investments in Trust, 5754-1994, or a management company of such a fund;
- a provident fund as defined in Section 47(a)(2) of the Income Tax Ordinance of the State of Israel, or a management company of such a fund;
- an insurer, as defined in the Law for Oversight of Insurance Transactions, 5741-1981, a banking entity or satellite entity, as such terms are defined in the Banking Law (Licensing), 5741-1981, other than a joint services company, acting for their own account or for the account of investors of the type listed in Section 15A(b) of the Securities Law 1968;
- a company that is licensed as a portfolio manager, as such term is defined in Section 8(b) of the Law for the Regulation of Investment Advisors and Portfolio Managers, 5755-1995, acting on its own account or for the account of investors of the type listed in Section 15A(b) of the Securities Law 1968;

- a company that is licensed as an investment advisor, as such term is defined in Section 7(c) of the Law for the Regulation of Investment Advisors and Portfolio Managers, 5755-1995, acting on its own account;
- a company that is a member of the Tel Aviv Stock Exchange, acting on its own account or for the account of investors of the type listed in Section 15A(b) of the Securities Law 1968;
- an underwriter fulfilling the conditions of Section 56(c) of the Securities Law, 5728-1968;
- a venture capital fund (defined as an entity primarily involved in investments in companies which, at the time of investment, (i) are primarily engaged in research and development or manufacture of new technological products or processes and (ii) involve above-average risk);
- an entity primarily engaged in capital markets activities in which all of the equity owners meet one or more of the above criteria; and
- an entity, other than an entity formed for the purpose of purchasing the ADSs in this offering, in which the shareholders equity (including pursuant to foreign accounting rules, international accounting regulations and U.S. generally accepted accounting rules, as defined in the Securities Law Regulations (Preparation of Annual Financial Statements), 1993) is in excess of NIS 250 million.

Any offeree of the ADSs offered hereby in the State of Israel shall be required to submit written confirmation that it falls within the scope of one of the above criteria. This prospectus will not be distributed or directed to investors in the State of Israel who do not fall within one of the above criteria.

Italy

The offering of ADSs has not been registered with the Commissione Nazionale per le Società e la Borsa ("CONSOB") pursuant to Italian securities legislation and, accordingly, no ADSs may be offered, sold or delivered, nor copies of this prospectus or any other documents relating to the ADSs may not be distributed in Italy except:

- to "qualified investors," as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "Decree No. 58") and defined in Article 26, paragraph 1, letter d) of CONSOB Regulation No. 16190 of 29 October 2007, as amended ("Regulation No. 16190") pursuant to Article 34-ter, paragraph 1, letter. b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("Regulation No. 11971"); or
- in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any offer, sale or delivery of the ADSs or distribution of copies of this prospectus or any other documents relating to the ADSs in the Republic of Italy must be:

- made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended (the "Banking Law"), Decree No. 58 and Regulation No. 16190 and any other applicable laws and regulations;
- in compliance with Article 129 of the Banking Law, and the implementing guidelines of the Bank of Italy, as amended; and
- in compliance with any other applicable notification requirement or limitation which may be imposed, from time to time, by CONSOB or the Bank of Italy or other competent authority.

Please note that, in accordance with Article 100-bis of Decree No. 58, where no exemption from the rules on public offerings applies, the subsequent distribution of the ADSs on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under Decree No. 58 and Regulation No. 11971.

Furthermore, ADSs which are initially offered and placed in Italy or abroad to qualified investors only but in the following year are regularly ("sistematicamente") distributed on the secondary market in Italy to

non-qualified investors become subject to the public offer and the prospectus requirement rules provided under Decree No. 58 and Regulation No. 11971. Failure to comply with such rules may result in the sale of the ADSs being declared null and void and in the liability of the intermediary transferring the ADSs for any damages suffered by such non-qualified investors.

Japan

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended), or the FIEL, has been made or will be made with respect to the solicitation of the application for the acquisition of the ADSs.

Accordingly, the ADSs have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements, and otherwise in compliance with, the FIEL and the other applicable laws and regulations of Japan.

Korea

The ADSs may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Korea Securities and Exchange Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. The ADSs have not been registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, the ADSs may not be resold to Korean residents unless the purchaser of the ADSs complies with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of the ADSs.

Kuwait

Unless all necessary approvals from the Kuwait Ministry of Commerce and Industry required by Law No. 31/1990 “Regulating the Negotiation of Securities and Establishment of Investment Funds”, its Executive Regulations and the various Ministerial Orders issued pursuant thereto or in connection therewith, have been given in relation to the marketing and sale of the ADSs, these may not be marketed, offered for sale, nor sold in the State of Kuwait. Neither this prospectus (including any related document), nor any of the information contained therein is intended to lead to the conclusion of any contract of whatsoever nature within Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the ADSs has been or will be registered with the Securities Commission of Malaysia (“Commission”) for the Commission’s approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ADSs may not be circulated or distributed, nor may the ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services License; (iii) a person who acquires the ADSs, as principal, if the offer is on terms that the ADSs may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total

net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the ADSs is made by a holder of a Capital Markets Services License who carries on the business of dealing in securities. The distribution in Malaysia of this prospectus is subject to Malaysian laws. This prospectus does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMA Act"). The ADSs may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Monaco

The ADSs may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco Bank or a duly authorized Monegasque intermediary acting as a professional institutional investor which has such knowledge and experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in the Fund. Consequently, this prospectus may only be communicated to (i) banks, and (ii) portfolio management companies duly licensed by the "Commission de Contrôle des Activités Financières" by virtue of Law n° 1.338, of September 7, 2007, and authorized under Law n° 1.144 of July 26, 1991. Such regulated intermediaries may in turn communicate this prospectus to potential investors.

People's Republic of China

This prospectus may not be circulated or distributed in the PRC and the ADSs may not be offered or sold, and will not offer or sell to any person for re-offering or resale directly or indirectly to any resident of the PRC except pursuant to applicable laws and regulations of the PRC. This paragraph does not apply to Taiwan and the special administrative regions of Hong Kong and Macau.

Qatar

In the State of Qatar, the offer contained herein is made on an exclusive basis to the specifically intended recipient thereof, upon that person's request and initiative, for personal use only and shall in no way be construed as a general offer for the sale of securities to the public or an attempt to do business as a bank, an investment company or otherwise in the State of Qatar. This prospectus and the underlying securities have not been approved or licensed by the Qatar Central Bank or the Qatar Financial Center Regulatory Authority or any other regulator in the State of Qatar. The information contained in this prospectus shall only be shared with any third parties in Qatar on a need to know basis for the purpose of evaluating the contained offer. Any distribution of this prospectus by the recipient to third parties in Qatar beyond the terms hereof is not permitted and shall be at the liability of such recipient.

Saudi Arabia

This prospectus may not be distributed in the Kingdom except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority. The Capital Market Authority

does not make any representation as to the accuracy or completeness of this prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this prospectus. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this prospectus you should consult an authorized financial adviser.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ADSs may not be circulated or distributed, nor may the ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ADSs are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ADSs pursuant to an offer made under Section 275 of the SFA, except:
    - to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
    - where no consideration is or will be given for the transfer;
    - where the transfer is by operation of law;
    - as specified in Section 276(7) of the SFA; or
    - as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

South Africa

Due to restrictions under the securities laws of South Africa, no "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "South African Companies Act") is being made in connection with the issue of the ADSs in South Africa. Accordingly, this document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The ADSs are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96 (1) applies:

Section 96(1)(a) the offer, transfer, sale, renunciation or delivery is to:

(i) persons whose ordinary business, or part of whose ordinary business, is to deal in securities, as principal or agent;

(ii) the South African Public Investment Corporation;

(iii) persons or entities regulated by the Reserve Bank of South Africa;

(iv) authorised financial service providers under South African law;

(v) financial institutions recognised as such under South African law;

(vi) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund, or as manager for a collective investment scheme (in each case duly registered as such under South African law); or

(vii) any combination of the person in (i) to (vi); or

Section 96(1)(b) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this prospectus should not be considered as "advice" as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

Switzerland

The ADSs may not be offered or sold to any investors in Switzerland other than on a non-public basis. This prospectus does not constitute a prospectus within the meaning of Article 652a and Art. 1156 of the Swiss Code of Obligations (Schweizerisches Obligationenrecht). Neither this offering nor the ADSs have been or will be approved by any Swiss regulatory authority.

Taiwan

The ADSs have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that require a registration, filing or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the ADSs in Taiwan through a public offering or in such an offering that require registration, filing or approval of the Financial Supervisory Commission of Taiwan except pursuant to the applicable laws and regulations of Taiwan and the competent authority's ruling thereunder.

Thailand

This prospectus does not, and is not intended to, constitute a public offering in Thailand. The ADSs may not be offered or sold to persons in Thailand, unless such offering is made under the exemptions from approval and filing requirements under applicable laws, or under circumstances which do not constitute an offer for sale of the shares to the public for the purposes of the Securities and Exchange Act of 1992 of Thailand, nor require approval from the Office of the Securities and Exchange Commission of Thailand.

United Arab Emirates

The ADSs have not been offered or sold, and will not be offered or sold, directly or indirectly, in the United Arab Emirates, except: (1) in compliance with all applicable laws and regulations of the United Arab Emirates; and (2) through persons or corporate entities authorized and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the United Arab

Emirates. The information contained in this prospectus does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 (as amended)) or otherwise and is not intended to be a public offer and is addressed only to persons who are sophisticated investors.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of the ADSs in circumstances in which Section 21(1) of the FSMA is not breached by us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the ADSs in, from or otherwise involving the United Kingdom.

Vietnam

This offering of ADSs has not been and will not be registered with the State Securities Commission of Vietnam under the Law on Securities of Vietnam and its guiding decrees and circulars. The ADSs will not be offered or sold in Vietnam through a public offering and will not be offered or sold to Vietnamese persons other than those who are licensed to invest in offshore securities under the Law on Investment of Vietnam.

EXPENSES RELATING TO THIS OFFERING

Set forth below is an itemization of the total expenses, excluding underwriting discounts and commissions, that we expect to incur in connection with this offering. With the exception of the SEC registration fee, the Financial Industry Regulatory Authority, or FINRA, filing fee and the [NYSE/Nasdaq] listing fee, all amounts are estimates. The Company will pay all of the expenses of this offering.

Expenses	Amount
SEC registration fee	US$
[NYSE/Nasdaq] listing fee	US$
FINRA filing fee	US$
Printing and engraving expenses	US$
Legal fees and expenses	US$
Accounting fees and expenses	US$
Miscellaneous costs	US$
Total	US$

LEGAL MATTERS

We are being represented by Davis Polk & Wardwell LLP with respect to certain legal matters of U.S. federal securities and New York state law. Certain legal matters with respect to U.S. federal securities and New York State law in connection with this offering will be passed upon for the underwriters by Cleary Gottlieb Steen & Hamilton LLP. The validity of the Class A ordinary shares represented by the ADSs offered in this offering and other certain legal matters as to Cayman Islands law will be passed upon for us by Walkers (Hong Kong). Legal matters as to PRC law will be passed upon for us by Haiwen & Partners and for the underwriters by Jingtian & Gongcheng. Davis Polk & Wardwell LLP may rely upon Walkers (Hong Kong) with respect to matters governed by Cayman Islands law and Haiwen & Partners with respect to matters governed by PRC law. Cleary Gottlieb Steen & Hamilton LLP may rely upon Jingtian & Gongcheng with respect to matters governed by PRC law.

EXPERTS

The financial statements of Pony AI Inc., as of December 31, 2021 and 2022, and for each of the two years in the period ended December 31, 2022, included in this prospectus, have been audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, an independent registered public accounting firm, as stated in their report. Such financial statements are included in reliance upon the report of such firm given their authority as experts in accounting and auditing.

The office of Deloitte Touche Tohmatsu Certified Public Accountants LLP is located at 30/F, Bund Center, 222 Yan An Road East, Shanghai, People's Republic of China.

CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

We engaged Deloitte & Touche LLP, or Deloitte U.S., in October 2020 to audit our consolidated financial statements for the year ended December 31, 2020 who rendered their report in July 2021. In May 2022, in connection with the preparation of this offering, we decided to engage Deloitte Touche Tohmatsu Certified Public Accountants LLP., or Deloitte China, as our independent registered public accountant to audit our consolidated financial statements for each of the two years ended December 31, 2021 and 2022. The change of auditors was approved by our board of directors.

The report of Deloitte U.S. on the financial statements does not contain an adverse opinion or a disclaimer of opinion, and is not qualified or modified as to uncertainty, audit scope, or accounting principles. During Deloitte U.S.'s engagement and up to the interim period before Deloitte U.S.'s dismissal, there had been no disagreements between Deloitte U.S. and us on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, and there had been no "reportable events" as defined under Item 16F(a)(1)(v) of Form 20-F that would require disclosure.

We provided a copy of this disclosure to Deloitte U.S., and requested it to furnish us with a letter addressed to the SEC stating whether it agrees with the above statements, and if not, stating the respects in which it does not agree. Deloitte U.S. furnished such letter as the Exhibit 16.1 to this registration statement.

During 2021 and 2022, and any subsequent interim period prior to the dismissal of Deloitte U.S., neither we nor any person on our behalf consulted with Deloitte China regarding either (i) the application of accounting principles to a specific completed or contemplated transaction, or the type of audit opinion that might be rendered on our financial statements and no written or oral advice was provided by Deloitte China was an important factor considered by us in reaching a decision as to any accounting, auditing or financial reporting issue, or (ii) any matter that was the subject of a disagreement or reportable event as defined in the Form 20-F.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the U.S. Securities and Exchange Commission a registration statement (including amendments and exhibits to the registration statement) on Form F-1 under the Securities Act. This prospectus, which is part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information, we refer you to the registration statement and the exhibits and schedules filed as part of the registration statement. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed. Each statement in this prospectus relating to a document filed as an exhibit is qualified in all respects by the filed exhibit.

Upon completion of this offering, we will become subject to the informational requirements of the Exchange Act. Accordingly, we will be required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains an Internet site at www.sec.gov that contains reports, proxy and information statements and other information we have filed electronically with the SEC.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

PONY AI INC.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Pony AI Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Pony AI Inc. and its subsidiaries (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of operations and comprehensive loss, changes in shareholders' deficit, and cash flows, for each of the two years in the period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte Touche Tohmatsu Certified Public Accountants LLP

Shanghai, the People's Republic of China

March 27, 2023

We have served as the Company's auditor since 2022.

PONY AI INC.

CONSOLIDATED BALANCE SHEETS
(All amounts in USD thousands, except share and per share data)

	As of December 31,	
	2021	2022
Assets		
Current assets:		
Cash and cash equivalents	242,541	316,262
Restricted cash, current	—	1,806
Short-term investments (including investments measured at fair value of $176,212 and $261,643 as of December 31, 2021 and 2022, respectively)	176,212	261,643
Accounts receivable, net	159	25,899
Amounts due from related parties, current	2,010	8,306
Prepaid expenses and other current assets	21,218	29,654
Total current assets	**442,140**	**643,570**
Non-current assets:		
Restricted cash, non-current	450	450
Amounts due from related parties, non-current	3,052	2,969
Property, equipment and software, net	33,914	26,827
Operating lease right-of-use assets	—	8,138
Long-term investments (including investments measured at fair value of $226,644 and $80,173 as of December 31, 2021 and 2022, respectively)	227,170	80,653
Other non-current assets	2,210	8,907
Total non-current assets	**266,796**	**127,944**
Total assets	**708,936**	**771,514**
Liabilities, Mezzanine Equity and Shareholders' Deficit		
Current liabilities:		
Accounts payable and other current liabilities (including amounts of the consolidated VIEs without recourse to the Company of $3,366 and $8,104 as of December 31, 2021 and 2022, respectively)	30,105	44,042
Operating lease liabilities, current (including amounts of the consolidated VIEs without recourse to the Company of nil and $899 as of December 31, 2021 and 2022, respectively)	—	4,058
Total current liabilities	**30,105**	**48,100**
Operating lease liabilities, non-current (including amounts of the consolidated VIEs without recourse to the Company of nil and $795 as of December 31, 2021 and 2022, respectively)	—	3,788
Other non-current liabilities (including amounts of the consolidated VIEs without recourse to the Company of $196 and nil as of December 31, 2021 and 2022, respectively)	1,140	1,714
Total liabilities	**31,245**	**53,602**
Commitments and contingencies (See note 10)		

The accompanying notes are an integral part of these consolidated financial statements.

PONY AI INC.

CONSOLIDATED BALANCE SHEETS (Continued)
(All amounts in USD thousands, except share and per share data)

	As of December 31,	
	2021	2022
Mezzanine equity:		
Series A convertible redeemable preference shares ($0.0005 par value, 34,717,760 shares and 34,717,760 shares authorized, issued and outstanding with redemption value of $19,000 and $19,949 as of December 31, 2021 and 2022, respectively)	14,818	14,818
Series B convertible redeemable preference shares ($0.0005 par value, 44,758,365 shares and 44,758,365 shares authorized, issued and outstanding with redemption value of $102,390 and $108,592 as of December 31, 2021 and 2022, respectively)	76,840	76,840
Series B+ convertible redeemable preference shares ($0.0005 par value, 27,428,047 shares and 27,428,047 shares authorized, issued and outstanding with redemption value of $127,457 and $135,504 as of December 31, 2021 and 2022, respectively)	107,135	107,135
Series B2 convertible redeemable preference shares ($0.0005 par value, 10,478,885 shares and 10,478,885 shares authorized, issued and outstanding with redemption value of $83,217 and $88,683 as of December 31, 2021 and 2022, respectively)	68,138	68,138
Series C convertible redeemable preference shares ($0.0005 par value, 57,896,414 shares and 57,896,414 shares authorized, issued and outstanding with redemption value of $622,129 and $665,769 as of December 31, 2021 and 2022, respectively)	559,087	559,087
Series C+ convertible redeemable preference shares ($0.0005 par value, 16,161,668 shares and 16,161,668 shares authorized as of December 31, 2021 and 2022, respectively; and 16,161,021 shares and 16,161,021 shares issued and outstanding with redemption value of $271,184 and $291,183 as of December 31, 2021 and 2022, respectively)	249,884	249,884
Series D convertible redeemable preference shares ($0.0005 par value, 19,964,384 shares authorized as of December 31, 2022; and 7,453,371 shares issued and outstanding with redemption value of $198,694 as of December 31, 2022)	—	181,595
Total mezzanine equity	**1,075,902**	**1,257,497**
Pony AI Inc. shareholders' deficit:		
Class A ordinary shares ($0.0005 par value, 327,470,091 shares and 307,505,707 shares authorized as of December 31, 2021 and 2022, respectively; 10,635,221 shares and 10,708,762 shares issued and outstanding as of December 31, 2021 and 2022, respectively)	7	9
Class B ordinary shares ($0.0005 par value, 81,088,770 shares and 81,088,770 shares authorized, issued and outstanding as of December 31, 2021 and 2022, respectively)	35	35
Additional paid-in capital	50,796	63,200
Special reserve	—	91
Accumulated deficit	(466,550)	(614,659)
Accumulated other comprehensive income (loss)	13,613	(163)
Total Pony AI Inc. shareholders' deficit	**(402,099)**	**(551,487)**
Non-controlling interests	3,888	11,902
Total shareholders' deficit	**(398,211)**	**(539,585)**
Total liabilities, mezzanine equity and shareholders' deficit	**708,936**	**771,514**

The accompanying notes are an integral part of these consolidated financial statements.

PONY AI INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(All amounts in USD thousands, except share and per share data)

	Year ended December 31,	
	2021	2022
Revenue (including revenues from related parties of $4,632 and $25,393 for the years ended December 31, 2021 and 2022, respectively)	8,117	68,386
Cost of revenue	(1,807)	(36,322)
Gross profit	**6,310**	**32,064**
Operating expenses:		
Research and development expenses	(170,597)	(153,601)
Selling, general and administrative expenses	(51,018)	(49,178)
Total operating expenses	**(221,615)**	**(202,779)**
Loss from operations	**(215,305)**	**(170,715)**
Investment income	3,605	8,890
Changes in fair value of warrant liabilities	(13,303)	3,887
Other income, net	846	9,614
Loss before income tax	**(224,157)**	**(148,324)**
Income tax (expenses) benefits	(547)	74
Net loss	**(224,704)**	**(148,250)**
Net loss attributable to noncontrolling interests	—	(232)
Net loss attributable to Pony AI Inc.	**(224,704)**	**(148,018)**
Foreign currency translation adjustments	4,132	(16,239)
Unrealized gain on available-for-sale investments, net of tax of nil and $86, respectively	4,494	3,172
Total other comprehensive income (loss)	**8,626**	**(13,067)**
Total comprehensive loss	**(216,078)**	**(161,317)**
Less: Comprehensive income attributable to non-controlling interest	2,333	477
Total comprehensive loss attributable to Pony AI Inc.	**(218,411)**	**(161,794)**
Weighted average number of shares used in computing net loss per share, basic and diluted	80,698,285	85,319,170
Net loss per ordinary share, basic and diluted	(2.78)	(1.73)
Share-based compensation expenses included in:		
Research and development expenses	37,159	13,405
Selling, general and administrative expenses	3,903	5,178

The accompanying notes are an integral part of these consolidated financial statements.

PONY AI INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
(All amounts in USD thousands, except share and per share data)

	Ordinary Shares		Additional Paid-In Capital	Special Reserve	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	PONY AI INC. Shareholders' Deficit	Non-Controlling Interests	Total
	Shares	Amount							
Balances as of January 1, 2021	**89,683,159**	**39**	**9,409**	**—**	**7,320**	**(241,846)**	**(225,078)**	**—**	**(225,078)**
Issuance of ordinary shares upon exercise of share options and settlement of restricted stock units ("RSUs")	2,040,832	1	327	—	—	—	328	—	328
Share-based compensation	—	2	41,060	—	—	—	41,062	—	41,062
Capital injection by non-controlling interests	—	—	—	—	—	—	—	1,555	1,555
Other comprehensive income	—	—	—	—	6,293	—	6,293	2,333	8,626
Net loss	—	—	—	—	—	(224,704)	(224,704)	—	(224,704)
Balances as of December 31, 2021	**91,723,991**	**42**	**50,796**	**—**	**13,613**	**(466,550)**	**(402,099)**	**3,888**	**(398,211)**
Deemed dividend upon warrant granted to a shareholder (note 12)	—	—	(828)	—	—	—	(828)	—	(828)
Issuance of ordinary shares upon exercise of share options	73,541	—	50	—	—	—	50	—	50
Share-based compensation	—	2	13,182	—	—	—	13,184	—	13,184
Capital injection by non-controlling interests	—	—	—	—	—	—	—	7,537	7,537
Other comprehensive loss	—	—	—	—	(13,776)	—	(13,776)	709	(13,067)
Provision of special reserve (note)	—	—	—	91	—	(91)	—	—	—
Net loss	—	—	—	—	—	(148,018)	(148,018)	(232)	(148,250)
Balances as of December 31, 2022	**91,797,532**	**44**	**63,200**	**91**	**(163)**	**(614,659)**	**(551,487)**	**11,902**	**(539,585)**

Note: The Group is required by law to appropriate a special reserve within equity, namely "Safety Production Fund" which is calculated based on 1% of freight transportation revenue.

The accompanying notes are an integral part of these consolidated financial statements.

PONY AI INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(All amounts in USD thousands, except share and per share data)

	Year ended December 31,	
	2021	2022
Cash flows from operating activities:		
Net loss	(224,704)	(148,250)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	13,742	16,770
Share-based compensation	41,062	13,184
Disposal of property and equipment	127	(39)
Realized losses from investments	4,370	107
Deferred income tax	460	(476)
Changes in fair value of warrant liabilities	13,303	(3,887)
Unrealized foreign exchange loss	1,848	(2,782)
Noncash lease expense	—	4,420
Changes in operating assets and liabilities:		
Accounts receivable	336	(26,529)
Amounts due from related parties	(2,093)	(6,213)
Prepaid expenses and other current assets	(6,715)	(9,878)
Other non-current assets	(427)	(5,883)
Accounts payable and other current liabilities	12,356	19,007
Right-of-use assets	—	(9,870)
Operating lease liabilities	—	5,718
Other non-current liabilities	191	(167)
Net cash used in operating activities	**(146,144)**	**(154,768)**
Cash flows from investing activities:		
Purchases of property and equipment	(25,398)	(12,033)
Purchases of investments in marketable debt securities	(428,563)	(198,236)
Proceeds from the sales and maturities of investments in marketable debt securities	512,828	274,078
Purchase of long-term investments	(4,034)	(15,000)
Proceeds from disposal of property and equipment	—	520
Net cash provided by investing activities	**54,833**	**49,329**
Cash flows from financing activities:		
Net proceeds from issuance of Series C convertible redeemable preferred shares	20,000	—
Net proceeds from issuance of Series C+ convertible redeemable preferred shares	99,991	—
Net proceeds from issuance of Series D convertible redeemable preferred shares	—	186,342
Proceeds from issuance of ordinary shares upon exercise of share options	328	—
Payments of finance lease liabilities	—	(853)
Proceeds from loan in connection to warrant issuance	—	3,946
Payment for the repurchase of RSUs and share options	—	(5,399)
Capital contribution from non-controlling shareholders of subsidiary	1,555	7,537
Net cash provided by financing activities	**121,874**	**191,573**
Effect of exchange rate changes on cash and cash equivalents	2,383	(10,607)
Increase in cash and cash equivalents	32,946	75,527
Cash, cash equivalents and restricted cash at beginning of year	**210,045**	**242,991**
Cash, cash equivalents and restricted cash at end of year	**242,991**	**318,518**
Cash and cash equivalents	242,541	316,262
Restricted cash	450	2,256
Cash, cash equivalents and restricted cash at end of year	**242,991**	**318,518**
Supplemental Disclosure of Cash Flow Information		
– Cash paid for income taxes	30	9
Non-Cash Investing and Financing Activities		
– Purchase of property and equipment, and not paid yet	418	110
– Deemed dividend upon warrant granted to a shareholder	—	828
– Issuance of ordinary shares for share options exercised through other payables	—	50

The accompanying notes are an integral part of these consolidated financial statements.

PONY AI INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(ALL AMOUNTS IN USD THOUSANDS, EXCEPT SHARE AND PER SHARE DATA OR OTHERWISE NOTED)

1. OPERATIONS AND PRINCIPAL ACTIVITIES

(a) Description of Business

Pony AI Inc. (the "Company") was incorporated under the laws of the Cayman Islands on November 4, 2016. The Company, its subsidiaries, and the consolidated variable interest entities ("VIEs") (collectively, the "Group") is an artificial intelligence technology company that principally engaged in the operation and development of autonomous vehicles. The Group conducts its operation mainly in the People's Republic of China ("PRC") and the United States of America ("U.S.") through subsidiaries and the consolidated VIEs.

As of December 31, 2022, the Group's subsidiaries and the consolidated VIEs were as follows:

Name of Entity	Later of Date of Incorporation/ Consolidation	Place of Establishment/ Incorporation	Legal Ownership %
Subsidiaries			
Pony.ai, Inc.	November 15, 2016	Delaware, U.S.	100
Hong Kong Pony AI Limited	December 13, 2016	Hong Kong, PRC	100
Beijing (HX) Pony AI Technology Co., Ltd. ("Beijing HX")	April 1, 2017	Beijing, PRC	100
Guangzhou (HX) Pony AI Technology Co., Ltd. ("Guangzhou HX")	January 12, 2018	Guangdong, PRC	100
Beijing (YX) Pony AI Technology Co., Ltd. ("Beijing YX")	June 19, 2019	Beijing, PRC	100
Shanghai (YX) Pony AI Technology Co., Ltd.	May 29, 2020	Shanghai, PRC	100
Guangzhou (YX) Pony AI Technology Co., Ltd.	June 24, 2020	Guangdong, PRC	100
Guangzhou Pony Truck Technology Co., Ltd.	December 7, 2020	Guangdong, PRC	100
Beijing (RX) Pony AI Technology Co., Ltd.	December 14, 2020	Beijing, PRC	100
Beijing Pony Truck Technology Co., Ltd.	December 29, 2020	Beijing, PRC	100
Guangzhou Pony Intelligent Logistics Technology Co., Ltd	January 19, 2021	Guangdong, PRC	100
Shenzhen (YX) Pony AI Technology Co., Ltd. ("Shenzhen YX")	April 8, 2021	Shenzhen, PRC	100
Cyantron Logistics Technology Co., Ltd. ("Cyantron Logistics")	February 17, 2022	Guangdong, PRC	51
Shanghai (ZX) Pony AI Technology Development Co., Ltd.	March 3, 2022	Shanghai, PRC	100
Qingdao Cyantron Logistics Technology Co., Ltd.	March 14, 2022	Shandong, PRC	51

PONY AI INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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1. OPERATIONS AND PRINCIPAL ACTIVITIES (continued)

(a) Description of Business (continued)

Name of Entity	Later of Date of Incorporation/ Consolidation	Place of Establishment/ Incorporation	Beneficial Ownership %
Consolidated VIEs			
Beijing (ZX) Pony AI Technology Co., Ltd. ("Beijing ZX")	December 19, 2016	Beijing, PRC	100
Guangzhou (ZX) Pony AI Technology Co., Ltd. ("Guangzhou ZX")	October 25, 2017	Guangdong, PRC	100
Consolidated VIEs' Subsidiaries			
Guangzhou Bibi Technology Co., Ltd.	November 21, 2018	Guangdong, PRC	100
Jiangsu Rye Data Technology Co., Ltd. ("Jiangsu RD")	July 18, 2019	Jiangsu, PRC	100
Tianjin Poplar LLP.	October 28, 2020	Tianjin, PRC	62

(b) Consolidated VIEs in the PRC

Applicable PRC laws and regulations prohibit or restrict entities with direct foreign ownership from engaging in certain businesses activities in the PRC. The Company established a series of contractual arrangements with the VIEs and their shareholders ("Nominee Stockholders") primarily for business development purposes as its business is currently not subject to any foreign ownership restrictions under the applicable PRC laws and regulations. The Company may expand its business operations into areas that are subject to foreign ownership restrictions through the existing VIEs and other VIEs to be established if necessary.

As of December 31, 2022, the Company, through Beijing HX and Guangzhou HX (the "WFOEs"), entered into the following contractual arrangements with its VIEs of Beijing ZX and Guangzhou ZX, and the Nominee Stockholders that enabled the Company to (1) have power to direct the activities that most significantly affect the economic performance of the VIEs, and (2) bear the risks and enjoy the rewards normally associated with ownership of the VIEs. Accordingly, the WFOEs are considered the primary beneficiary of the VIEs, and the financial results of operations, assets and liabilities of the VIEs and their subsidiaries were included in the Company's consolidated financial statements.

The following is a summary of the contractual agreements entered into by and among the WFOEs, the VIEs and the VIEs' Nominee Stockholders:

i) Contracts that give the Group effective control of the VIEs

Exclusive Purchase Option Agreements. The Nominee Stockholders of the VIEs have granted the WFOEs the exclusive and irrevocable right to purchase from the Nominee Stockholders, to the extent permitted under the PRC laws and regulations, part or all of the equity interests in these entities for a purchase price not higher than the paid in registered capital of such equity interests. The WFOEs may exercise such an option at any time. In addition, the VIEs and their Nominee Stockholders have agreed that without prior written consent of the WFOEs, they will not transfer or otherwise dispose of the equity interests or declare any dividend. The Nominee Stockholders of the VIEs must appoint the candidates nominated by the WFOEs to be the directors on their board of directors ("Board") in accordance with applicable laws and the articles of association of the VIEs.

PONY AI INC.

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1. OPERATIONS AND PRINCIPAL ACTIVITIES (continued)

(b) Consolidated VIEs in the PRC (continued)

Powers of Attorney. Pursuant to the irrevocable powers of attorney, each of the Nominee Stockholders appointed the WFOEs as their attorney-in-fact to exercise all shareholder rights under the PRC laws and the relevant articles of association, including but not limited to, voting on their behalf on all matters requiring shareholder approval, disposing of all or part of the Nominee Stockholders' equity interests, and electing, appointing or removing directors, the general managers and other senior executives of the VIEs. Each power of attorney will remain in force during the period when the Nominee Stockholders continue to be shareholders of the VIEs. Each of the Nominee Stockholders has waived all the rights which have been authorized to the WFOEs under each power of attorney.

Equity Pledge Agreements. Pursuant to the relevant equity pledge agreements, the Nominee Stockholders of the VIEs have pledged all of their equity interests in relevant VIEs to the WFOEs as collateral for all of their payments due to the WFOEs and to secure their obligations under the above agreements. The Nominee Stockholders may not transfer or assign the equity interests, the rights and obligations in the equity pledge agreements or create or permit to create any pledges which may have an adverse effect on the rights or benefits of the WFOEs without the WFOEs' pre-approval. The WFOEs are entitled to transfer or assign in full or in part the equity interests pledged. In the event of default, the WFOEs as the pledgee, will be entitled to dispose the pledged equity interests through transfer or assignment. The equity pledge agreements will expire when the Nominee Stockholders have completed all their payments and obligations under the above agreements unless otherwise terminated earlier by the WFOEs.

Spousal Consent Letters. Pursuant to the spousal consent letters executed by the spouses of respective Nominee Stockholders of the VIEs, the signing spouses confirm and agree to the execution of the Exclusive Purchase Option Agreements, the Exclusive Business Cooperation Agreements, the Equity Pledge Agreements and Powers of Attorney by the respective Nominee Stockholders. They further undertake not to hinder the disposal of the equity and not to make any assertions in connection with the equity of the VIEs held by the applicable Nominee Stockholders, and confirm that the applicable Nominee Stockholders can perform the relevant transaction documents described above and further amend or terminate such transaction documents without the authorization or consent from such spouse. The spouse of each applicable Nominee Stockholders agrees and undertakes that if he/she obtains any equity of the VIEs held by the applicable Nominee Stockholders for any reasons, he/she would be bound by the transaction documents.

ii) Contracts that enable the Group to receive substantially all of the economic benefits from the VIEs

Exclusive Business Cooperation Agreements. The WFOEs and the relevant VIEs entered into exclusive business cooperation agreements under which the relevant VIEs engage the WFOEs as their exclusive providers of technical support, intellectual property license, maintenance and other services. The VIEs shall pay to the WFOEs service fees with 100% of the VIEs' net profits, or any other amount determined by the WFOEs. The WFOEs exclusively own any intellectual property arising from the performance of the agreements. These contractual agreements have an initial term of ten years, and can be extended at the WFOEs' options prior to the expiration date. During the term of the agreements, the relevant VIEs may not enter into any agreement with third parties for the provision of identical or similar services without prior consent of the WFOEs.

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1. OPERATIONS AND PRINCIPAL ACTIVITIES (continued)

(b) Consolidated VIEs in the PRC (continued)

iii) Risks in relation to the VIE structure

Part of the Group's business is conducted through the VIEs, of which the Company is the ultimate primary beneficiary. In the opinion of the management, the contractual arrangements with the VIEs and the Nominee Stockholders are in compliance with the PRC laws and regulations and are legally binding and enforceable. The Nominee Stockholders indicate they will not act contrary to the contractual arrangements. However, there are substantial uncertainties regarding the interpretation and application of the PRC laws and regulations including those that govern the contractual arrangements, which could limit the Group's ability to enforce these contractual arrangements and if the Nominee Stockholders of the VIEs were to reduce their interests in the Group, their interest may diverge from that of the Group and that may potentially increase the risk that they would seek to act contrary to the contractual arrangements. Therefore, the enforceability of the contractual agreements between the Group, the VIEs and VIEs' Nominee Stockholders depends on whether the Group's shareholders or their PRC subsidiaries will fulfill these contractual agreements. As a result, the Company may be unable to consolidate the VIEs and the VIEs' subsidiaries in the consolidated financial statements.

On March 15, 2019, the National People's Congress approved the Foreign Investment Law, which took effect on January 1, 2020. Along with the Foreign Investment Law, the Implementing Regulation of Foreign Investment Law promulgated by the State Council and the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of the Foreign Investment Law promulgated by the Supreme People's Court became effective on January 1, 2020. Since the Foreign Investment Law and its current implementation and interpretation rules are relatively new, uncertainties still exist in relation to their further application and improvement. The Foreign Investment Law and its current implementation and interpretation rules do not explicitly classify whether variable interest entities that are controlled through contractual arrangements would be deemed as foreign-invested enterprises if they are ultimately "controlled" by foreign investors. However, it has a catch-all provision under the definition of "foreign investment" that includes investments made by foreign investors in China through other means as provided by laws, administrative regulations, or the State Council. Therefore, it still leaves leeway for future laws, administrative regulations, or provisions of the State Council to provide for contractual arrangements as a form of foreign investment. Therefore, there can be no assurance that the Group's control over the VIEs through contractual arrangements will not be deemed as a foreign investment in the future. Furthermore, if future laws, administrative regulations or provisions mandate further actions to be taken by companies with respect to existing contractual arrangements, the Group may face substantial uncertainties as to whether the Group can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect the Group's current corporate structure and business operations.

If the Group is found in violation of any PRC laws or regulations or if the contractual arrangements among the WFOEs, the VIEs and the VIEs' Nominee Stockholders are determined as illegal or invalid by any PRC court, arbitral tribunal or regulatory authorities, the relevant governmental authorities would have broad discretion in dealing with such violation, including, without limitation:

- revoke the agreements constituting the contractual arrangements;
- revoke the Group's business and operating licenses;
- require the Group to discontinue or restrict operations;

1. OPERATIONS AND PRINCIPAL ACTIVITIES (continued)

(b) Consolidated VIEs in the PRC (continued)

- restrict the Group's right to collect revenue;
- restrict or prohibit the Group's use of the proceeds from the public offering to fund the Group's business and operations in China;
- shut down all or part of the Group's websites or services;
- levy fines on the Group or confiscate the proceeds that they deem to have been obtained through non-compliant operations;
- require the Group to restructure the operations in such a way as to compel the Group to establish a new enterprise, re-apply for the necessary licenses or relocate the Group's businesses, staff, and assets;
- impose additional conditions or requirements with which the Group may not be able to comply; or
- take other regulatory or enforcement actions that could be harmful to the Group's business.

The imposition of any of these penalties may result in a material and adverse effect on the Group's ability to conduct its businesses. In addition, if the imposition of any of these penalties causes the Group to lose the right to direct the activities of the VIEs (through its equity interests in its subsidiaries) or the right to receive its economic benefits, the Group will no longer be able to consolidate the VIEs and the VIEs' subsidiaries, if any. In the opinion of management, the likelihood of loss in respect of the Group's current ownership structure or the contractual arrangements with its VIEs is remote. The Group's operations depend on the VIEs and the VIEs' Nominee Stockholders to honor their contractual arrangements with the Group. These contractual arrangements are governed by the PRC law and disputes arising out of these agreements are expected to be decided by arbitration in the PRC. The management believes that each of the contractual arrangements constitutes valid and legally binding obligations of each party to such contractual arrangements under the PRC laws. However, the interpretation and implementation of the laws and regulations in the PRC and their application on the legality, binding effect and enforceability of contracts are subject to the discretion of competent PRC authorities, and therefore there is no assurance that relevant PRC authorities will take the same position as the Group herein in respect of the legality, binding effect and enforceability of each of the contractual arrangements. Meanwhile, since the PRC legal system continues to evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit legal protections available to the Group to enforce the contractual arrangements should the VIEs or the VIEs' Nominee Stockholders fail to perform their obligations under those arrangements.

The consolidated financial information of the consolidated VIEs and the VIEs' subsidiaries as of December 31, 2021 and 2022, after eliminating the intercompany balances and transaction, is as follows:

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1. OPERATIONS AND PRINCIPAL ACTIVITIES (continued)

(b) Consolidated VIEs in the PRC (continued)

	As of December 31,	
	2021	2022
Current assets:		
Cash and cash equivalents	18,439	31,607
Restricted cash, current	—	1,806
Accounts receivable, net	107	1,343
Amounts due from related parties	2,010	1,831
Prepaid expenses and other current assets	2,631	7,073
Total current assets	**23,187**	**43,660**
Non-current assets:		
Property, equipment and software, net	14,161	11,558
Operating right-of-use assets	—	1,677
Long-term investments	10,636	14,389
Other non-current assets	221	6,327
Total assets	**48,205**	**77,611**
Current liabilities:		
Accounts payable and other current liabilities	3,366	8,104
Operating lease liability, current	—	899
Non-current liabilities:		
Operating lease liability, non-current	—	795
Other non-current liabilities	196	—
Total liabilities	**3,562**	**9,798**

	Year ended December 31,	
	2021	2022
Revenue	**8,026**	**15,378**
Net loss	**(11,411)**	**(13,466)**
Net cash used in operating activities	**(4,471)**	**(6,331)**
Net cash used in investing activities	**(7,925)**	**(2,980)**
Net cash provided by financing activities	**1,555**	**(568)**

PONY AI INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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1. OPERATIONS AND PRINCIPAL ACTIVITIES (continued)

(b) Consolidated VIEs in the PRC (continued)

The VIEs contributed an aggregate of 98.9% and 22.5% of the consolidated net revenue for the years ended December 31, 2021 and 2022, respectively. As of the years ended December 31, 2021 and 2022, the VIEs accounted for an aggregate of 6.8% and 10.1%, respectively, of the consolidated total assets, and 11.4% and 18.3%, respectively, of the consolidated total liabilities. The assets that were not associated with the VIEs primarily consist of cash and cash equivalents, short-term investments and long-term investments. There are no consolidated VIEs' assets that are collateral for the VIEs' obligations and can only be used to settle the VIEs' obligations. There are no creditors (or beneficial interest holders) of the VIEs that have recourse to the general credit of the Company or any of its consolidated subsidiaries. There are no terms in any arrangements, considering both explicit arrangements and implicit variable interests that require the Company or its subsidiaries to provide financial support to the VIEs. However, if the VIEs ever need financial support, the Company or its subsidiaries may, at its option and subject to statutory limits and restrictions, provide financial support to its VIEs through loans to the shareholders of the VIEs or entrustment loans to the VIEs. Relevant PRC laws and regulations restrict the VIEs from transferring a portion of their net assets, equivalent to the balance of their statutory reserve and their share capital, to the Company in the form of loans and advances or cash dividends. Please refer to note 17 for disclosure of restricted net assets. The Group may lose the ability to use and enjoy assets held by the VIEs that are important to the operation of business if the VIEs declare bankruptcy or become subject to a dissolution or liquidation proceeding.

(c) Liquidity

The Group incurred net loss of $224.7 million and $148.3 million for the years ended December 31, 2021 and 2022, respectively. Net cash used in operating activities was $146.1 million and $154.8 million for the years ended December 31, 2021 and 2022, respectively. Accumulated deficit was $466.6 million and $614.7 million as of December 31, 2021 and 2022, respectively. The Group assesses its liquidity by its ability to generate cash from operating activities and attract investors' investments.

Historically, the Group has relied principally on non-operational sources of financing from investors to fund its operations and business development. The Group's ability to continue as a going concern is dependent on management's ability to successfully execute its business plan, which includes increasing revenues while controlling operating expenses, as well as, generating operational cash flows and continuing to gain support from outside sources of financing. The Group has been continuously receiving financing support from outside investors through the issuance of convertible redeemable preferred shares (collectively "Preferred Shares"). Refer to note 12 for details of the Group's Preferred Shares financing activities. In addition, if each share of Preferred Shares automatically converts into Class A ordinary share upon the earlier of (i) the closing of a qualified initial public offering ("QIPO") or (ii) the date specified by written consent or agreement of a majority of the holders of each series of Preferred Shares, it will eliminate the possibility of any future cash outflow that may result from the holders of Preferred Shares exercising their share redemption rights. Moreover, the Group can adjust the pace of its operation expansion and control the operating expenses. As of December 31, 2021 and 2022, the Group had $242.5 million and $316.3 million of cash and cash equivalents, $176.2 million and $261.6 million of short-term investments, respectively. Based on the above considerations, the Group believes the cash and cash equivalents and short-term investments are sufficient to meet the cash requirements to fund planned operations and other commitments for at least the next twelve months from the issuance of the consolidated financial statements. The Company's consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

PONY AI INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Significant accounting policies followed by the Company in the preparation of its accompanying consolidated financial statements are summarized below.

(b) Principles of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, the consolidated VIEs and the VIEs' subsidiaries for which the Company are the primary beneficiary.

All transactions and balances among the Company, its subsidiaries, the consolidated VIEs and the VIEs' subsidiaries have been eliminated upon consolidation.

(c) Use of estimates

The preparation of the consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of income and expense during the reporting period. These management estimates include the fair value of share-based awards, fair value of debt investment in investee's preferred shares, fair value of warrant liabilities, valuation allowance for deferred tax assets, and useful lives of property and equipment, the discount rate for lease and the consolidation of the VIEs. These estimates are based on information available as of the date of the consolidated financial statements; therefore, actual results could differ from those estimates.

In March 2020, the World Health Organization declared the outbreak of a disease caused by a novel strain of the coronavirus ("COVID-19") to be a pandemic. After the initial outbreak of the COVID-19, some instances of COVID-19 infections have emerged from time to time. The COVID-19 pandemic has created and may continue to create significant uncertainty in the macroeconomic environment which, in addition to other unforeseen effects of this pandemic, may adversely impact the Group's results of operations. The extent to which the COVID-19 would impact the results of operations is contingent on the future developments of the outbreak, including constant updates concerning the global severity of and actions needed to contain the outbreak, which are highly uncertain and unpredictable. Due to the uncertainty and the economic implications on global economics conditions from the COVID-19 pandemic, certain estimates and assumptions may change in the near term.

(d) Cash and cash equivalents

The Group considers all highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents. Cash and cash equivalents are recorded at cost, which approximates the fair value.

(e) Restricted cash

Cash and cash equivalents that are restricted as to withdrawal or for use or pledged as security are reported separately as restricted cash. The Group's restricted cash mainly represents security deposits held in designated bank accounts for office lease contracts in the U.S. and for issuance of letter of guarantee.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Investments in marketable debt securities

Investments in marketable debt securities are recorded as investments under short-term investments and long-term investments in the consolidated balance sheets based on their remaining contractual maturities. Investments in marketable debt securities consist of asset-backed securities, Canada treasury securities, commercial paper, corporate bonds, supranational securities, U.S. agencies securities, U.S. treasury securities, Yankee bonds as well as other marketable securities. The Group determines the appropriate classification of investments at the time of purchase and reevaluates such determination at each consolidated balance sheet date. Marketable debt securities are classified as available-for-sale as they do not meet the criteria of held-to-maturity or trading securities, and are carried at fair value in the consolidated balance sheets with unrealized gains and losses recorded in accumulated other comprehensive income (loss). Realized gains or losses on the sale of these securities are recognized under investment income in the consolidated statements of operations and comprehensive loss.

The Group evaluates each individual investment periodically for impairment. For investments where the Group does not intend to sell, the Group evaluates whether a decline in fair value is due to deterioration in credit risk. Credit-related impairment losses, not to exceed the amount that fair value is less than the amortized cost basis, are recognized through an allowance for credit losses on the consolidated balance sheets with corresponding adjustment in the consolidated statements of operations and comprehensive loss. Subsequent increases in fair value due to credit improvement are recognized through reversal of the credit losses and corresponding reduction in the allowance for credit losses. Any decline in fair value that is non-credit related is recorded in accumulated other comprehensive income (loss) as a component of shareholder's deficit. As of December 31, 2021 and 2022, there were no investments held by the Group that had been in continuous unrealized loss position.

(g) Long-term investments

Long-term investments are mainly comprised of investments in marketable debt securities, debt investment in investee's preferred shares, and equity investment without readily determinable fair values.

For investments in investees' shares which are determined to be debt securities, the Group accounts for them as available-for-sale investments when they are not classified as either trading or held-to-maturity investments. Available-for-sale investments are reported at fair value, with unrealized gains and losses recorded in accumulated other comprehensive income (loss) as a component of shareholders' deficit.

For investments in common stock or in-substance common stock issued by privately-held companies on which the Group does not have significant influence, as these equity security investments do not have readily determinable fair value, the Group measures these equity security investments at cost, less impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer (referred to as the measurement alternative). All gains and losses on these equity securities without readily determinable fair value, realized and unrealized, are recognized in other income, net.

(h) Accounts receivable and allowance for doubtful accounts

Trade accounts receivable are recorded at the invoiced amount, net of allowance for doubtful accounts. The allowance for doubtful accounts is based on the Group's assessment of the collectability of accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Accounts receivable and allowance for doubtful accounts (continued)

The Group evaluates its accounts receivable for expected credit losses on a regular basis in accordance with ASU No. 2016-13 (Topic 326). The Group regularly reviews the adequacy of the allowance by considering factors, such as historical experience, credit quality, the age of the accounts receivable balances, and current economic conditions that may affect a customer's ability to pay. The Group's exposure to credit losses may increase if its customers are adversely affected by changes, such as economic pressures or uncertainty associated with local or global economic recessions, disruptions associated with the COVID-19 pandemic, or other customer-specific factors. Although the Group historically has not experienced significant credit losses, it will continue to periodically review the allowance and make necessary adjustments accordingly.

Accounts receivable deemed uncollectible are charged against the allowance for doubtful accounts when identified. As of December 31, 2021 and 2022, there was no allowance for doubtful accounts provided.

(i) Property, equipment and software, net

Property, equipment and software, net is stated at cost less accumulated depreciation, amortization and impairment, if any. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Category	Estimated Useful Lives
Computer and equipment	3 – 4 years
Vehicle and equipment	3 – 5 years
Leasehold improvements	Shorter of lease term or estimated useful life of the asset
Software	3 years
Furniture and fixtures	5 years
Operating lease right-of-use assets	2 – 5 years
Finance lease right-of-use assets	3 – 8 years

Direct costs that are related to the construction of property, equipment and software and incurred in connection with bringing the assets to their intended use are capitalized as construction in progress. Construction in progress is transferred to specific property, equipment and software items and the depreciation of these assets commences when the assets are ready for their intended use. As of December 31, 2021 and 2022, construction in progress in the amount of $1.2 million and $0.1 million, respectively, were primarily relating to the construction of leasehold improvements.

(j) Impairment of long-lived assets

Long-lived assets are evaluated for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying value of an asset may not be fully recoverable or that the useful life is shorter than the Group had originally estimated. When these events occur, the Group evaluates the impairment for the long-lived assets by comparing the carrying value of the assets to an estimate of future undiscounted cash flows expected to be generated from the use of the assets and their eventual disposition. If the sum of the expected future undiscounted cash flows is less than the carrying value of the assets, the Group recognizes an impairment loss based on the excess of the carrying value of the assets over the fair value of the assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Revenue recognition

The Group adopted ASC Topic 606, "Revenue from Contracts with Customers" (ASC 606) for all years presented. According to ASC 606, revenues are recognized when control of the promised goods or services is transferred to the customers, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods or services. Revenues are recorded net of discounts, return allowances, and value-added taxes and surcharges.

The Group determines revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price, including the constraint on variable consideration;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, the Group satisfies a performance obligation.

Revenue disaggregated by nature for the years ended December 31, 2021 and 2022 consists of the following:

	Year Ended December 31,	
	2021	2022
Engineering solution services	8,031	44,959
Virtual driver operation services	86	21,421
Sales of products	—	2,006
Total	**8,117**	**68,386**

The following is a description of the accounting policy for the principal revenue by nature of the Group.

i) Engineering solution services

The Group derives revenues from providing integrated solutions in relation to autonomous driving to original equipment manufacturers and other industry participants. The Group's engineering solution contracts with customers often include obligations to transfer multiple products and services to a customer. In contracts with multiple deliverables, the Group identifies each performance obligation and evaluates whether the promised goods or services are distinct within the context of the contract at contract inception. Promised goods or services that are not distinct at contract inception are consolidated. The transaction price is generally in the form of a fixed fee at contract inception, and excludes taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Group from a customer.

The Group allocates the transaction price to each distinct performance obligation based on the estimated stand-alone selling price ("SSP") for each performance obligation. Judgment is required to determine the SSP for each distinct performance obligation. In instances where the SSP is not directly observable, such as when the Group does not sell the products or services separately, the Group estimates the SSP of each performance obligation based on an adjusted market assessment approach.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Revenue recognition (continued)

Revenues from engineering solution primarily consist of integrated retrofitting services, preparation assistance services for the autonomous driving test, road-testing services, fleet operation services, software licensing and development services. For the integrated retrofitting services, the Group may provide products as inputs to deliver the combined output of autonomous driving vehicles retrofitting services as specified by customers. The revenue from integrated retrofitting services, the preparation assistance services for the autonomous driving test, road-testing services and software development services are recognized when control of the services is transferred to customers, which generally occurs when the Group delivers the services and the substantive customer acceptance is received ("point in time"). Fleet operation service revenue is generally recognized over time as the customer simultaneously receives and consumes the benefits of the services as performed. Software licensing revenue is generally recognized over time as the functionality of the software is expected to substantively change, and the Group is obligated to update the software to latest version of the software during the service period.

ii) Virtual driver operation services

The Group's virtual driver operation services revenue is primarily generated from the operation of the driverless taxi services and robot truck transportation services. The revenue is recognized upon completion of the performance obligation.

iii) Sales of products

The Group sells autonomous driving related products directly to customers. Revenue from the sales of products is recognized when control of the goods is transferred to customers, which generally occurs when the products are delivered and accepted by the customers.

Contract balances

Contract assets relate to the Group's right to consideration for performance obligations satisfied but not billed and consist of unbilled receivables and costs in excess of billings. Contract liabilities relate to customer payments received in advance of satisfaction of performance obligations under the contract which is presented in accounts payable and other current liabilities. Contract balances are classified as assets or liabilities on a contract-by-contract basis at the end of each reporting period. There are no contract assets as of December 31, 2022. Revenue recognized for the year ended December 31, 2022 from performance obligations related to prior years was not material.

Practical expedients

The Group has used the following practical expedients as allowed under ASC 606:

(i) The transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied has not been disclosed, as substantially all of the Group's contracts have a duration of one year or less.

(ii) Payment terms and conditions vary by contract type, although terms generally include a requirement of prepayment or payment within one year or less. In instances where the timing of revenue recognition differs from the timing of invoicing, the Group has determined that its contracts generally do not include a significant financing component.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Cost of revenue

Cost of revenue consists of expenses relating to salaries and benefits of supporting engineers and other direct supporting personnel, materials and supplies, depreciation of fixed assets, and other costs incurred to directly support the fulfillment of the revenue contracts, such as rental expenses, bandwidth and data center expenditures.

(m) Research and development expenses ("R&D expenses")

R&D expenses consist primarily of (i) personnel costs representing salaries, benefits, share-based compensation, and bonuses for R&D personnel; (ii) direct input of materials and supplies expense in relation to R&D; and (iii) certain other expenses, such as office rental expenses, bandwidth and data center expenditures, utilities, depreciation of equipment and other expenses incurred in R&D.

The Group follows the provisions of ASC 985, Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed, which requires that software development costs incurred in conjunction with development be charged to R&D expenses until technological feasibility is established. The technological feasibility is established upon completion of a working model. The costs incurred by the Group between technological feasibility and general release to the public have been insignificant. Accordingly, all R&D costs have been expensed as incurred.

(n) Selling, general and administrative expenses

Selling, general and administrative expenses consist primarily of (i) personnel costs representing salaries, benefits, share-based compensation, and bonuses for the general and administrative personnel; (ii) professional services expenses; and (iii) certain operating expenses, such as office rental expenses, utilities and other expenses necessary to support the Group's business.

(o) Leases

Before January 1, 2022, the Group evaluated their leases in accordance with ASC 840, Leases, and each lease is classified at the inception date as either a capital lease or an operating lease. Payments made under operating leases are charged to the consolidated statements of operations and comprehensive loss on a straight-line basis over the shorter of the lease term or estimated economic life.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Leases (continued)

The Group adopted ASU No. 2016-02, Leases (Topic 842), from January 1, 2022 using the modified retrospective transition approach through a cumulative-effect adjustment in the period of adoption rather than retrospectively adjusting prior periods. The Group leases office spaces and warehouses in different cities in the PRC and U.S. under operating leases, and logistics vehicles and containers in the PRC under finance leases. The Group determines whether an arrangement constitutes a lease and records lease liabilities and right-of-use assets in its consolidated balance sheets at the lease commencement. The Group classified its leases as operating or finance leases in accordance with the recognition criteria in ASC 842-20-25, and recorded the leases of logistics vehicles and containers as finance leases because the lease terms cover majority of the remaining economic life of the underlying assets. The Group measures its lease liabilities based on the present value of the total lease payments not yet paid discounted based on the more readily determinable of the rate implicit in the lease or its incremental borrowing rate, which is the estimated rate the Group would be required to pay for a collateralized borrowing equal to the total lease payments over the term of the lease. The Group estimates its incremental borrowing rate based on an analysis of publicly traded debt securities of companies with credit and financial profiles similar to its own. The Group measures right-of-use assets based on the corresponding lease liability adjusted for payments made to the lessor at or before the commencement date, and initial direct costs it incurs under the lease. The Group begins recognizing rent expense when the lessor makes the underlying asset available to the Group. The Group's leases have remaining lease terms of up to eight years, some of which include options to extend the leases for an additional period which has to be agreed with the lessors based on mutual negotiation. After considering the factors that create an economic incentive, the Group did not include renewal option periods in the lease term for which it is not reasonably certain to exercise. For short-term leases with lease term less than one year, the Group records operating lease expenses in its consolidated statements of operations and comprehensive loss on a straight-line basis over the lease term and records variable lease payments as incurred.

(p) Share-based compensation

Share-based awards granted are measured at fair value on grant date and share-based compensation expenses are recognized (a) for the awards granted with only service condition, using the straight-line attribution method, net of actual forfeitures as occur, over the vesting period; (b) for the awards granted with service condition and performance condition, the share-based compensation expenses are recorded when the performance condition is considered probable using the graded vesting method. Where the occurrence of an initial public offering ("IPO") is a performance condition, cumulative share-based compensation expenses for the awards that have satisfied the service condition should be recorded upon the occurrence of an IPO.

The Group selected the Black-Scholes option-pricing model as the method for determining the estimated fair value for share options. The Black-Scholes option-pricing model requires the use of highly subjective and complex assumptions, which determine the fair value of share-based awards, including the share option's expected term, the price volatility of the underlying stock, risk-free interest rate and expected dividend yield.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Government subsidies

The government subsidies provided by the local government mainly included funding to support the growth of the Group. Government subsidies are mainly recognized upon receipt as government subsidies income because the subsidies are not intended to compensate for specific expenditure, not subject to future return or not related to future performance obligation. For the years ended December 31, 2021 and 2022, $2.7 million and $7.6 million were received and recognized as other income, net in the consolidated statements of operations and comprehensive loss, respectively.

(r) Employee defined contribution plan

PRC Contribution Plan

Full-time employees of the Group in the PRC participate in a government-mandated multiemployer defined contribution plan pursuant to which certain pension benefits, medical care, unemployment insurance, employee housing fund, and other welfare benefits are provided to employees. Chinese labor regulations require that the Group make contributions to the government for these benefits based on certain percentages of the employees' salaries. The Group has no legal obligation for the benefits beyond the contributions. Total amounts for such employee benefits, which were expensed as incurred, were $9.6 million and $13.5 million for the years ended December 31, 2021 and 2022, respectively.

U.S. Contribution Plan

The Group sponsored a qualified 401(k) defined contribution plan covering eligible employees starting January 1, 2020. For the years ended December 31, 2021 and 2022, the Group's contribution method was to match employee's elective deferrals on a dollar-for-dollar basis up to 3% of the employee's compensation. The Group incurred $1.1 million and $0.8 million of 401(k) and Simple Individual Retirement Account ("IRA") employer match expenses for the years ended December 31, 2021 and 2022, respectively. Under both plans, participants may contribute a portion of their annual compensation limited to a maximum annual amount set by the Internal Revenue Service.

(s) Income taxes

Income taxes are accounted for under the asset and liability method. Current income taxes are provided on the basis of net income for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes, in accordance with the regulations of the relevant tax jurisdictions. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded for deferred tax assets if it is more likely than not that some portion, or all, of the deferred tax assets will not be realized.

The Group recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. As of December 31, 2021 and 2022, the Group did not have any significant unrecognized uncertain tax positions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income taxes (continued)

The Group recognizes interest and penalties related to income tax matters as a component of income tax expenses.

(t) PRC Value-added tax ("VAT")

The Group's subsidiaries, the consolidated VIEs and the VIEs' subsidiaries incorporated in China are subject to statutory VAT rate of 6% for services rendered and 13% for goods sold.

(u) Fair value measurements

Fair value accounting is applied for all assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis (at least annually). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The authoritative guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group has the ability to access at the measurement date.

Level 2 — Inputs are other-than-quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data.

Level 3 — Inputs are unobservable inputs for the asset or liability.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Fair value measurements (continued)

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety. The fair values of the Group's investments are based upon prices provided by an independent source. The Group has reviewed these prices for reasonableness and has not adjusted any prices received from the independent provider. Securities reported at fair value utilizing Level 1 inputs represent assets whose fair value is determined based upon observable unadjusted quoted market prices for identical assets in active markets. Level 2 securities represent assets whose fair value is determined using observable market information, such as previous day trade prices, quotes from less active markets, or quoted prices of securities with similar characteristics. There were no transfers between Level 1 and Level 2 investments during the years ended December 31, 2021 and 2022. The carrying amounts of accounts receivable, amounts due from related parties, current and accounts payable approximates the fair value because of their short-term nature.

(v) Foreign currency

The Company's reporting currency and functional currency is the U.S. dollar. The Group determines its functional currencies based on the criteria of Accounting Standards Codification (ASC) 830, *Foreign Currency Matters*. The functional currency of the Company's subsidiaries in the United States and Hong Kong, China is the U.S. dollar. The functional currencies of its subsidiaries, the VIEs, and the VIEs' subsidiaries in Mainland China are the Renminbi ("RMB"). The Group uses the monthly average exchange rate for the year and the exchange rate at the consolidated balance sheet date to translate the operating results and financial position, respectively. Equity accounts are translated at historical exchange rates. Translation differences are recorded in accumulated other comprehensive income (loss), as a component of shareholders' deficit.

Transactions denominated in foreign currencies are remeasured into the functional currency at the exchange rates prevailing on the transaction dates. Financial assets and liabilities denominated in foreign currencies are remeasured into the functional currency at the exchange rates prevailing at the consolidated balance sheet date. The Group reflects net foreign exchange transaction gains and losses resulting from the conversion of the transaction currency to functional currency included in other income, net.

(w) Comprehensive income (loss)

Comprehensive income (loss) is defined as the changes in equity of the Company during a period from transactions and other events and circumstances excluding transactions resulting from investments from shareholders and distributions to shareholders. Comprehensive income (loss) for the periods presented includes net loss, change in foreign currency translation adjustments and unrealized gain on available-for-sale investments.

(x) Non-controlling interests

The Company's consolidated financial statements include entities in which the Company has a controlling financial interest. Earnings or losses attributable to minority shareholders of the consolidated affiliated companies are classified separately as "non-controlling interests" in the Company's consolidated statements of operations and comprehensive loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Net loss per share

Net loss per share is computed in accordance with ASC 260, "Earnings per Share". The two-class method is used for computing earnings per share in the event the Group has net income available for distribution. Under the two-class method, net income is allocated between ordinary shares and other participating securities based on their participating rights. Class A ordinary shares and Class B ordinary shares have the same rights in dividend. Therefore, basic and diluted loss per share is the same for both classes of ordinary shares. The Group's Preferred Shares are considered as participating securities because they are entitled to receive dividends or distributions on an as if converted basis if the Group has net income available for distribution under certain circumstances. Net losses are not allocated to other participating securities as they are not obligated to share the losses based on their contractual terms.

Basic net loss per share is computed by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted net loss per share is calculated by dividing net loss attributable to ordinary shareholders, as adjusted for the effect of dilutive ordinary equivalent shares, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the year. Ordinary equivalent shares consist of ordinary shares issuable upon the conversion of the Preferred Shares using as-if- converted method and ordinary shares issuable upon the exercise of share options using the treasury stock method. Ordinary equivalent shares are not included in the denominator of the diluted net loss per share calculation when inclusion of such share would be anti-dilutive.

(z) Segment reporting

Based on the criteria established by ASC 280, operating segments are defined as components of an enterprise (business activity from which it earns revenue and incurs expenses) for which discrete financial information is available and regularly reviewed by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance. The Group's CODM has been identified as its Chief Executive Officer, who reviews consolidated results when making decisions about resource allocation and performance evaluation of the Group as a whole. The Group does not distinguish between markets or segments for the purpose of internal reporting.

The assets of the Group are held in the PRC and the U.S. The long-lived assets as of December 31, 2021 and 2022, are as follows:

	As of December 31,	
	2021	2022
The PRC	28,435	31,360
The U.S.	5,479	3,605
Total	**33,914**	**34,965**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Segment reporting (continued)

For the years ended December 31, 2021 and 2022, the Group's total revenue by geographic area is as follows:

	Year ended December 31,	
	2021	2022
The PRC	8,113	57,859
The U.S.	4	10,527
Total	**8,117**	**68,386**

(aa) Recently issued accounting pronouncements

The Company is an emerging growth company ("EGC") as defined by the Jumpstart Our Business Startups Act ("JOBS Act"). The JOBS Act provides that an EGC can take advantage of extended transition periods for complying with new or revised accounting standards. This allows an EGC to delay adoption of certain accounting standards until those standards would otherwise apply to private companies. The Company elected to take advantage of the extended transition periods. However, this election will not apply should the Company cease to be classified as an EGC.

Recently adopted accounting pronouncements

From time to time, the Financial Accounting Standards Board ("FASB") or other standard-setting bodies issue accounting standards that are adopted by the Group as of the specified effective date.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This new update supersedes existing guidance on accounting for leases with the main difference being that operating leases for lessees are recorded in the consolidated balance sheets as right-of-use assets and lease liabilities, initially measured at the present value of the lease payments. For operating leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and liabilities. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statements of operations and comprehensive loss.

The Group adopted this update on January 1, 2022 using the modified retrospective transition approach without adjusting the comparative period presented. The Group elected the practical expedients under ASU No. 2016-02 which include the use of hindsight in determining the lease term and the practical expedient package to not reassess prior conclusions related to contracts containing leases, lease classification, and initial direct costs for any existing leases. Upon adoption of Topic 842, the Group recognized operating lease right-of-use assets and corresponding lease liabilities of $6.2 million and $6.1 million, respectively, in the consolidated balance sheets. The difference between the operating lease right-of-use assets and operating lease liabilities was due to prepaid rent. The adoption did not have a material impact in the Company's consolidated statements of operations and comprehensive loss or the consolidated statements of cash flows, and the adoption did not result in a cumulative-effect adjustment to the accumulated deficit.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) Recently issued accounting pronouncements (continued)

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which is intended to simplify various aspects related to accounting for income taxes. This update also removes certain exceptions to the general principles in Topic 740, and clarifies and amends existing guidance to improve consistent application. The amendments in the ASU are effective for non-issuers for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption of the standard is permitted, including adoption in interim or annual periods for which financial statements have not yet been issued. The Group adopted the ASU on January 1, 2022 and it had no material impact on the consolidated financial statements.

In November 2021, the FASB issued ASU 2021-10, Government Assistance (Topic 832) — Disclosures by Business Entities about Government Assistance. The amendments in this ASU require disclosures about transactions with a government that have been accounted for by analogizing to a grant or contribution accounting model to increase transparency about (1) the types of transactions, (2) the accounting for the transactions, and (3) the effect of the transactions on an entity's financial statements. The amendments in this ASU are effective for all entities within their scope for financial statements issued for annual periods beginning after December 15, 2021. Early application of the amendments is permitted. The Group adopted the ASU on January 1, 2022 and it had no material impact on the consolidated financial statements.

Recent accounting pronouncements not yet adopted

In August 2020, the FASB issued ASU No. 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40) — Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. The ASU simplifies accounting for convertible instruments by removing major separation models required under current GAAP. Consequently, more convertible debt instruments will be reported as a single liability instrument with no separate accounting for embedded conversion features. The ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which will permit more equity contracts to qualify for the exception. The ASU also simplifies the diluted net income per share calculation in certain areas. The new guidance is effective for the Group for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal year beginning after December 15, 2020, including interim periods within that fiscal year. The Group does not expect the adoption of the ASU to have an impact on the consolidated financial statements.

3. CONCENTRATIONS AND RISKS

(a) Concentration of customers and suppliers

Two customers represented 57.1% and 41.8% of total revenue for the year ended December 31, 2021, respectively. Three customers represented 31.0%, 15.4% and 12.3% of the total revenue for the year ended December 31, 2022, respectively. There are no suppliers from whom purchases individually represent greater than 10% of the total purchases of the Group for the years ended December 31, 2021 and 2022.

3. CONCENTRATIONS AND RISKS (continued)

(b) Concentration of credit risk

Financial instruments that potentially subject the Group to concentrations of credit risk consist primarily of cash and cash equivalents, short-term investments and accounts receivable. The Group invests its excess cash in low-risk, high credit quality and highly liquid securities, and places its cash and cash equivalents and short-term investments in the financial institutions which the management believes are of high credit quality. Securities of any given issuer valued at cost at the time of purchase should not exceed 5% of the market value of the portfolio or $1.0 million, whichever is greater. For purposes of this diversification restriction, securities of a parent company, subsidiaries, and entities acquired or merged will be combined. Credit risk arises from cash and cash equivalents, short-term investments, as well as credit exposures to customers, including outstanding receivables. The carrying amount of these financial assets represents the maximum amount of loss due to credit risk. Accounts receivable are typically unsecured and are derived from revenues earned directly from customers. The risk with respect to accounts receivable is mitigated by credit evaluations the Group performs on its customers and its ongoing monitoring processes of outstanding balances.

(c) Currency convertibility risk

The PRC government imposes controls on the convertibility of RMB into foreign currencies. The Group's cash and cash equivalents and short-term investments denominated in RMB that are subject to such government controls amounted to $91.4 million and $162.1 million as of December 31, 2021 and 2022, respectively. The value of RMB is subject to changes in the central government policies and to international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market. In the PRC, certain foreign exchange transactions are required by law to be transacted only by authorized financial institutions at exchange rates set by the People's Bank of China (the "PBOC"). Remittances in currencies other than RMB by the Group in the PRC must be processed through the PBOC or other Chinese foreign exchange regulatory bodies which require certain supporting documentation in order to process the remittance.

(d) Foreign currency exchange rate risk

Since June 2010, the RMB has fluctuated against the US$, at times significantly and unpredictably. The appreciation and depreciation of the RMB against the US$ was approximately 2% and 9% for the years ended December 31, 2021 and 2022, respectively. It is difficult to predict how market forces or the PRC or U.S. government policy may impact the exchange rate between the RMB and the US$ in the future.

4. INVESTMENTS IN MARKETABLE DEBT SECURITIES

Investments in marketable debt securities are recorded as short-term investments and long-term investments in the consolidated balance sheets. The following is a summary of the Group's investments in marketable debt securities as of December 31, 2021 and 2022:

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4. INVESTMENTS IN MARKETABLE DEBT SECURITIES (continued)

	As of December 31, 2021			
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Estimated Fair Value
Asset backed securities	96,980	4	(253)	96,731
Commercial paper	69,904	1	(2)	69,903
Corporate bonds	161,019	53	(399)	160,673
U.S. agencies securities	21,984	—	(92)	21,892
U.S. treasury securities	19,091	—	(72)	19,019
Yankee bonds	24,576	—	(48)	24,528
Total	**393,554**	**58**	**(866)**	**392,746**

	As of December 31, 2022			
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Estimated Fair Value
Asset backed securities	30,408	—	(635)	29,773
Canada treasury securities	1,999	—	(7)	1,992
Commercial paper	22,925	—	—	22,925
Corporate bonds	108,337	—	(1,682)	106,655
Supranational securities	8,459	—	(51)	8,408
U.S. agencies securities	13,994	—	(402)	13,592
U.S. treasury securities	24,012	—	(469)	23,543
Yankee bonds	17,305	—	(114)	17,191
Other marketable securities	87,920	115	—	88,035
Total	**315,359**	**115**	**(3,360)**	**312,114**

5. LONG-TERM INVESTMENTS

Long-term investments are mainly comprised of investments in marketable debt securities, debt investment in investee's preferred shares, and equity investment without readily determinable fair values. The following is a summary of long-term investments:

	Year ended December 31,	
	2021	2022
Investments in marketable debt securities (note 6)	216,534	50,471
Debt investment in investee's preferred shares (note 5a) and (note 6)	10,110	29,702
Equity investment without readily determinable fair values	526	480
Total	**227,170**	**80,653**

(a) Debt investment in investee's preferred shares

The following table summarizes the activities related to fair value of the debt investment in investee's preferred shares, which is recorded as available-for-sale investment:

5. LONG-TERM INVESTMENTS (continued)

	Year ended December 31,	
	2021	2022
Fair value of available-for-sale debt investment at the beginning of the year (Level 3)	—	10,110
Initial investment	4,034	15,000
Change in fair value	6,015	5,620
Foreign currency translation adjustment	61	(1,028)
Fair value of available-for-sale debt investment at the end of the year (Level 3)	**10,110**	**29,702**

In January 2021, the Group invested in a private company which engaged in graphics processing unit ("GPU") computing technology and service at the amount of $4.0 million. There were certain preference rights of the equity interest, including liquidation preferences, redemption rights, anti-dilution provision, and etc. The preferred shares held may be converted at the option of the Group, or shall automatically be converted, based on the applicable conversion price, into ordinary shares upon the consummation of a public offering of ordinary shares of the investee.

In July 2022, the Group invested in a company engaged in the app-based ride-hailing vehicle business at cash consideration of $15.0 million. There were certain preference rights of the equity interest, including liquidation preferences, redemption rights, anti-dilution provision, and etc. The preferred shares held may be converted at the option of the Group, or shall automatically be converted, based on the applicable conversion price, into ordinary shares upon the consummation of a public offering of ordinary shares of the investee.

Debt securities that are not classified as either held to maturity or trading are classified as available-for-sale. The Group classified these investments as available-for-sale investment, recorded under long-term investment in the consolidated balance sheets. As of December 31, 2021 and 2022, the balance of the available-for-sale was $10.1 million and $29.7 million, including $6.0 million and $5.6 million of fair value change recorded in other comprehensive income, respectively.

The available-for-sale debt investment is carried at fair value. The Group uses backsolve method with significant unobservable inputs to measure the fair value of the investment (Level 3), which primarily include the recent transaction price of the underlying private company's securities and discount for lack of marketability ("DLOM").

As of December 31, 2021 and 2022, no impairment indicator was identified associated with the investment in available-for-sale debt securities.

6. FAIR VALUE MEASUREMENTS

Fair value measurements on a recurring basis

The fair value measurements of assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2021 and 2022, are as follows:

6. FAIR VALUE MEASUREMENTS (continued)

	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Category				
Cash equivalents:				
Commercial paper	—	13,997	—	13,997
Money market funds	7,605	—	—	7,605
Subtotal	**7,605**	**13,997**	**—**	**21,602**
Short-term investments:				
Asset backed securities	—	11,186	—	11,186
Commercial paper	—	69,903	—	69,903
Corporate bonds	—	73,569	—	73,569
U.S. agencies securities	7,999	—	—	7,999
U.S. treasury securities	3,993	—	—	3,993
Yankee bonds	—	9,562	—	9,562
Subtotal	**11,992**	**164,220**	**—**	**176,212**
Long-term investments (note 5)**:**				
Asset backed securities	—	85,545	—	85,545
Corporate bonds	—	87,104	—	87,104
Debt investment in investee's preferred shares	—	—	10,110	10,110
U.S. agencies securities	13,893	—	—	13,893
U.S. treasury securities	15,026	—	—	15,026
Yankee bonds	—	14,966	—	14,966
Subtotal	**28,919**	**187,615**	**10,110**	**226,644**
Total assets in fair value	**48,516**	**365,832**	**10,110**	**424,458**

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6. FAIR VALUE MEASUREMENTS (continued)

	As of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Category				
Cash equivalents:				
Commercial paper	—	42,928	—	42,928
Corporate bonds	—	2,998	—	2,998
Money market funds	38,954	—	—	38,954
Subtotal	**38,954**	**45,926**	**—**	**84,880**
Short-term investments:				
Asset backed securities	—	4,495	—	4,495
Canada treasury securities	—	1,992	—	1,992
Commercial paper	—	22,925	—	22,925
Corporate bonds	—	87,931	—	87,931
Supranational securities	—	8,408	—	8,408
U.S. agencies securities	—	13,592	—	13,592
U.S. treasury securities	23,543	—	—	23,543
Yankee bonds	—	10,722	—	10,722
Other marketable securities	—	88,035	—	88,035
Subtotal	**23,543**	**238,100**	**—**	**261,643**
Long-term investments (note 5):				
Asset backed securities	—	25,278	—	25,278
Corporate bonds	—	18,724	—	18,724
Debt investment in investee's preferred shares	—	—	29,702	29,702
Yankee bonds	—	6,469	—	6,469
Subtotal	**—**	**50,471**	**29,702**	**80,173**
Total assets in fair value	**62,497**	**334,497**	**29,702**	**426,696**
Warrant liabilities	**—**	**—**	**2,516**	**2,516**

The following table summarizes the activities related to fair value of warrant liabilities:

	Year ended December 31,	
	2021	2022
Balance at the beginning of the year	2,305	—
Issuance of warrants	—	6,429
Change in fair value	13,303	(3,887)
Exercise of the warrants	(15,608)	(26)
Balance at the end of the year	—	**2,516**

6. FAIR VALUE MEASUREMENTS (continued)

Fair value measurements on a non-recurring basis

The Group measures property, equipment and software, operating and finance lease right-of-use assets, operating and finance lease liabilities, at fair value on a non-recurring basis only if they were determined to be impaired. For equity investments without readily determinable fair values for which the Group elected to use the measurement alternative, the equity investment is measured at fair value on a nonrecurring basis when there is an orderly transaction for identical or similar investments of the same issuer.

7. PROPERTY, EQUIPMENT AND SOFTWARE, NET

Property, equipment and software as of December 31, 2021 and 2022, consist of the following:

	As of December 31,	
	2021	2022
Computer and equipment	28,965	30,585
Vehicle and equipment	21,138	22,639
Leasehold improvements	5,504	6,263
Software	811	1,191
Furniture and fixtures	478	552
Finance lease right-of-use assets	—	3,526
Total property, equipment and software	56,896	64,756
Less: accumulated depreciation and amortization	(24,141)	(38,054)
Construction in progress	1,159	125
Property, equipment and software, net	**33,914**	**26,827**

Total depreciation and amortization expenses for the year ended December 31, 2022 were $17.6 million ($0.8 million relates to amortization of property and equipment acquired under finance leases), including $1.1 million in cost of revenue, $15.8 million in R&D expenses, and $0.7 million in selling, general and administrative expenses, respectively, in the consolidated statements of operations and comprehensive loss. Total depreciation and amortization expenses for the year ended December 31, 2021 were $13.7 million, including $0.1 million in cost of revenue, $12.1 million in R&D expenses, and $1.5 million in selling, general and administrative expenses, respectively, in the consolidated statements of operations and comprehensive loss.

8. ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

Accounts payable and other current liabilities as of December 31, 2021 and 2022 consist of the following:

8. ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES (continued)

	As of December 31,	
	2021	2022
Payroll and related expenses	22,544	15,587
Payables and accrued expenses for goods or services	4,045	10,048
Contract liability	—	4,921
Loans payable to potential investors (note 12)	—	3,946
Tax payables	895	3,195
Warrant liabilities (note 12)	—	2,516
Finance lease liabilities	—	1,245
Others	2,621	2,584
Total	**30,105**	**44,042**

9. LEASE

The Group leases office spaces and warehouses in several cities in the PRC and the U.S. under operating leases, and logistics vehicles and containers in the PRC under finance leases. The Group determines if an arrangement is a lease at inception, and when lease agreements contain lease and non-lease components, the Group accounts for as separate components. The allocation of the consideration between the lease and the non-lease components is based on the relative stand-alone prices of lease components included in the lease contracts. As of December 31, 2021 and 2022, the Group did not have additional operating leases or finance leases that have not yet commenced.

Total operating lease expenses for the years ended December 31, 2021 and 2022 were $5.1 million and $4.9 million, respectively, which were recorded in cost of revenue, R&D expenses, and selling, general and administrative expenses on the consolidated statements of operations and comprehensive loss. Short-term lease cost for the year ended December 31, 2022 was $1.1 million.

Property and equipment acquired under finance leases was $3.5 million as of December 31, 2022, recorded in “Property, equipment and software, net”, and corresponding current and non-current finance lease liabilities were $1.2 million and $1.4 million, respectively, as of December 31, 2022, recorded in “Accounts payable and other current liabilities” and “Other non-current liabilities”.

Total amortization expenses for the finance lease right-of-use assets and the interest expenses on the finance lease liabilities for the year ended December 31, 2022 was $0.8 million and $0.1 million, which were included in cost of revenue and other income, net on the consolidated statements of operations and comprehensive loss, respectively.

PONY AI INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
(ALL AMOUNTS IN USD THOUSANDS, EXCEPT SHARE AND PER SHARE DATA OR OTHERWISE NOTED)

9. LEASE (continued)

	As of December 31, 2022
Operating leases	
Right-of-use assets	8,138
Lease liabilities, current	4,058
Lease liabilities, non-current	3,788
Finance leases	
Right-of-use assets	2,688
Lease liabilities, current	1,245
Lease liabilities, non-current	1,352

	For the year ended December 31, 2022
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash used in operating leases	5,718
Operating cash used in finance leases	96
Financing cash used in finance leases	853
Non-cash right-of-use assets in exchange for new lease liabilities:	
Operating leases	5,336
Finance leases	2,597
Weighted average remaining lease term	
Operating leases	2.2
Finance leases	2.7
Weighted average discount rate	
Operating leases	4.3%
Finance leases	4.8%

The following is a maturity analysis of the annual undiscounted cash flows for the annual periods ending December 31:

	Year ending December 31,
2023	5,821
2024	4,382
2025	716
2026	73
2027	33
2028 and thereafter	75
Less: imputed interest	(657)
Total	**10,443**

9. LEASE (continued)

As of December 31, 2021, the future minimum lease payments under noncancelable operating lease agreements are as follows:

	Years Ending December 31,
2022	7,103
2023	5,334
2024	3,957
Total minimum lease payments	**16,394**

10. COMMITMENTS AND CONTINGENCIES

Legal proceedings

From time to time, the Group may become involved in litigation, claims, and proceedings. The Group evaluates the status of each legal matter and assesses the potential financial exposure. If the potential loss from any legal proceedings or litigation is considered probable and the amount can be reasonably estimated, the Group accrues a liability for the estimated loss. Significant judgment is required to determine the probability of a loss and whether the amount of the loss is reasonably estimated. As of December 31, 2021 and 2022, based on the information currently available, the Group believes that the loss contingencies that may arise as a result of currently pending legal proceedings are not reasonably likely to have a material adverse effect on the Group's business, results of operations, financial condition, and cash flows.

Purchase commitments

In December 2022, the Group entered into a purchase agreement with a third party to purchase sensors to be delivered in 2023 and 2024 with consideration of $12.0 million. As of December 31, 2022, the Group had a future minimum purchase commitment for the purchase of sensors amounted to $12.0 million.

11. ORDINARY SHARES

The Company was incorporated on November 4, 2016 with an authorized share capital of 388,594,477 ordinary shares at the par value of $0.0005 each. A summary of the Class A and Class B ordinary shares as of December 31, 2021 and 2022, is as follows:

	As of December 31,	
	2021	2022
Class A Ordinary Shares		
Shares authorized	327,470,091	307,505,707
Par value	$ 0.0005	$ 0.0005
Shares issued and outstanding	**10,635,221**	**10,708,762**
Class B Ordinary Shares		
Shares authorized	81,088,770	81,088,770
Par value	$ 0.0005	$ 0.0005
Shares issued and outstanding	**81,088,770**	**81,088,770**

11. ORDINARY SHARES (continued)

The holders of Class A ordinary shares and Class B ordinary shares shall, at all times, vote together as one class on all matters submitted to a vote. The holder of each Class A ordinary share shall have the right to one vote with respect to such Class A ordinary share, and the holder of each Class B ordinary share shall have the right to 10 votes with respect to such Class B ordinary share.

Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. In no event shall Class A ordinary shares be convertible into Class B ordinary shares. With respect to any Class B ordinary share upon (a) the death of the stockholder (or its ultimate controlling beneficial owner that is a natural person or any beneficial owner that is a principal) of such Class B ordinary share; (b) any sale, transfer, assignment, or disposition of such Class B ordinary share by a stockholder (or its affiliate) to any person who is not an affiliate of such stockholder; (c) a change of ultimate beneficial ownership of such Class B ordinary share to any person who is not an affiliate of the registered stockholder of such Class B ordinary share; or (d) termination of employment of any principal who is the ultimate beneficial owner holding such Class B ordinary share with the Company, such Class B ordinary share shall be automatically and immediately converted into one Class A ordinary share.

12. CONVERTIBLE REDEEMABLE PREFERRED SHARES

The following table summarizes the Preferred Shares authorized, issued, and outstanding as of December 31, 2021 and 2022:

	Date of Issuance	Total Number of Shares Outstanding	Original Issue Price per Share	Carrying Value
Series A	2017/3/3	34,717,760	0.4323	14,818
Series B[(1)]	2017/12/28	44,758,365	1.7319	76,840
Series B+[(2)]	2018/6/27, 2019/11/22	27,428,047	3.6673	107,135
Series B2	2019/4/11	10,478,885	6.5196	68,138
Series C[(3)]	2020/3/13, 2021/6/22	57,896,414	9.4220	559,087
Series C+	2020/11/16, 2021/1/13	16,161,021	15.4687	249,884
Total as of December 31, 2021		**191,440,492**		**1,075,902**
Series D[(4)]	2022/2/23, 2022/3/4, 2022/12/29	7,453,371	25.0446	181,595
Total as of December 31, 2022		**198,893,863**		**1,257,497**

(1) 545,365 Series B Preferred Shares were issued and repurchased in June 2018.

(2) Including 3,431,995 Series B+ Preferred Shares issued in November 2019 upon the exercise of warrants as discussed in Accounting of Preferred Shares.

(3) Including 2,122,692 Series C Preferred Shares issued in June 2021 upon the exercise of warrants as discussed in Accounting of Preferred Shares.

(4) Including 199,644 Series D Preferred Shares issued in December 2022 upon the exercise of warrants as discussed in Accounting of Preferred Shares.

12. CONVERTIBLE REDEEMABLE PREFERRED SHARES (continued)

The key terms of the Preferred Shares are as follows:

Conversion right

The Preferred Shares are convertible at any time, at the option of the holders, into Class A ordinary shares at the applicable conversion ratio by dividing the original issuance price by the conversion price, as adjusted. Each share of Preferred Shares automatically converts into Class A ordinary share upon the earlier of (i) the closing of a QIPO or (ii) the date specified by written consent or agreement of a majority of the holders of each series of Preferred Shares. A QIPO means a firm commitment underwritten public offering of the ordinary shares of the Company in the U.S. (or another jurisdiction) pursuant to an effective registration statement under the U.S. Securities Act of 1933, as amended, that values the Company at $5.3 billion or more and that results in gross proceeds to the Company of at least $100.0 million.

Redemption right

Series A Preferred Shares were redeemable at any time and from time to time on or after the earlier date of the occurrence of (i) the eighth anniversary of the date of the Series A closing if no QIPO has occurred; or (ii) breaches by the Company that have not been cured, upon receipt of a written request from any holder of the then-outstanding Preferred Shares, the Company shall redeem all, or part, of the outstanding Preferred Shares.

Series B Preferred Shares were redeemable at any time and from time to time on or after the earlier date of the occurrence of (i) the seventh anniversary of the date of the Series B closing if no QIPO has occurred; or (ii) breaches by the Company that have not been cured, upon receipt of a written request from any holder of the then-outstanding Preferred Shares, the Company shall redeem all, or part, of the outstanding Preferred Shares. The commencement date for Series A Preferred Shares was modified to be aligned to redemption rights of Series B Preferred Shares.

Series B+ Preferred Shares were redeemable at any time and from time to time on or after the earlier date of the occurrence of (i) the seventh anniversary of the date of the Series B closing if no QIPO has occurred; or (ii) breaches by the Company that have not been cured, upon receipt of a written request from any holder of the then-outstanding Preferred Shares, the Company shall redeem all, or part, of the outstanding Preferred Shares.

Series B2 Preferred Shares were redeemable at any time and from time to time on or after the earlier date of the occurrence of (i) the seventh anniversary of the date of the Series B closing if no QIPO has occurred; (ii) the unilateral termination by both of the chief executive officer and the chief technology officer of their employment upon receipt of a written request from any holder of the then outstanding Preferred Shares; or (iii) breaches by the Company that have not been cured, upon receipt of a written request from any holder of the then-outstanding Preferred Shares, the Company shall redeem all, or part, of the outstanding Preferred Shares.

Series C and Series C+ Preferred Shares were redeemable at any time and from time to time on or after the earlier date of the occurrence of (i) the seventh anniversary of the date of the Series B closing if no qualified IPO has occurred; (ii) the unilateral termination of either the chief executive officer or the chief technology officer of his employment before the earlier of four years after the Series C closing and occurrence of a QIPO; or (iii) breaches by the Company that have not been cured, upon receipt of a written request from any holder of the then-outstanding Preferred Shares, the Company shall redeem all, or part, of the outstanding Preferred Shares.

12. CONVERTIBLE REDEEMABLE PREFERRED SHARES (continued)

The commencement date for all existing Preferred Shares was modified to be aligned to the commencement date of Series C Preferred Shares after the closing of Series C Preferred Shares.

Series D Preferred Shares were redeemable at any time and from time to time on or after the earlier date of the occurrence of (i) a qualified IPO has occurred prior to December 28, 2024; (ii) the unilateral termination of either the chief executive officer or the chief technology officer of his employment before December 28, 2024 and occurrence of a QIPO; or (iii) breaches by the Company that have not been cured, upon receipt of a written request from any holder of the then-outstanding Preferred Shares, the Company shall redeem all, or part, of the outstanding Preferred Shares.

The redemption price of Series A Preferred Shares shall be one hundred percent (100%) of the issue price of Series A Preferred Shares plus interest calculated at a five percent (5%) compound interest rate. The redemption price of Series B, B+, B2, C, C+, D Preferred Shares shall be one hundred percent (100%) of the issue price of Preferred Shares plus interest calculated at an eight percent (8%) simple interest rate.

Voting rights

The holders of the Preferred Shares are entitled to vote on all matters and are entitled to the number of votes equal to the number of Class A ordinary shares into which each share of the Preferred Shares is then convertible.

Dividend rights

Each holder of the Preferred Shares is entitled to receive noncumulative dividends at a simple rate of 8% of the Preferred Shares issue price per annum when, as, and if declared by the Board, prior and in preference to any dividend on the ordinary shares. Any remaining dividends shall be paid to the holders of the Preferred Shares and the ordinary shares on an as-converted basis. To date, the Board has not declared any such dividends.

Liquidation rights

In the event of any liquidation, dissolution, or winding-up of the Company, whether voluntary or involuntary, all assets and funds of the Company shall be distributed to the shareholders in the following manner and order:

Each holder of the Preferred Shares shall be entitled to receive, prior and in preference to any distribution to the holders of any previous Preferred Shares and ordinary shares, the amount equal to the greater of (i) an amount equal to 150% of the Preferred Shares issue price, plus all declared but unpaid dividends or (ii) the pro rata share of all the liquidation proceeds calculated based on an as-converted basis as if all of the Preferred Shares converted into ordinary shares immediately prior to such liquidation. After distributing in full the liquidation preference amount to all the holders of the Preferred Shares, the remaining funds, if any, shall be distributed to the holders of the ordinary shares.

12. CONVERTIBLE REDEEMABLE PREFERRED SHARES (continued)

Accounting of Preferred Shares

The Company classified the Preferred Shares in the mezzanine equity in the consolidated balance sheets as they are contingently redeemable at the options of the holders. Each issuance of the Preferred Shares is recognized at the respective fair value at the date of issuance net of issuance costs. The issuance costs for Series A, Series B, Series B+, Series B2, Series C, Series C+ and Series D Preferred Shares were $0.2 million, $0.4 million, $0.4 million, $0.2 million, $2 million, $0.1 million and $0.3 million, respectively.

The Company determined that there was no beneficial conversion feature attributable to the Preferred Shares because the initial effective conversion prices of these Preferred Shares were higher than the fair value of the Company's ordinary shares determined by the Company taking into account of independent valuations.

Warrants issued to would-be investors

The freestanding warrants to purchase the Preferred Shares at a future date were determined to be freestanding instruments that were accounted for as liabilities. At initial recognition, the Company recorded the warrant liabilities in the consolidated balance sheets at their estimated fair value and changes in estimated fair values were included in the changes in fair value of warrant liabilities in the consolidated statements of operations and comprehensive loss. The warrant liabilities are subject to remeasurement at each reporting period and the Company adjusted the carrying value of the warrant liabilities to fair value at the end of each reporting period utilizing an option-pricing model, with changes in estimated fair value included in the changes in fair value of warrant liabilities in the consolidated statements of operations and comprehensive loss.

Series D Warrants

The Company made Series D financing in March 2022, and three PRC onshore investment funds expressed intent to invest in Series D Preferred Shares. However, the PRC onshore investment funds were required to obtain Outbound Direct Investment ("ODI") approvals from relevant PRC government authorities and complete foreign currency exchange procedures before conducting an outbound direct investment pursuant to the PRC laws. To facilitate the PRC onshore investment funds to invest in Series D Preferred Shares with the same preference and rights as other offshore investment funds, a series of agreements were entered into by the Group and the PRC onshore investment funds.

In March 2022, as below, the Group entered into the loan agreements with the PRC onshore investment funds to borrow loans at the amount of RMB equivalent of $3.9 million. The Company also entered into warrants purchase agreements with the PRC onshore investment funds, which entitle the PRC onshore investment funds to purchase 173,024 Series D Preferred Shares at Series D's issuance price of $25.0446 per share. Such Preferred Shares shall be issuable upon the exercise of the warrants once the investor obtained the government approval and completed the exchange procedures for the ODI. The warrants were exercisable through March 2023. The warrants are classified as a liability and recorded at fair value with changes in fair value recorded in the consolidated statements of operations and comprehensive loss. The proceeds are first allocated to the warrants based on their fair value as a loan discount, with residual being allocated to the loans, which are recorded in accounts payable and other current liabilities. The loan discount is amortized over the contractual life of the loan, using the straight-line method.

12. CONVERTIBLE REDEEMABLE PREFERRED SHARES (continued)

The Company also granted warrant to a PRC onshore investment fund with no consideration, which is also a holder of Class A ordinary shares and Preferred Shares, to purchase 199,644 Series D Preferred Shares at Series D's issuance price of $25.0446 per share. The warrant valued at $828 granted is considered as a deemed dividend to the holder of Series A Preferred Shares. In December 2022, the holder exercised the warrant to purchase 199,644 shares of Series D Preferred Shares at the consideration of $5.0 million in cash.

In March 2022, the Company also entered into share and warrant purchase agreements with an investment fund, under which the investment fund shall have the right to purchase 998,219 Series D Preferred Shares at Series D's issuance price of $25.0446 per share, with an aggregate exercise price of $25.0 million. The warrant is classified as a liability and recorded at fair value with changes in fair value recorded in the consolidated statements of operations and comprehensive loss. The proceeds are first allocated to the warrant based on its fair value, with residual being allocated to the carrying amounts of Series D Preferred Shares.

13. SHARE-BASED COMPENSATION

(a) Description of the share incentive plan

Share-based awards include share options related to Class A ordinary shares granted to employees, RSUs for Class A ordinary shares granted to employees, and restricted stock awards ("RSAs") for Class B ordinary shares granted to two founders, under the share incentive plan since the inception of the Company.

In November 2016, the Group adopted the Pony AI Inc. 2016 Share Plan (the "Plan") pursuant to which the Board may grant share-based awards as an incentive. The Plan reserved 2,000,000 ordinary shares for issuance.

After several share splits and amendments, the number of ordinary shares reserved for issuance under the Plan has been updated to 58,427,257 ordinary shares since January 2020.

Share options were granted with an exercise price equal to the stock's fair value at the date of grant. Share options generally have a 10-year contractual term and vest over a four-year period starting from the date specified in each agreement. For vesting schedule of four years, 25% of the granted share options are vested on the first anniversary from the vesting commencement date; and 75% of the granted share options are vested in equal monthly installments over the following thirty-six (36) months. The RSUs generally vest over a period of four to five years starting from the date specified in each agreement. For four years vesting, the vesting schedule is consistent with the vesting schedule of share options. For five years vesting, 20% of the granted RSUs are vested on the first anniversary from the vesting commencement date, and 80% of the granted RSUs are vested in equal monthly installments over the following forty-eight (48) months. The RSAs vest over a period of four years in equal monthly installments over the forty-eight (48) months starting from the date specified in each agreement. In addition to the above service condition, certain share options and RSUs also include performance vesting condition which is contingent on the completion of an IPO or a sale event.

In April 2021 and November 2022, the Group amended the terms of 4,680,000 RSUs and 663,000 share options and 1,429,000 RSUs and 140,000 share options by eliminating the performance condition that requires the RSUs be vested and the share options be exercised until the completion of the Company's an IPO or a sale event, respectively. In accordance with ASC 718, "Compensation — Stock Compensation", the modification is an improbable-to-probable (Type III) modification as an IPO or a sale event is a performance condition that the Company anticipates will not be satisfied until occurrence. The Group remeasured the fair value of the modified RSUs and share options on the modification date and recorded the compensation expenses for the modified awards over the remaining requisite service period.

13. SHARE-BASED COMPENSATION (continued)

(a) Description of the share incentive plan (continued)

In November 2021, the Group modified the performance condition in the RSUs granted to its employees on May 28, 2021, pursuant to which, the modified RSUs which would be vested upon an IPO of the Group, will now be vested upon an IPO or a sale event of the Group. In accordance with ASC 718, "Compensation — Stock Compensation", the modification is an improbable-to-improbable (Type IV) modification as either an IPO or a sale event is a performance condition that the Company anticipates will not be satisfied until occurrence. The Group remeasured the fair value of RSUs on the modification date to record the compensation expenses if and when the performance condition is met.

On March 24, 2022, the Board of the Company approved a share buyback plan (the "Buyback Plan"). Pursuant to the Buyback Plan, the Company plans to repurchase certain issued and outstanding Class A ordinary shares of the Company and/or certain share options and the RSUs granted under the Plan, at a per share purchase price of $11.57 (or for the share options, a price at $11.57 minus exercise price as applicable, collectively the "Repurchase Price") and for the aggregate purchase not exceed $10.0 million, from employees who joined the Company or its subsidiaries before April 30, 2018 and/or senior engineers and platform leaders who joined the Company or its subsidiaries no later than December 31, 2018 (the "Eligible Employees").

As of December 31, 2022, certain Eligible Employees elected to sell all or a portion of their RSUs and share options to the Company and signed the repurchase agreement. As these awards all include performance vesting condition which is contingent on the completion of an IPO or a sale event, such awards were considered not probable of vesting as of the repurchase date. Accordingly, the entire repurchase price paid was charged to compensation expenses. Share-based compensation expenses related to the repurchase for the year ended December 31, 2022 were $5.4 million, all of which is included in R&D and selling, general and administrative expenses in the consolidated statements of operations and comprehensive loss.

(b) Share option activities

A summary of the Company's share option activities for the years ended December 31, 2021 and 2022 is as follows:

	Number of Share Options	Weighted Average Exercise Price	Weighted Average Remaining Life (in Years)	Aggregate Intrinsic Value
Outstanding as of January 1, 2021	15,760,079	0.40	7.09	45,406,131
Granted	1,087,300	3.28		
Exercised	(378,332)	0.86		
Forfeited or expired	(917,495)	1.58		
Outstanding as of December 31, 2021	**15,551,552**	**0.52**	**6.17**	**188,042,711**
Exercised	(73,541)	0.72		
Repurchase	(192,324)	0.36		
Forfeited or expired	(430,642)	2.00		
Outstanding as of December 31, 2022	**14,855,045**	**0.48**	**5.10**	**193,472,909**
Exercisable as of December 31, 2021	618,666	0.87	7.42	7,263,476
Exercisable as of December 31, 2022	**934,143**	**0.91**	**6.42**	**11,763,204**

13. SHARE-BASED COMPENSATION (continued)

(b) Share option activities (continued)

The weighted average grant date fair value of the share options granted during the year ended December 31, 2021 was $2.33. The weighted average grant date fair value of share options vested during the years ended December 31, 2021 and 2022, was $3.76 and $6.20, respectively. The total grant date fair value of the share options vested for the years ended December 31, 2021 and 2022, was $3.7 million and $2.4 million, respectively.

Cash received from share option exercises under the Plan for the years ended December 31, 2021 and 2022, was $328 and $nil, respectively.

As of December 31, 2021 and 2022, there were 14,397,552 share options and 13,681,443 share options of which the vesting or exercisability is conditioned on the occurrence of an IPO or a sale event, respectively.

(c) RSUs and RSAs activities

A summary of the Company's RSUs and RSAs activities for the years ended December 31, 2021 and 2022 is as follows:

	Number of RSUs	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2021	15,985,414	2.53
Granted	6,692,650	12.35
Vested	(4,675,833)	7.95
Forfeited	(412,067)	12.23
Unvested as of December 31, 2021	**17,590,164**	**4.60**
Granted	2,485,550	12.96
Vested	(800,107)	13.18
Repurchase	(283,391)	0.29
Forfeited	(1,587,795)	12.44
Unvested as of December 31, 2022	**17,404,421**	**5.13**

	Number of RSAs	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2021	12,187,500	0.07
Vested	(3,750,000)	0.07
Unvested as of December 31, 2021	**8,437,500**	**0.07**
Vested	(3,750,000)	0.07
Unvested as of December 31, 2022	**4,687,500**	**0.07**

As of December 31, 2021 and 2022, the weighted average remaining contractual life of outstanding RSUs were 7.26 years and 6.47 years, respectively. As of December 31, 2021 and 2022, there were 3,013,333 RSUs and 3,813,440 RSUs that have been vested but not settled, respectively.

13. SHARE-BASED COMPENSATION (continued)

(d) Valuation

The Group estimates the fair value of the share options on the grant date using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires estimates of highly subjective assumptions, which greatly affect the fair value of each share option.

The assumptions used to estimate the fair value of the share options granted during the year ended December 31, 2021, are as follows:

Share Option Value Assumptions	Year ended December 31, 2021
Expected term (in years)	7.19
Expected volatility	45.21%
Risk-free interest rate	1.04%
Expected dividend yield	0.00%

The assumptions used to estimate the fair value of the share options with modifications during the years ended December 31, 2021 and 2022, are as follows:

	Year ended December 31,	
Share Option Value Assumptions	2021	2022
Expected term (in years)	3.30 – 4.33	1.08
Expected volatility	40.93% – 44.36%	55.81% – 56.38%
Risk-free interest rate	0.41% – 0.67%	3.77% – 3.81%
Expected dividend yield	0.00%	0.00

Expected Term — The expected term represents the period that the share-based awards are expected to be outstanding.

Expected Volatility — Since the Group's shares are not publicly traded, the expected volatility is based on the historical and implied volatility of similar companies whose share or share option prices are publicly available after considering the industry, stage of life cycle, size, market capitalization, and financial leverage of the other companies.

Risk-Free Interest Rate — The risk-free interest rate used is the constant maturity U.S. Treasury rate corresponding to the applicable time to liquidity.

Expected Dividend Yield — The expected dividend assumption is based on the Group's current expectations about its anticipated dividend policy after considering the Group's dividend-paying capacity, its history of paying dividends, and the amount of its prior dividends.

For the years ended December 31, 2021 and 2022, the share-based compensation expenses were $41.1 million and $18.6 million, respectively, all of which is included in R&D and selling, general, and administrative expenses in the consolidated statements of operations and comprehensive loss. Of such amounts, $0.3 million and $0.3 million for the years ended December 31, 2021 and 2022, respectively, relate to RSAs granted to certain employees.

As of December 31, 2022, the unrecognized share-based compensation expenses related to outstanding unvested non-performance share options and RSUs for employees that are expected to vest were approximately $0.4 million and $8.4 million, respectively. The unrecognized share-based compensation expenses are expected to be recognized over a weighted-average period of approximately 1.4 years and 3.1 years for share options and RSUs respectively.

13. SHARE-BASED COMPENSATION (continued)

As of December 31, 2022, the unrecognized compensation expenses related to the performance share options were approximately $13.1 million. The Company will record cumulative share-based compensation expenses related to the performance share options in the period when an IPO or a sale event is completed for the portion of the awards for which the relevant service condition has been satisfied with the remaining expenses recognized over the remaining service period.

As of December 31, 2022, the unrecognized share-based compensation expenses related to the performance RSUs were approximately $80.8 million. The Company will record cumulative share-based compensation expenses related to the performance RSUs in the period when an IPO or a sale event is completed for the portion of the awards for which the relevant service condition has been satisfied with the remaining expenses recognized over the remaining service period.

As of December 31, 2022, the unrecognized share-based compensation expenses related to the RSAs to two founders were $0.3 million, which the Group expects to recognize over 1.2 years. In the event of an IPO, any then-unvested shares of the RSAs outstanding shall be fully vested as of completion of the IPO.

There were no share options granted to nonemployees during the years ended December 31, 2021 and 2022.

14. TAXATION

The Company is registered in the Cayman Islands and mainly operates in two taxable jurisdictions — the PRC and the U.S. The Group's loss before income tax for the years ended December 31, 2021 and 2022, is as follows:

	Year ended December 31,	
	2021	2022
Loss from the PRC operations	(134,718)	(90,586)
Loss from non-PRC operations	(89,439)	(57,738)
Loss before income tax	**(224,157)**	**(148,324)**
Income tax expenses applicable to the PRC operations	—	125
Income tax expenses (benefits) applicable to non-PRC operations	547	(199)
Total income tax expenses (benefits)	**547**	**(74)**

Cayman Island Tax

Under the current tax laws of the Cayman Islands, the Company is not subject to tax on its income or capital gains. In addition, payments of dividends and capital in respect of its shares are not subject to taxation and no withholding will be required in the Cayman Islands on the payment of any dividend or capital to any holder of its shares, nor will gains derived from the disposal of its shares be subject to the Cayman Islands income or corporation tax.

U.S. Corporate Income Tax ("CIT")

The Company's subsidiary incorporated in the U.S. is subject to income tax in the U.S. at the rate of 21% for the years ended December 31, 2021 and 2022.

14. TAXATION (continued)

Hong Kong Tax

Under the current Hong Kong Inland Revenue Ordinance, from the year of assessment 2018/2019 onwards, the subsidiary in Hong Kong are subject to profit tax at the rate of 8.25% on assessable profits up to HK$2.0 million; and 16.5% on any part of assessable profits over HK$2.0 million. The payments of dividends by the company to its shareholders are not subject to any Hong Kong withholding tax.

PRC CIT

The Group's subsidiaries, the VIEs and the VIEs' subsidiaries, which are entities incorporated in the PRC (the "PRC entities") are subject to the PRC Enterprise Income Tax on the taxable income in accordance with the relevant PRC income tax laws, which have adopted a unified income tax rate of 25%, except for High and New Technology Enterprises ("HNTE"), which are subject to a 15% tax rate. For Small Low-profit Enterprises, the portion of less than RMB1.0 million and the portion of more than RMB1.0 million but less than RMB3.0 million of the annual taxable income, will be included in the actual taxable income at 12.5% and 50%, respectively, based on which the enterprise income tax payable will be calculated at the reduced tax rate of 20% for the year ended December 31, 2021. For Small Low-profit Enterprises, the portion of less than RMB1 million and the portion of more than RMB1 million but less than RMB3 million of the annual taxable income, will be included in the actual taxable income at 12.5% and 25%, respectively, based on which the enterprise income tax payable will be calculated at the reduced tax rate of 20% for the year ended December 31, 2022.

Under preferential tax treatment, HNTEs can enjoy an income tax rate of 15%, but need to re-apply every three years. During this three-year period, an HNTE must conduct a qualification self-review each year to ensure it meets the HNTE criteria and is eligible for the 15% preferential tax rate for that year. If an HNTE fails to meet the criteria for qualification as an HNTE in any year, the enterprise cannot enjoy the 15% preferential tax rate in that year, and must instead use the regular 25% CIT rate.

- Beijing HX was qualified as HNTE in 2021, and is entitled to a preferential income tax rate at 15% for 2021, 2022 and 2023.
- Beijing ZX was qualified as HNTE in 2021, and is entitled to a preferential income tax rate at 15% for 2021, 2022 and 2023.
- Beijing YX was qualified as HNTE in 2022, and is entitled to a preferential income tax rate at 15% for 2022, 2023 and 2024.
- Guangzhou HX was qualified as HNTE since 2020, and is entitled to a preferential income tax rate of 15% for 2020, 2021 and 2022.
- Guangzhou ZX was qualified as HNTE since 2019, and is entitled to a preferential income tax rate of 15% for 2019, 2020 and 2021.
- Shenzhen YX was qualified as HNTE since 2022, and is entitled to a preferential income tax rate of 15% for 2022, 2023 and 2024.
- Jiangsu RD was qualified as HNTE since 2021, and is entitled to a preferential income tax rate of 15% for 2021, 2022 and 2023.

14. TAXATION (continued)

Composition of Income Tax Expenses

For the years ended December 31, 2021 and 2022, the Group's income tax expenses are as follows:

	Year ended December 31,	
	2021	2022
Deferred tax provisions applicable to the PRC operations	—	120
Deferred tax provisions applicable to non-PRC operations	460	(596)
Total deferred tax provisions	460	(476)
Current income tax expenses applicable to the PRC operations	—	5
Current income tax expenses applicable to non-PRC operations	87	397
Total current income tax expenses	87	402
Total income tax expenses (benefits)	**547**	**(74)**

Reconciliation of the Statutory Tax Rate to the Effective Tax Rate

The following table sets forth reconciliation between the PRC statutory income tax rate and the effective tax rate:

	Year ended December 31,	
	2021	2022
Statutory CIT rate	25.0%	25.0%
Effect on tax holiday and preferential tax treatment	(2.2)%	(4.2)%
Effect of research and development super-deduction	6.0%	11.8%
Other permanent adjustments	(4.1)%	(7.0)%
Change in valuation allowance	(15.6)%	(16.7)%
Tax rate difference from statutory rate in other jurisdictions	(9.3)%	(8.9)%
Effective tax rate for the Group	**(0.2)%**	**0.0%**

The combined effects of the income tax exemption and reduction available to the Group are as follows:

	Year ended December 31,	
	2021	2022
Tax holiday effect	4,962	6,250
Net loss per share effect-basic and diluted	0.06	0.07

14. TAXATION (continued)

Deferred Tax Assets and Liabilities

The tax effects of significant items comprising the Group's deferred taxes as of December 31, 2021 and 2022, are as follows:

	As of December 31,	
	2021	2022
Deferred tax assets:		
Net operating loss carryforwards	53,630	74,857
R&D business tax credits	12,294	15,647
Depreciation of property, equipment and software	306	560
Deferred R&D expenses	—	282
Other current liabilities and others	2,707	1,599
Lease liabilities	—	202
Total deferred tax assets	68,937	93,147
Deferred tax liabilities:		
Depreciation of property, equipment and software	(1,097)	(630)
Prepaid expenses	(958)	(601)
Right-of-use assets	—	(180)
Share-based compensation	(130)	(75)
Total deferred tax liabilities	(2,185)	(1,486)
Valuation allowance	(67,348)	(91,781)
Deferred tax liabilities, net	**(596)**	**(120)**

Deferred tax assets recognized for those tax credits are presented net of unrecognized tax benefits. Deferred tax liabilities, net were included in other non-current liabilities as of December 31, 2021 and 2022.

ASC Topic 740 *Income Taxes* requires that the tax benefits of net operating losses ("NOLs"), temporary differences, and credit carryforwards be recorded as an asset to the extent that management assesses that the asset is more likely than not realizable. Realization of the future tax benefits is dependent on the Group's ability to generate sufficient taxable income within the carryforward period. The Group considered all positive and negative evidence on whether the Group would have future taxable income sufficient to realize the benefits of its deferred tax assets.

The Group determined the valuation allowance on an entity-by-entity basis. As of December 31, 2021, the Group recorded $67.3 million of valuation allowances related to net deferred tax assets. As of December 31, 2022, the Group recorded $91.8 million of valuation allowances primarily related to R&D business tax credits and NOLs. Based on the available objectively verifiable positive and negative evidence, the Group determined that it is more likely than not that these net deferred tax assets will not be realized in the future.

14. TAXATION (continued)

NOLs and tax credit carryforwards as of December 31, 2022, are as follows:

	As of December 31, 2022	
	Amount	Expiration Years
NOLs, the PRC	438,920	2026 – 2033
Tax credits, U.S. federal	9,046	2039 – 2042
Tax credits, U.S. state	11,182	Do not expire

Utilization of NOLs and tax credits may be subject to a substantial annual limitation due to the ownership change limitations provided by the Internal Revenue Code of 1986, as amended, and similar state provisions. The annual limitation may result in the expiration of NOLs and tax credits before utilization.

Unrecognized Tax Benefits

No liabilities related to uncertain tax positions are recorded in the consolidated financial statements. It is the Group's policy to include penalties and interest expenses related to income taxes as a component of tax expenses. A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

	Year ended December 31,	
	2021	2022
Balance at the beginning of the year	2,271	3,429
Additions based on tax positions related to the current year	1,158	1,158
Additions based on tax positions related to the prior year	—	—
Balance at the end of the year	**3,429**	**4,587**

Included in the balance of unrecognized tax benefits as of December 31, 2021 and 2022, are $3.4 million and $4.6 million, respectively, of tax benefits that, if recognized, would result in adjustments to other tax accounts, primarily federal and California deferred tax assets. No income tax benefits would be realized due to the Group's valuation allowance position. The Group did not identify significant unrecognized tax benefits for other areas for the years ended December 31, 2021 and 2022. The Group did not recognize any expenses for interest and penalties related to uncertain tax positions during the years ended December 31, 2021 and 2022, due to their immaterial impact on the respective consolidated financial statements. The Group does not expect its unrecognized tax benefits balance to change materially over the next 12 months.

In accordance with the PRC Tax Administration Law on the Levying and Collection of Taxes, the PRC tax authorities generally have up to five years to claw back underpaid tax plus penalties and interest for the PRC entities' tax filings. In the case of tax evasion, which is not clearly defined in the law, there is no limitation on the tax years open for investigation.

The Group's U.S. subsidiary files income tax returns in the U.S. federal and various states. The Group's U.S. subsidiary's federal and state income tax returns are generally subject to tax examinations for the tax years ended December 31, 2019, through December 31, 2022 for Federal and December 31, 2018 through December 31, 2022 for states. There are currently no pending income tax examinations.

The Company may also be subject to the examination of the tax filings in other jurisdictions, which are not material to the consolidated financial statements.

There were no ongoing examinations by tax authorities as of December 31, 2021 and 2022.

14. TAXATION (continued)

PRC Withholding Income Tax on Dividends

The CIT Law also imposes a withholding income tax of 10% on dividends distributed by a foreign invested entity ("FIE") to its immediate holding company outside of China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the received dividends have no connection with the establishment or place of such immediate holding company within China, unless such immediate holding company's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. Such withholding income tax was exempted under the Previous CIT Law. The Cayman Islands, where the Company incorporated, does not have such tax treaty with China. According to the arrangement between Mainland China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion in August 2006, dividends paid by a FIE in China to its immediate holding company in Hong Kong will be subject to withholding tax at a rate that may be lowered to 5% (if the foreign investor owns directly at least 25% of the shares of the FIE). The State Administration of Taxation ("SAT") further promulgated Circular 601 on October 27, 2009, which provides that tax treaty benefits will be denied to "conduit" or shell companies without business substance and that a beneficial ownership analysis will be used based on a "substance-over-form" principle to determine whether or not to grant the tax treaty benefits.

To the extent that the subsidiaries and the VIEs and the VIEs' subsidiaries of the Group have undistributed earnings, the Company will accrue appropriate expected tax associated with repatriation of such undistributed earnings. As of December 31, 2021 and 2022, the Company did not record any withholding tax on the retained earnings of its subsidiaries and the VIEs in the PRC as they were still in accumulated deficit position.

15. RELATED-PARTY BALANCES AND TRANSACTIONS

(a) Related parties

Name of related parties	Relationship with the Group
Toyota Motor Corporation ("TMC")	Shareholder of the Group
Sinotrans Limited ("Sinotrans")	Non-controlling shareholder of Cyantron Logistics
Mr. Tiancheng Lou	The founder, shareholder and CTO of the Group

(b) The Group had the following significant balances and transactions with major related parties:

	As of December 31,	
Amounts due from related parties	2021	2022
TMC	2,010	1,831
Sinotrans	—	6,475
Subtotal, current	**2,010**	**8,306**
Mr. Tiancheng Lou (note), non-current	3,052	2,969
Total	**5,062**	**11,275**

15. RELATED-PARTY BALANCES AND TRANSACTIONS (continued)

(b) The Group had the following significant balances and transactions with major related parties: (continued)

	Year ended December 31,	
Revenue	**2021**	**2022**
TMC	4,632	4,205
Sinotrans	—	21,188
Total	**4,632**	**25,393**

	As of December 31,	
Operating and finance lease	**2021**	**2022**
Operating lease liabilities		
Sinotrans	—	141
Finance lease liabilities		
Sinotrans	—	2,597

	Year ended December 31,	
Operating and finance lease	**2021**	**2022**
Cost:		
Sinotrans	—	843
Selling, general and administrative expenses:		
Sinotrans	—	29
Interest expense:		
Sinotrans	—	101

	Year ended December 31,	
Interest income	**2021**	**2022**
Mr. Tiancheng Lou (note)	83	83

Note: During 2018, the Group offered a promissory note to the founder to cover the income taxes resulting from the RSAs granted. The promissory note has a maturity date on June 4, 2024 or will be repaid before a qualified IPO, whichever is earlier.

16. NET LOSS PER SHARE

Basic and diluted net loss per share have been calculated in accordance with ASC 260 for the years ended December 31, 2021 and 2022. The following table sets forth the computation of basic and diluted net loss per share:

	Year ended December 31,	
	2021	**2022**
Numerator:		
Net loss attributable to ordinary shareholders	(224,704)	(148,018)
Denominator:		
Weighted average number of ordinary shares outstanding, basic and diluted	80,698,285	85,319,170
Net loss per share, basic and diluted	**(2.78)**	**(1.73)**

16. NET LOSS PER SHARE (continued)

Basic and diluted loss per ordinary share is computed using the weighted average number of ordinary shares outstanding during the year. Both Class A and Class B ordinary shares are included in the calculation of the weighted average number of ordinary shares outstanding, basic and diluted.

The following ordinary share equivalents were excluded from the computation of diluted net loss per share to eliminate any antidilutive effect:

	Year ended December 31,	
	2021	2022
Preferred shares	190,204,169	197,448,223
Share options	856,797	973,599
RSUs	1,489,153	3,365,907
RSAs	10,186,282	6,494,735
Warrants	—	449,568
Total	**202,736,401**	**208,732,032**

17. RESTRICTED NET ASSETS

Relevant PRC laws and regulations permit the PRC companies to pay dividends only out of their retained earnings, if any, as determined in accordance with the PRC accounting standards and regulations. Additionally, the Company's PRC subsidiaries and the VIEs can only distribute dividends upon approval of the shareholders after they have met the PRC requirements for appropriation to the general reserve fund and the statutory surplus fund respectively. The general reserve fund and the statutory surplus fund require that annual appropriations of 10% of net after-tax income should be set aside prior to payment of any dividends. As a result of these and other restrictions under the PRC laws and regulations, the PRC subsidiaries and the VIEs are restricted in their ability to transfer a portion of their net assets to the Company either in the form of dividends, loans or advances, which restricted portion amounted to approximately $476.2 million as of December 31, 2022. Even though the Company currently does not require any such dividends, loans or advances from the PRC subsidiaries and the VIEs for working capital and other funding purposes, the Company may in the future require additional cash resources from its PRC subsidiaries and the VIEs due to changes in business conditions, to fund future acquisitions and developments, or merely declare and pay dividends to or distributions to the Company's shareholders. Furthermore, cash transfers from the Company's PRC subsidiaries to their parent companies outside of China are subject to the PRC government control of currency conversion. Shortages in availability of foreign currency may restrict the ability of the PRC subsidiaries and the consolidated VIEs to remit sufficient foreign currency to pay dividends or other payments to the Company, or otherwise satisfy its foreign currency denominated obligations.

18. PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION

The Company performed a test on the restricted net assets of its consolidated subsidiaries and VIEs in accordance with Securities and Exchange Commission Regulation S-X Rule 4-08 (e) (3), "General Notes to Financial Statements" and concluded that it was applicable for the Company to disclose the financial information for the Company only.

The subsidiaries did not pay any dividend to the Company for the years presented. Certain information and footnote disclosures generally included in the financial statements prepared in accordance with U.S. GAAP have been condensed and omitted. The Company did not have significant capital and other commitments or guarantees as of December 31, 2022.

PONY AI INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
(ALL AMOUNTS IN USD THOUSANDS, EXCEPT SHARE AND PER SHARE DATA OR OTHERWISE NOTED)

18. PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION (continued)

PONY AI INC.
CONDENSED BALANCE SHEETS
(All amounts in USD thousands, except share and per share data)

	As of December 31,	
	2021	2022
Assets		
Current assets:		
Cash and cash equivalents	23,849	124,160
Short-term investments	176,212	210,124
Receivables from subsidiaries	464,655	624,551
Prepaid expenses and other current assets	1,281	1,523
Total current assets	**665,997**	**960,358**
Non-current assets:		
Amounts due from related parties	3,052	2,969
Long-term investments	216,534	50,471
Total non-current assets	**219,586**	**53,440**
Total assets	**885,583**	**1,013,798**
Liabilities, Mezzanine Equity and Shareholders' Deficit		
Current liabilities:		
Amounts due to a subsidiary	6,706	1,778
Accrued expenses and other current liabilities	1,167	5,147
Total current liabilities	**7,873**	**6,925**
Non-current liabilities:		
Accumulated deficit in its subsidiaries, the VIEs and the VIEs' subsidiaries	203,907	300,863
Total non-current liabilities	203,907	300,863
Total liabilities	**211,780**	**307,788**
Series A convertible redeemable preference shares ($0.0005 par value, 34,717,760 shares and 34,717,760 shares authorized, issued and outstanding, with redemption value of $19,000 and $19,949 as of December 31, 2021 and 2022, respectively)	14,818	14,818
Series B convertible redeemable preference shares ($0.0005 par value, 44,758,365 shares and 44,758,365 shares authorized, issued and outstanding with redemption value of $102,390 and $108,592 as of December 31, 2021 and 2022, respectively)	76,840	76,840
Series B+ convertible redeemable preference shares ($0.0005 par value, 27,428,047 shares and 27,428,047 shares authorized, issued and outstanding with redemption value of $127,457 and $135,504 as of December 31, 2021 and 2022, respectively)	107,135	107,135

PONY AI INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
(ALL AMOUNTS IN USD THOUSANDS, EXCEPT SHARE AND PER SHARE DATA OR OTHERWISE NOTED)

18. PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION (continued)

	As of December 31,	
	2021	2022
Series B2 convertible redeemable preference shares ($0.0005 par value, 10,478,885 shares and 10,478,885 shares authorized, issued and outstanding with redemption value of $83,217 and $88,683 as of December 31, 2021 and 2022, respectively)	68,138	68,138
Series C convertible redeemable preference shares ($0.0005 par value, 57,896,414 shares and 57,896,414 shares authorized, issued and outstanding with redemption value of $622,129 and $665,769 as of December 31, 2021 and 2022, respectively)	559,087	559,087
Series C+ convertible redeemable preference shares ($0.0005 par value, 16,161,668 shares and 16,161,668 shares authorized as of December 31, 2021 and 2022, respectively; and 16,161,021 shares and 16,161,021 shares issued and outstanding with redemption value of $271,184 and $291,183 as of December 31, 2021 and 2022, respectively)	249,884	249,884
Series D convertible redeemable preference shares ($0.0005 par value, 19,964,384 shares authorized as of December 31, 2022; and 7,453,371 shares issued and outstanding with redemption value of $198,694 as of December 31, 2022)	—	181,595
Total mezzanine equity	**1,075,902**	**1,257,497**
Pony AI Inc. shareholders' deficit:		
Class A ordinary shares ($0.0005 par value, 327,470,091 shares and 307,505,707 shares authorized as of December 31, 2021 and 2022, respectively; 10,635,221 shares and 10,708,762 shares issued and outstanding as of December 31, 2021 and 2022, respectively)	7	9
Class B ordinary shares ($0.0005 par value, 81,088,770 shares and 81,088,770 shares authorized, issued and outstanding as of December 31, 2021 and 2022, respectively)	35	35
Additional paid-in capital	50,796	63,200
Special reserve	—	91
Accumulated deficit	(466,550)	(614,659)
Accumulated other comprehensive income (loss)	13,613	(163)
Total Pony AI Inc. shareholders' deficit	**(402,099)**	**(551,487)**
Total liabilities, mezzanine equity and shareholders' deficit	**885,583**	**1,013,798**

PONY AI INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
(ALL AMOUNTS IN USD THOUSANDS, EXCEPT SHARE AND PER SHARE DATA OR OTHERWISE NOTED)

18. PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION (continued)

PONY AI INC.
CONDENSED STATEMENTS OF OPERATION AND COMPREHENSIVE LOSS
(All amounts in USD thousands, except share and per share data)

	Year ended December 31,	
	2021	2022
Operating expenses:		
Research and development expenses	(77,549)	(67,131)
Selling, general and administrative expenses	(4,386)	(3,065)
Total operating expenses	**(81,935)**	**(70,196)**
Loss from operations	**(81,935)**	**(70,196)**
Investment income	1,929	4,669
Changes in fair value of warrant liabilities	(13,303)	3,887
Equity in loss of its subsidiaries, the VIEs and the VIEs' subsidiaries	(131,395)	(85,742)
Other expenses, net	—	(636)
Loss before income tax	**(224,704)**	**(148,018)**
Income tax expenses	—	—
Net loss	**(224,704)**	**(148,018)**
Other comprehensive income, net of tax:		
Foreign currency translation adjustments, net of tax	7,814	(11,213)
Unrealized loss on available-for-sale financial assets, net of tax of nil	(1,521)	(2,563)
Total other comprehensive income (loss)	**6,293**	**(13,776)**
Total comprehensive loss	**(218,411)**	**(161,794)**

18. PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION (continued)

PONY AI INC.
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2022
(All amounts in USD thousands, except share and per share data)

	Year ended December 31,	
	2021	2022
Cash flows from operating activities:		
Net cash used in operating activities	(67,604)	(67,653)
Cash flows from investing activities:		
Purchases of investments in marketable debt securities	(428,563)	(144,564)
Proceeds from the sales and maturities of investments in marketable debt securities	512,828	273,186
Loan to a subsidiary	(216,050)	(147,000)
Net cash used in investing activities	(131,785)	(18,378)
Cash flows from financing activities:		
Net proceeds from issuance of Series C convertible redeemable preferred shares	20,000	—
Net proceeds from issuance of Series C+ convertible redeemable preferred shares	99,991	—
Net proceeds from issuance of Series D convertible redeemable preferred shares	—	186,342
Proceeds from issuance of ordinary shares upon exercise of share options	328	—
Net cash provided by financing activities	120,319	186,342
Net (decrease) increase in cash and equivalents	**(79,070)**	**100,311**
Cash, cash equivalents and restricted cash at beginning of year	**102,919**	**23,849**
Cash, cash equivalents and restricted cash at end of year	**23,849**	**124,160**

19. SUBSEQUENT EVENTS

The Group evaluated its subsequent events through March 27, 2023, the date the consolidated financial statements were available to be issued.

In March 2023, the Company granted 690,000 RSUs to its employees. These RSUs have a 10-year contractual term and vest over a period of four to five years starting from the date specified in each agreement. The grant date fair value of the share underlying the 690,000 RSUs is $13.50 per RSU, and the related unrecognized share-based compensation expenses are $9.3 million.

In March 2023, the Company entered into a share purchase agreement with IWAY LLC, a company wholly owned by Mr. Tiancheng Lou, to repurchase 355,292 Series A Preferred Shares of the Company at fair value of US$4.8 million. Upon the completion of this transaction, all of the shares repurchase shall be automatically cancelled. The repurchase of preferred shares is accounted for under the cost method whereby the entire cost of the acquired Series A Preferred Shares is recorded as reduction of Series A convertible redeemable preference shares under mezzanine equity and additional paid-in capital. The additional paid-in capital is recorded as the excess of proceeds over the original issuance price of these Series A Preferred Shares. The repurchase resulted in a reduction of mezzanine equity by $0.2 million, and a reduction of additional paid-in capital by $4.6 million.

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 6. Indemnification of Directors and Officers

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences or committing a crime. Under our post-offering amended and restated memorandum and articles of association, which will become effective immediately prior to the completion of this offering, to the fullest extent permissible under Cayman Islands law every director and officer of our company shall be indemnified against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him in connection with the execution or discharge of his duties, powers, authorities or discretions as a director or officer of our company, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere.

Pursuant to the form of indemnification agreements to be filed as Exhibit 10.2 to this Registration Statement, we will agree to indemnify our directors and executive officers against certain liabilities and expenses that they incur in connection with claims made by reason of their being a director or officer of our company.

The Underwriting Agreement, the form of which to be filed as Exhibit 1.1 to this Registration Statement, will also provide for indemnification of us and our officers and directors.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 7. Recent Sales of Unregistered Securities

During the past three years, we have issued the following securities (including options to acquire our ordinary shares) without registering the securities under the Securities Act. We believe that each of the following issuances was exempt from registration under the Securities Act in reliance on Regulation S under the Securities Act regarding sales by an issuer in offshore transactions, pursuant to Section 4(a)(2) of the Securities Act regarding transactions not involving a public offering and/or Rule 701 of the Securities Act. None of the transactions involved an underwriter.

Purchaser	Date of Sale or Issuance	Number of Securities	Consideration (US$)
Class A ordinary shares			
CYRUS F ABARI	March 1, 2021	46,666	29,399.58
STEPHEN LEE	March 1, 2021	15,625	9,843.75
Free Pony Limited	May 8, 2021	1,500,000	Nil
Jian Peng	May 8, 2021	162,500	Nil
Starburst Limited	May 8, 2021	192,500	121,275.00
Stephanie A. Bruno, as trustee of BoLe 2021 Family Trust	May 19, 2021	18,125	11,418.75
JIALIN JIAO	September 8, 2021	35,000	22,050.00
KEVIN CHIHPEI SHEU	September 8, 2021	16,041	10,105.83
YUI-HONG MATTHIAS TAN	September 8, 2021	13,750	8,662.50
KELVIN KAI WANG CHAN	September 8, 2021	86,666	142,998.90

Purchaser	Date of Sale or Issuance	Number of Securities	Consideration (US$)
CHUN-YU, CHUNG	September 8, 2021	16,250	10,237.50
Francisco Javier Rovira de la Torre	April 23, 2022	16,250	10,237.50
George Chu Luo	April 23, 2022	38,750	24,412.50
Michael Wu	April 23, 2022	15,000	12,300.00
Philip Hawzen Mao	April 23, 2022	3,541	5,842.65
Series C Preferred shares			
Toyota Motor Corporation	March 13, 2020	42,453,831	400,000,000
Morningside China TMT Fund IV Co-Investment, L.P.	March 13, 2020	250,864	2,363,636
Morningside China TMT Special Opportunity Fund II, L.P.	March 13, 2020	2,508,636	23,636,364
ERVC Technology IV LP	March 13, 2020	265,336	2,500,000
Fidelity China Special Situations PLC	March 13, 2020	3,396,307	32,000,000
CITY ACE INVESTMENT CORPORATION	November 16, 2020	548,190	5,165,044
Morningside China TMT Fund IV Co-Investment, L.P.	November 16, 2020	48,243	454,545
Morningside China TMT Special Opportunity Fund II, L.P.	November 16, 2020	482,430	4,545,455
2774719 Ontario Limited	November 16, 2020	5,306,729	50,000,000
ERVC Technology IV LP	November 16, 2020	212,269	2,000,000
ClearVue Pony Al Plus Holdings, Ltd.	March 1, 2021	300,887	2,834,956
FAW Equity Investment (Tianjin) Company Limited	June 22, 2021	2,122,692	20,000,000
Series C+ Preferred shares			
2774719 Ontario Limited	November 16, 2020	9,697,001	150,000,000
CPE Investment (Hong Kong) 2018 Limited	January 13, 2021	2,585,220	39,990,000
Raumier Limited	January 13, 2021	3,878,800	60,000,000
Series D Preferred shares			
ClearVue Pony AI Plus Holdings, Ltd.	February 23, 2022	199,644	5,000,000
China-UAE Investment Cooperation Fund, L.P.	March 4, 2022	3,992,877	100,000,000
Raumier Limited	March 4, 2022	1,597,151	40,000,000
Morningside China TMT Fund IV Co-Investment, L.P.	March 4, 2022	18,149	454,545
Morningside China TMT Fund IV, L.P.	March 4, 2022	181,495	4,545,455
Evodia Investments	March 4, 2022	266,192	6,666,672.16
2774719 Ontario Limited	March 4, 2022	998,219	25,000,000
Assets Key Limited	December 29, 2022	199,644	5,000,000

Purchaser	Date of Sale or Issuance	Number of Securities	Consideration
			(US$)
Warrants			
China-UAE Investment Cooperation Fund, L.P.	March 4, 2022	998,219	25,000,000
Hainan Kaibeixin Investment Limited Partnership	March 4, 2022	133,096	3,333,336.08
Shenzhen ZY Venture Investment Limited	March 4, 2022	39,928	1,000,000
Options and restricted share units			
Certain employees	During the past three years	hold 1,838,473 share options and 7,182,505 restricted share units to purchase 9,020,978 ordinary shares	Past and future services provided by these individuals to us

Item 8. Exhibits and Financial Statement Schedules

(a) Exhibits:

See Exhibit Index for a complete list of all exhibits filed as part of this registration, which Exhibit Index is incorporated herein by reference.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the consolidated financial statements and the notes thereto.

Item 9. Undertakings

The undersigned hereby undertakes:

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the U.S. Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

PONY AI INC.

EXHIBIT INDEX

Exhibit Number	Description of Document
1.1*	Form of Underwriting Agreement
3.1†	Seventh Amended and Restated Memorandum and Articles of Association of the Registrant, as currently in effect
3.2*	Form of Eighth Amended and Restated Memorandum and Articles of Association of the Registrant, as effective immediately prior to the completion of this offering
4.1*	Form of Registrant's Specimen American Depositary Receipt (included in Exhibit 4.3)
4.2*	Registrant's Specimen Certificate for Ordinary Shares
4.3*	Form of Deposit Agreement between the Registrant, the depositary and holders of the American Depositary Shares
5.1*	Opinion of Walkers (Hong Kong) regarding the validity of the ordinary shares being registered
8.1*	Opinion of Walkers (Hong Kong) regarding certain Cayman Island tax matters (included in Exhibit 5.1)
8.2*	Opinion of Haiwen & Partners regarding certain PRC tax matters (included in Exhibit 99.2)
10.1†	2016 Share Plan
10.2*	Form of Indemnification Agreement with each of the Registrant's directors and executive officers
10.3*	Form of Employment Agreement between the Registrant and an executive officer of the Registrant
10.4*	English translation of Exclusive Business Cooperation Agreement dated June 1, 2020 among Beijing (HX) Pony, Hongkong Pony AI and Beijing (ZX) Pony
10.5*	English translation of Equity Pledge Agreement dated June 1, 2020 among Beijing (HX) Pony, Hongkong Pony AI, Beijing (ZX) Pony, shareholders of Beijing (ZX) Pony, Bocong Liu and Jing Zhai
	English translation of Supplementary Equity Pledge Agreement dated February 1, 2021 among Beijing (HX) Pony, Hongkong Pony AI, Beijing (ZX) Pony, shareholders of Beijing (ZX) Pony, Bocong Liu and Jing Zhai
	English translation of Supplementary Equity Pledge Agreement dated July 1, 2021 among Beijing (HX) Pony, Hongkong Pony AI, Beijing (ZX) Pony, shareholders of Beijing (ZX) Pony and Jing Zhai
10.6*	English translation of Exclusive Option Agreement dated June 1, 2020 among Beijing (HX) Pony, Hongkong Pony AI, Beijing (ZX) Pony, shareholders of Beijing (ZX) Pony, Bocong Liu and Jing Zhai
10.7*	English translation of executed form of Power of Attorney granted by each shareholder of Beijing (ZX) Pony and a schedule of all executed Powers of Attorney adopting the same form
10.8*	English translation of executed form of Spousal Consent granted by the spouse of each individual shareholder of Beijing (ZX) Pony and Guangzhou (ZX) Pony, as currently in effect, and a schedule of all executed Spousal Consents adopting the same form
10.9*	English translation of Supplementary Agreement to Control Agreements dated January 30, 2023 by and among Beijing (HX) Pony, Hongkong Pony AI, Beijing (ZX) Pony, shareholders of Beijing (ZX) Pony, Bocong Liu and Jing Zhai
10.10*	English translation of Exclusive Business Cooperation Agreement dated June 1, 2020 among Guangzhou (HX) Pony, Hongkong Pony AI and Guangzhou (ZX) Pony
10.11*	English translation of Equity Pledge Agreement dated September 14, 2020 among Guangzhou (HX) Pony, Hongkong Pony AI, Guangzhou (ZX) Pony and shareholders of Guangzhou (ZX) Pony

Exhibit Number	Description of Document
10.12*	English translation of Exclusive Option Agreement September 14, 2020 among Guangzhou (HX) Pony, Hongkong Pony AI, Guangzhou (ZX) Pony and shareholders of Guangzhou (ZX) Pony
10.13*	English translation of executed form of Power of Attorney dated September 14, 2020 granted by each shareholder of Guangzhou (ZX) Pony, as currently in effect, and a schedule of all executed Powers of Attorney adopting the same form
10.14*	English translation of Supplementary Agreement to Control Agreements dated January 30, 2023 among Guangzhou (HX) Pony, Hongkong Pony AI, Guangzhou (ZX) Pony and shareholders of Guangzhou (ZX) Pony
10.15†	Series D Preferred Share Purchase Agreement by and among the Registrant, China-UAE Investment Cooperation Fund, L.P. and other parties named therein dated December 23, 2021
10.16†	Series D Preferred Share Purchase Agreement by and among the Registrant, 2774719 Ontario Limited and other parties named therein dated January 25, 2022
10.17†	Series D Preferred Share and Warrant Purchase Agreement by and among the Registrant, Evodia Investments, Hainan Kaibeixin Investment Limited Partnership and other parties named therein dated February 4, 2022
10.18†	Deed of Adherence entered by Raumier Limited dated February 4, 2022 to Series D Preferred Share Purchase Agreement by and among the Registrant, China-UAE Investment Cooperation Fund, L.P. and other parties named therein dated December 23, 2021 (which is filed in exhibit 10.15)
10.19†	Deed of Adherence entered by Morningside China TMT Fund IV, L.P. dated February 4, 2022 to Series D Preferred Share Purchase Agreement by and among the Registrant, China-UAE Investment Cooperation Fund, L.P. and other parties named therein dated December 23, 2021 (which is filed in exhibit 10.15)
10.20†	Deed of Adherence entered by Morningside China TMT Fund IV Co-investment, L.P. dated February 4, 2022 to Series D Preferred Share Purchase Agreement by and among the Registrant, China-UAE Investment Cooperation Fund, L.P. and other parties named therein dated December 23, 2021 (which is filed in exhibit 10.15)
10.21†	Deed of Adherence entered by ClearVue Pony AI Plus Holdings dated February 4, 2022 to Series D Preferred Share Purchase Agreement by and among the Registrant, China-UAE Investment Cooperation Fund, L.P. and other parties named therein dated December 23, 2021 (which is filed in exhibit 10.15)
10.22†	Deed of Adherence entered by Assets Key Limited dated January 28, 2022 to Series D Preferred Share Purchase Agreement by and among the Registrant, China-UAE Investment Cooperation Fund, L.P. and other parties named therein dated December 23, 2021 (which is filed in exhibit 10.15)
10.23†	Deed of Adherence entered by Shenzhen ZY Venture Investment Limited Corporation dated February 4, 2022 to Series D Preferred Share Purchase Agreement by and among the Registrant, China-UAE Investment Cooperation Fund, L.P. and other parties named therein dated December 23, 2021 (which is filed in exhibit 10.15)
10.24†	Sixth Amended and Restated Shareholders Agreement by and among the Registrant and other parties named therein dated March 4, 2022
10.25†	Sixth Amended and Restated Right of First Refusal and Co-Sale Agreement by and among the Registrant and other parties named therein dated March 4, 2022
10.26†	Warrant to Purchase Shares by and between the Registrant and China-UAE Investment Cooperation Fund, L.P. dated March 4, 2022
10.27	English translation of the lease agreement of our headquarters (12th Floor) located in Guangzhou by and among Guangzhou (ZX) Pony AI Technology Co., Ltd. and certain landlord dated May 2, 2018

Exhibit Number	Description of Document
10.28	English translation of the lease agreement of our headquarters (13th Floor) located in Guangzhou by and among Guangzhou (ZX) Pony AI Technology Co., Ltd. and certain landlord dated September 12, 2019
16.1**	Letter from Deloitte & Touche LLP to the SEC, dated March 24, 2023
21.1*	Principal Subsidiaries and Variable Interest Entities of the Registrant
23.1*	Consent of Deloitte Touche Tohmatsu Certified Public Accountants LLP, Independent Registered Public Accounting Firm
23.2*	Consent of Walkers (Hong Kong) (included in Exhibit 5.1)
23.3*	Consent of Haiwen & Partners (included in Exhibit 99.2)
24.1*	Powers of Attorney (included on signature page)
99.1*	Code of Business Conduct and Ethics of the Registrant
99.2*	Opinion of Haiwen & Partners regarding certain PRC law matters
99.3*	Consent of Frost & Sullivan
107*	Filing Fee Table

† Pursuant to Item 601(b)(10)(iv) of Regulation S-K promulgated by the Securities and Exchange Commission, certain portions of this exhibit havebeen redacted because they are neither material nor the type that the Company treats as private or confidential.

* To be filed by amendment.

** Previously filed.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Guangzhou, the People's Republic of China, on , 2023.

Pony AI Inc.

By: _____

Name: Dr. Jun Peng
Title: Chairman of the Board, Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Dr. Jun Peng and Dr. Haojun Wang and each of them, individually, as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead in any and all capacities, in connection with this registration statement, including to sign in the name and on behalf of the undersigned, this registration statement and any and all amendments thereto, including post-effective amendments and registrations filed pursuant to Rule 462 under the U.S. Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, granting unto such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons on , 2023 in the capacities indicated:

Signature	Title
Dr. Jun Peng	Chairman of the Board, Chief Executive Officer (principal executive officer)
Dr. Tiancheng Lou	Director, Chief Technology Officer
Dr. Haojun Wang	Chief Financial Officer (principal financial officer and principal accounting officer)

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, the undersigned, the duly authorized representative in the United States of Pony AI Inc., has signed this registration statement or amendment thereto in New York on , 2023.

Cogency Global Inc.

Authorized U.S. Representative

By: _____

Name:
Title:

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY BRACKETS [****], HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

Exhibit 3.1

THE COMPANIES ACT (AS AMENDED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

SEVENTH AMENDED AND RESTATED

MEMORANDUM AND ARTICLES

OF

ASSOCIATION

OF

PONY AI INC.

(As adopted by a special resolution passed on March 4, 2022, and effective on March 4, 2022)

THE COMPANIES ACT (AS AMENDED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

SEVENTH AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

PONY AI INC.

(As adopted by a special resolution passed on March 4, 2022, and effective on March 4, 2022)

1. The name of the Company is Pony AI Inc.

2. The Registered Office of the Company shall be at the offices of Osiris International Cayman Limited, Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman KY1-1209, Cayman Islands, or at such other place in the Cayman Islands as the Directors may from time to time decide.

3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Act (As Amended) or as the same may be revised from time to time, or any other Law of the Cayman Islands.

4. The Company has unrestricted corporate capacity. Without limitation to the foregoing, as provided by Section 27(2) of the Companies Act (As Amended), the Company has and is capable of exercising all of the functions of a natural Person of full capacity irrespective of any question of corporate benefit.

5. The liability of each Member is limited to the amount from time to time unpaid on such Member's Shares.

6. The authorized share capital of the Company is US$300,000.00 divided into (a) 307,505,707 Class A Ordinary Shares of par value US$0.0005 each (the "**Class A Ordinary Shares**"), (b) 81,088,770 Class B Ordinary Shares of par value US$0.0005 each (the "**Class B Ordinary Shares**," collectively with the Class A Ordinary Shares, the "**Ordinary Shares**"), (c) 34,717,760 Series A Preferred Shares of par value US$0.0005 each (the "**Series A Preferred Shares**"), (d) 44,758,365 Series B Preferred Shares of par value US$0.0005 each (the "**Series B Preferred Shares**"), (e) 27,428,047 Series B+ Preferred Shares of par value US$0.0005 each (the "**Series B+ Preferred Shares**"), (f) 10,478,885 Series B2 Preferred Shares of par value US$0.0005 each (the "**Series B2 Preferred Shares**"), (g) 57,896,414 Series C Preferred Shares of par value US$0.0005 each (the "**Series C Preferred Shares**"), (h) 16,161,668 Series C+ Preferred Shares of par value US$0.0005 each (the "**Series C+ Preferred Shares**"), and (i) 19,964,384 Series D Preferred Shares of par value US$0.0005 each (the "**Series D Preferred Shares**," collectively with the Series A Preferred Shares, the Series B Preferred Shares, the Series B+ Preferred Shares, the Series B2 Preferred Shares, the Series C Preferred Shares and the Series C+ Preferred Shares, the "**Preferred Shares**").

7. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Act (As Amended) and, subject to the provisions of the Companies Act (As Amended) and the Articles of Association of the Company, it shall have the power to register by way of continuation as a body corporate limited by shares under the Laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

8. Capitalised terms that are not defined in this Seventh Amended and Restated Memorandum of Association bear the same meaning as those given in the Seventh Amended and Restated Articles of Association of the Company.

THE COMPANIES ACT (AS AMENDED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

SEVENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

PONY AI INC.

(As adopted by a special resolution passed on March 4, 2022, and effective on March 4, 2022)

INTERPRETATION

1. In these Articles Table A in the First Schedule to the Statute does not apply and, unless there is something in the subject or context inconsistent therewith:

"**Accounting Standards**"	means generally accepted accounting principles in the United States, applied on a consistent basis.
"**Additional Number**"	shall have the meaning set forth in Section 1.4.2 of Schedule A hereof.
"**Affiliate**"	means, with respect to a Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person. In the case of a holder of Preferred Shares, the term "Affiliate" also includes (v) any direct or indirect shareholder of such holder, (w) any of such shareholder's or such holder's general partners or limited partners, (x) the fund manager managing or advising such shareholder or such holder (and general partners, limited partners and officers thereof) and other funds managed or advised by such fund manager, and (y) trusts Controlled by or for the benefit of any such Person referred to in (v), (w) or (x), and (z) any fund or holding company formed for investment purposes that is promoted, sponsored, managed, advised or serviced by such holder or any of its Affiliates, but excludes, for the avoidance of doubt, any portfolio companies of such holder and portfolio companies of any affiliated investment fund or investment vehicle of such holder. For the avoidance of doubt, unless the context requires otherwise, Affiliates of a Group Company shall not include any holder of Preferred Shares and vice versa. Notwithstanding the foregoing and anything to the contrary in any Transaction Document, (a) the name "Sequoia Capital" is commonly used to describe a variety of entities (collectively, the "**Sequoia Entities**") that are affiliated by ownership or operational relationship and engaged in a broad range of activities related to investing and securities trading and (b) notwithstanding any other provision of these Articles and the other Transaction Documents to the contrary, these Articles and the other Transaction Documents shall not be binding on, or restrict the activities of, (i) any Sequoia Entity outside of the Sequoia China Sector Group, (ii) any entity primarily engaged in investment and trading in the secondary securities market, (iii) the ultimate beneficial owner of an Sequoia Entity (or its general partner or ultimate general partner) who is a natural Person, and such Person's relatives (including but without limitation, such Person's spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law), (iv) any officer, director or employee of a Sequoia Entity (or its general partner or ultimate general partner) and such Person's relatives, and (v) for the avoidance of doubt, any portfolio companies of any Sequoia Entity and portfolio companies of any affiliated investment fund or investment vehicle of any Sequoia Entity. For purposes of the foregoing, the "**Sequoia China Sector Group**" means all Sequoia Entities (whether currently existing or formed in the future) that are principally focused on companies located in, or with connections to, the PRC that are exclusively managed by Sequoia Capital. For the avoidance of doubt, Eight Roads and ClearVue shall be deemed Affiliates to each other. In addition, an Eight Roads Person (as defined below) is also an affiliate of Eight Roads. Eight Roads Person(s) means (1) FIL Limited ("**FIL**"), a company incorporated in Bermuda, and any subsidiary undertaking of FIL from time to time (FIL and its subsidiary undertakings being the "**FIL Group**"); (2) FMR LLC ("**FMR**"), a Delaware corporation, and any subsidiary undertaking of FMR from time to time (FMR and its subsidiary undertakings being the "**FMR Group**"); (3) any director, officer, employee or shareholder of the FIL Group and/or the FMR Group or members of his family and any company, trust, partnership or other entity ("**Entities**") formed for his or any of their benefit from time to time (any or all of such individuals and Entities being the "**Closely Related Shareholders**"); (4) any Entity controlled by Closely Related Shareholders where "control" shall mean the power to direct the management and policies or appoint or remove members of the board of directors or other governing body of the Entity, directly or indirectly, whether through the ownership of voting securities, contract or otherwise, and "controlled" shall be construed accordingly; (5) any affiliate of any member of the FIL Group and/or the FMR Group (where "affiliate" means any Entity controlled by any combination of any Closely Related Shareholders and any member of the FIL Group and/or the FMR Group, and includes the officers, partners and directors of any affiliate); and (6) any charitable organizations.

"**Applicable Conversion Price"**	means, with respect to the Series A Preferred Shares, the then-effective Series A Conversion Price; with respect to the Series B Preferred Shares, the then-effective Series B Conversion Price; with respect to the Series B+ Preferred Shares, the then-effective Series B+ Conversion Price; with respect to the Series B2 Preferred Shares, the then-effective Series B2 Conversion Price; with respect to the Series C Preferred Shares, the then-effective Series C Conversion Price; with respect to the Series C+ Preferred Shares, the then-effective Series C+ Conversion Price; and with respect to the Series D Preferred Shares, the then-effective Series D Conversion Price.
"**Approval of the Preferred Directors**"	means the approval of no less than two-thirds (2/3) of the votes of all incumbent Preferred Directors.
"**Approval of the Majority Preferred Holders**"	means in relation to the same matter, the approval, in the form of written consent, by the Majority Preferred Holders.

"**Approved Sale**"	shall have the meaning set forth in Article 121 hereof.
"**Articles"**	means these articles of association of the Company (including the Schedule A hereto) as originally formed or as from time to time altered by Special Resolution.
"**Auditor**"	means the Person for the time being performing the duties of auditor of the Company (if any).
"**Automatic Conversion**"	shall have the meaning set forth in Article 8.3(C) hereof.
"**Board**" or "**Board of Directors**"	means the board of directors of the Company.
"**Business Day**"	means any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorized by Law to be closed in the Cayman Islands, British Virgin Islands, the United States, Japan, Hong Kong, Toronto or the PRC.
"**CEO**"	means Chief Executive Officer.
"**CEO Director**"	shall have the meaning set forth in Article 63.
"**Change of Control Event**"	means any event, action or transaction (either in a single transaction or a series of related transactions) that would result in a Person (other than the Principals and their respective Affiliates), together with its Affiliates, acquiring Control of the Company or otherwise acquiring the power to consolidate the financials of the Group Companies.
"**Charter Documents**"	means, with respect to a particular legal entity, the articles of incorporation, certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.

"**China-UAE**"	means China-UAE Investment Cooperation Fund, L.P. and its successors, transferees and permitted assigns.
"**Class A Ordinary Shares**"	shall have the meaning set forth in the Memorandum.
"**Class B Ordinary Shares**"	shall have the meaning set forth in the Memorandum.
"**Collaboration Agreement**"	has the meaning given to such term in the TMC Purchase Agreement.
"**Company**"	means the above named company.
"**Company Option Period**"	shall have the meaning set forth in Section 2.2.2 of Schedule A hereof.
"**Competitor**"	shall have the meaning set forth in the Right of First Refusal and Co-Sale Agreement.
"**Competitor ROFR Notice**"	shall have the meaning set forth in Section 2.1.3 of Schedule A hereof.
"**Competitor Transfer Notice**"	shall have the meaning set forth in Section 2.1.3 of Schedule A hereof.
"**Contract**"	means a contract, agreement, understanding, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, or other legally binding arrangement, whether written or oral.
"**Control**"	of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by Contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person. The terms "**Controlled**" and "**Controlling**" have meanings correlative to the foregoing.

"**Control Documents**"	has the meaning given to such term in the Series D Purchase Agreement.
"**Conversion Shares**"	means Class A Ordinary Shares issuable upon conversion of the Preferred Shares.
"**Convertible Securities**"	shall have the meaning set forth in Article 8.3(E)(5)(a)(ii) hereof.
"**CPE Purchase Agreement**"	means a Preferred Shares Purchase Agreement dated January 13, 2021, by and among the Company, CPE Investment (Hong Kong) 2018 Limited, Raumier Limited and the other parties thereto.
"**CTO**"	means Chief Technology Officer.
"**CVP**"	means ClearVue Pony Holdings, Ltd. and its successors, transferees and permitted assigns.
"**Deemed Liquidation Event**"	means any of the following events:

(a) any consolidation, amalgamation, scheme of arrangement or merger of any Group Company with or into any other Person or other reorganization in which the Members or shareholders of such Group Company immediately prior to such consolidation, amalgamation, merger, scheme of arrangement or reorganization own less than fifty percent (50%) of such Group Company's voting power or equity securities in the aggregate immediately after such consolidation, merger, amalgamation, scheme of arrangement or reorganization, or any transaction or series of related transactions in which in excess of fifty percent (50%) of such Group Company's voting power or equity securities is transferred;

(b) a sale, transfer, lease or other disposition of all or substantially all of the assets (including, for the avoidance of doubt, intellectual property) of the Group Companies, taken together as a whole (or any series of related transactions resulting in such sale, transfer, lease or other disposition of all or substantially all of the assets of the Group Companies, taken together as a whole);

	(c) the exclusive licensing of all or substantially all of the intellectual property of the Group Companies, taken together as a whole, to a third party; (d) any Share Sale; or (e) any event that results in the Company losing Control over the Domestic Companies.
"**Director**"	means a director serving on the Board for the time being of the Company and shall include an alternate Director appointed in accordance with these Articles.
"**Divestment Rights**"	shall have the meaning set forth in Article 124 hereof.
"**Domestic Companies**"	means Beijing Pony AI Technology Co., Ltd. (北京小 马智行科技有限公司), a limited liability company incorporated under the Laws of the PRC, Guangzhou Pony AI Technology Co., Ltd. (广州小马智行科技有限 公 司), a limited liability company incorporated under the Laws of the PRC, Jiangsu Heimai Data Technology Co., Ltd. (江苏黑麦数据科技有限公司), a limited liability company incorporated under the Laws of the PRC, Guangzhou Bibi Technology Co., Ltd. (广州哔哔出行科技服务有限公司), a limited liability company incorporated under the Laws of the PRC.
"**Drag Holders**"	shall have the meaning set forth in Article 121 hereof.
"Each Series Majority Preferred Holders"	means each and every Majority Series A Holders, Majority Series B Holders, Majority Series B+ Holders, Majority Series B2 Holders, Majority Series C Holders, Majority Series C+ Holders, and Majority Series D Holders.
"**Eight Roads**"	means ERVC Technology IV LP and its successors, transferees and permitted assigns.
"**Eight Roads Purchase Agreement"**	means the Series C Preferred Shares Purchase Agreement, dated February 5, 2020, by and among the Company, Eight Roads and certain other parties named therein, as amended from time to time**.**

"**Electronic Record**"	has the same meaning as given in the Electronic Transactions Law (2003 Revision), as may be amended from time to time.
"**Equity Securities**"	means, with respect to any Person that is a legal entity, (a) any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person; (b) any equity appreciation, phantom equity, equity plans or similar rights with respect to such Person; (c) any security convertible into, exchangeable or exercisable for, or any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire, subscribe for or purchase any of the Equity Securities referred to in (a) and (b); or (d) any Contract providing for the acquisition of any of the foregoing, either directly or indirectly.
"**Exempted Distribution**"	means (a) a dividend payable solely in Ordinary Shares made to the holders of the Preferred Shares and Ordinary Shares on a pro rata basis, based on the number of Ordinary Shares then held by each such holder on an as-converted basis, (b) the purchase, repurchase or redemption of Ordinary Shares by the Company at no more than cost from terminated employees, officers or consultants in accordance with the ESOP, or pursuant to the exercise of a contractual right of first refusal held by the Company under the Right of First Refusal and Co-Sale Agreement, or pursuant to written contractual arrangements with the Company approved by the Board (so long as such approval includes the Approval of the Preferred Directors), or (c) the purchase, repurchase or redemption of the Preferred Shares pursuant to these Articles (including in connection with the conversion of such Preferred Shares into Ordinary Shares).
"**ESOP**"	has the meaning given to such term in the Series D Purchase Agreement.
"**Exercising Shareholder**"	shall have the meaning set forth in Section 2.2.3.3 of Schedule A hereof.

"**Fidelity Purchase Agreement**"	means the Series C Preferred Shares Purchase Agreement, dated February 5, 2020, by and among the Company, Fidelity China Special Situations PLC and certain other parties named therein, as amended from time to time.
"**First IPO Application Date**"	shall have the meaning set forth in Article 124 hereof.
"**First Participation Notice**"	shall have the meaning set forth in Section 1.4.1 of Schedule A hereof.
"**Governmental Authority**"	means any government of any nation or any federation, province or state or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of the PRC, Hong Kong or any other country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization.
"**Governmental Body**"	means (a) any government or political subdivision thereof, (b) any department, agency or instrumentality of any government or political subdivision thereof or (c) any sovereign wealth fund, state-owned enterprise or other entity or enterprise directly or indirectly Controlled by any Person referred to in (a) or (b) above (excluding car manufacturers and investment funds managed by managers not Controlled by any Person referred to in (a) or (b)).
"**Governmental Order**"	means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.
"**Group Companies**" or "**Group**"	means, collectively, the Company, Pony DE, Pony HK, the WFOEs and the Domestic Companies, together with each Subsidiary of any of the foregoing, and "**Group Company**" refers to any of the Group Companies.

"**HK Listing Authorities**"	shall have the meaning set forth in Article 124 hereof.
"**Indebtedness**"	of any Person means, without duplication, each of the following of such Person: (a) all indebtedness for borrowed money, (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business), (c) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced that are incurred in connection with the acquisition of properties, assets or businesses, (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (f) all obligations that are capitalized in accordance with Accounting Standards or any other applicable accounting standards, (g) all obligations under banker's acceptance, letter of credit or similar facilities, (h) all obligations to purchase, redeem, retire, defease or otherwise acquire for value any Equity Securities of such Person, (i) all obligations in respect of any interest rate swap, hedge or cap agreement, and (j) all guarantees issued in respect of the Indebtedness referred to in clauses (a) through (i) above of any other Person, but only to the extent of the Indebtedness guaranteed.
"**Individual Holder**"	shall have the meaning set forth in the Right of First Refusal and Co-Sale Agreement.
"**Interested Transaction**"	shall have the meaning set forth in Article 84 hereof.
"**Investor**"	shall have the meaning set forth in Section 1.1 of Schedule A hereof, including for the avoidance of doubt the holders of the Series D Warrants.
"**Investor Co-Sale Notice**"	shall have the meaning set forth in Section 2.3.1 of Schedule A hereof.

"**Law**" or "**Laws**"	means any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, concession, grant, franchise, license, agreement, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as amended, and any and all applicable Governmental Orders.
"**Legend Capital**"	means LC Fund VII, L.P. and LC Parallel Fund VII, L.P., and their respective successors, transferees and permitted assigns. For the sole purpose of determining Legend Capital's eligibility to appoint an Observer to the Board, all of the Preferred Shares held by Legend Capital, Vantage Estate Limited, Legendstar Fund II, L.P., and Dimension Vantage Limited shall be aggregated for the purpose of calculating the number of the Preferred Shares held by Legend Capital.
"**Liquidation Proceeds**"	shall have the meaning set forth in Article 8.2(A) hereof.
"**Major Investor**"	shall have the meaning set forth in the Right of First Refusal and Co-Sale Agreement.
"**Majority Series A Holders**"	means the holders of fifty-one percent (51%) or more of the voting power of the then outstanding Series A Preferred Shares (voting together as a single class and on an as converted basis).
"**Majority Series B Holders**"	means the holders of fifty-one percent (51%) or more of the voting power of the then outstanding Series B Preferred Shares (voting together as a single class and on an as converted basis).
"**Majority Series B+ Holders**"	means the holders of fifty-one percent (51%) or more of the voting power of the then outstanding Series B+ Preferred Shares (voting together as a single class and on an as converted basis).
"**Majority Series B2 Holders**"	means the holders of fifty-one percent (51%) or more of the voting power of the then outstanding Series B2 Preferred Shares (voting together as a single class and on an as converted basis).

"**Majority Series C Holders**"	means the holders of fifty-one percent (51%) or more of the voting power of the then outstanding Series C Preferred Shares (voting together as a single class and on an as converted basis).
"**Majority Series C+ Holders**"	means the holders of fifty-one percent (51%) or more of the voting power of the then outstanding Series C+ Preferred Shares (voting together as a single class and on an as converted basis).
"**Majority Series D Holders**"	means, at any time, the following holders of the Series D Preferred Shares of the Company collectively: (i) the holders of fifty percent (50%) or more of the voting power of the then outstanding Series D Preferred Shares held by all of the Shareholders (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains outstanding, and voting together as a single class and on an as converted basis); provided, that, the voting power of the outstanding Series D Preferred Shares held by China-UAE and its Affiliates among all of Shareholders shall be automatically reduced to 49%, if at any time after the date hereof the voting power of the outstanding Series D Preferred Shares held by China-UAE and its Affiliates is equal to or exceeds 50% of the voting power of the outstanding Series D Preferred Shares held by all of the Shareholders (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains outstanding); and (ii) holders of fifty percent (50%) or more of the voting power of the then outstanding Series D Preferred Shares held by Shareholders who are not the Shareholders of the Company immediately prior to the Closing (as defined in the Series D Purchase Agreement) (the "**New Series D Shareholders**") (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains outstanding, and voting together as a single class and on an as converted basis); provided, that, the voting power of the outstanding Series D Preferred Shares held by China-UAE and its Affiliates among the New Series D Shareholders shall be automatically reduced to 49%, if at any time after the date hereof the voting power of the outstanding Series D Preferred Shares held by China-UAE and its Affiliates is equal to or exceeds 50% of the voting power of the outstanding Series D Preferred Shares held by all of the New Series D Shareholders (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains outstanding).

"**Majority Preferred Holders**"	the holders of fifty-one percent (51%) or more of the voting power of the outstanding Preferred Shares (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains outstanding, and voting together as a single class and on an as converted basis).
"**Member**"	has the same meaning as in the Statute, and including for the purpose hereof, the holders of the Series D Warrants.
"**Memorandum**"	means the memorandum of association of the Company, as amended from time to time.
"**New Securities**"	shall have the meaning set forth in Article 8.3(E)(5)(a)(iii) hereof.
"**Nio**"	means Miracle Mission Limited and its successors, transferees and permitted assigns.
"**Observer**"	shall have the meaning set forth in the Shareholders Agreement.
"**Offeror**"	shall have the meaning set forth in Article 121 hereof.
"**Options**"	shall have the meaning set forth in Article 8.3(E)(5)(a)(i) hereof.
"**Options Period**"	shall have the meaning set forth in Section 2.2.3.1 of Schedule A hereof.
"**Ordinary Director**"	shall have the meaning set forth in Article 63.
"**Ordinary Resolution**"	means a resolution of a duly constituted general meeting of the Company passed by a simple majority of the votes cast by, or on behalf of, the Members entitled to vote present in person or by proxy and voting at the meeting, or a unanimous written resolution.

"**Ordinary Shares**"	shall have the meaning set forth in the Memorandum.
"**OTPP**"	means 2774719 Ontario Limited and its successors, transferees and permitted assigns.
"**OTPP Purchase Agreement**"	means a Preferred Shares Purchase Agreement dated November 5, 2020, by and among the Company, OTPP, Morningside China TMT Fund IV Co-Investment, L.P., Morningside China TMT Special Opportunity Fund II, L.P., City Ace Investment Corporation, ERVC Technology IV LP and the other parties thereto.
"**Other Restriction Agreements**"	shall have the meaning set forth in Section 2.1.6 of Schedule A hereof.
"**Oversubscription Participants**"	shall have the meaning set forth in Section 1.4.2 of Schedule A hereof.
"**Permitted Transferee**"	shall have the meaning set forth in Section 2.5 of Schedule A hereof.
"**Person**"	means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.
"**Pony DE**"	means Pony.AI, Inc., a company incorporated under the Laws of Delaware, the United States.
"**Pony HK**"	means Hongkong Pony AI Limited, an entity formed under the Laws of Hong Kong.
"**PRC**"	means the People's Republic of China, but solely for the purposes hereof, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and the islands of Taiwan.
"**Preferred Directors**"	shall have the meaning set forth in Article 63.
"**Preferred Shares**"	shall have the meaning set forth in the Memorandum, including for the avoidance of doubt, the Series D Preferred Shares issuable upon the exercise of the Series D Warrants.

"**Preemptive Right**"	shall have the meaning set forth in Section 1.1 of Schedule A hereof.
"**Principals**"	shall have the meaning set forth in the Shareholders Agreement.
"**Principal Holding Company**"	shall have the meaning set forth in the Shareholders Agreement.
"**Proposed Sale**"	shall have the meaning set forth in Article 122 hereof.
"**Pro Rata Share**"	shall have the meaning set forth in Section 1.2 of Schedule A hereof.
"**Prohibited Transfer**"	shall have the meaning set forth in Section 2.6 of Schedule A hereof.
"**Qualified IPO**"	means (a) a firm commitment underwritten public offering or a listing of the Ordinary Shares of the Company (or depositary receipts or depositary shares therefor) in the United States on NASDAQ, the New York Stock Exchange or any other recognized international securities exchange approved by the Board (so long as such approval includes the Approval of the Preferred Directors) pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, at an offering or listing price per share (prior to underwriting commissions and expenses) that values the Company at the post-money valuation of the Group immediately after the completion of the last Additional Closing (as defined in the Series D Purchase Agreement) (or, if no Additional Closing takes place, after the Closing (as defined in the Series D Purchase Agreement)) with respect to the Company's series D financing, assuming the pre-money valuation of the Group immediately prior to the completion of the Closing (as defined in the Series D Purchase Agreement) is US$8,500,000,000 (the "**Post-D Valuation**") or more, and that results in gross proceeds to the Company (prior to deduction of underwriting discounts and registration expenses) of at least US$425,000,000, (b) a firm commitment underwritten public offering or a listing of the Ordinary Shares of the Company (or depositary receipts or depositary shares therefor) on the Main Board of the Hong Kong Stock Exchange or any other recognized international securities exchange approved by the Board (so long as such approval includes the Approval of the Preferred Directors) at an offering or listing price per share (prior to underwriting commissions and expenses) that values the Company at the Post-D Valuation or more, and that results in gross proceeds to the Company (prior to deduction of underwriting discounts and registration expenses) of at least US$425,000,000, or (c) a SPAC Transaction that values the Company at the Post-D Valuation or more and following the consummation of which the common stock or share capital of the SPAC or its successor entity is listed in the United States on NASDAQ, the New York Stock Exchange, or the Main Board of the Hong Kong Stock Exchange, or any other recognized international securities exchange approved by the Board (so long as such approval includes the Approval of the Preferred Directors).

"**Redeeming Preferred Shares**"	shall have the meaning set forth in Article 8.5(C) hereof.
"**Redeeming Shareholder**"	shall have the meaning set forth in Article 8.5(A)(1) hereof.
"**Redemption Date**"	shall have the meaning set forth in Article 8.5(D) hereof.
"**Redemption Notice**"	shall have the meaning set forth in Article 8.5(D) hereof.
"**Redemption Price**"	shall have the meaning set forth in Article 8.5(A)(1) hereof.
"**Redemption Request**"	shall have the meaning set forth in Article 8.5(A)(1) hereof.
"**Registered Office**"	means the registered office for the time being of the Company.
"**Register of Directors**"	means the register of directors of the Company maintained in accordance with the Statute and includes (except where otherwise stated) any duplicate Register of Directors.

"**Register of Members**"	means the register of members of the Company maintained in accordance with the Statute and includes (except where otherwise stated) any duplicate Register of Members.
"**Remaining Shares**"	shall have the meaning set forth in Section 2.3.1 of Schedule A hereof.
"**Right of First Refusal and Co-Sale Agreement"**	means the Sixth Amended and Restated Right of First Refusal and Co-Sale Agreement, dated March 4, 2022, by and among the Company and certain other parties named therein, as amended from time to time.
"**Second Notice**"	shall have the meaning set forth in Section 2.2.3.1 of Schedule A hereof.
"**Second Participation Notice**"	shall have the meaning set forth in Section 1.4.2 of Schedule A hereof.
"**Second Participation Period**"	shall have the meaning set forth in Section 1.4.2 of Schedule A hereof.
"**SEHK**"	means The Stock Exchange of Hong Kong Limited.
"**Selling Investor**"	shall have the meaning set forth in Section 2.3.1 of Schedule A hereof.
"**Sequoia**"	means SCC Venture VI Holdco, Ltd. and SCC Venture VII Holdco, Ltd., and their respective successors, transferees and permitted assigns.
"**Series A Conversion Price**"	shall have the meaning set forth in Article 8.3(A) hereof.
"**Series A Issue Date**"	means the date of the first issuance of a Series A Preferred Share.
"**Series A Issue Price**"	means US$ 0.4323 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events affecting the Series A Preferred Shares.
"**Series A Preference Amount**"	shall have the meaning set forth in Article 8.2(A)(7).

"Series A Preferred Shares"	shall have the meaning set forth in the Memorandum.
"**Series B Conversion Price**"	shall have the meaning set forth in Article 8.3(A) hereof.
"**Series B Issue Date**"	means the date of the first issuance of a Series B Preferred Share.
"**Series B Issue Price**"	means US$1.7319 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events affecting the Series B Preferred Shares, except that the Series B Issue Price for the 297,715 Series B Preferred Shares held by Silicon Valley Future Capital LLC shall be US$0.9489, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events affecting such shares.
"**Series B Preference Amount**"	shall have the meaning set forth in Article 8.2(A)(6).
"**Series B Preferred Shares**"	shall have the meaning set forth in the Memorandum.
"**Series B Purchase Agreement**"	means the Series B Preferred Shares Purchase Agreement, dated December 26, 2017, by and among the Company and certain other parties named therein, as amended from time to time.
"**Series B+ Conversion Price**"	shall have the meaning set forth in Article 8.3(A) hereof.
"**Series B+ Issue Date**"	means the date of the first issuance of a Series B+ Preferred Share.
"**Series B+ Issue Price**"	means US$3.6673 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events affecting the Series B+ Preferred Shares.
"**Series B+ Preferred Shares**"	shall have the meaning set forth in the Memorandum.
"**Series B+ Preference Amount**"	shall have the meaning set forth in Article 8.2(A)(5).
"**Series B2 Conversion Price**"	shall have the meaning set forth in Article 8.3(A) hereof.
"**Series B2 Issue Date**"	means the date of the first issuance of a Series B2 Preferred Share.

"**Series B2 Issue Price**"	means US$6.5196 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events affecting the Series B2 Preferred Shares.
"**Series B2 Preference Amount**"	shall have the meaning set forth in Article 8.2(A)(4).
"Series B2 Preferred Shares"	shall have the meaning set forth in the Memorandum.
"**Series C Conversion Price**"	shall have the meaning set forth in Article 8.3(A) hereof.
"**Series C Issue Date**"	means the date of the first issuance of a Series C Preferred Share.
"**Series C Issue Price**"	means US$9.4220 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events affecting the Series C Preferred Shares.
"**Series C Preference Amount**"	shall have the meaning set forth in Article 8.2(A)(3).
"Series C Preferred Shares"	shall have the meaning set forth in the Memorandum.
"**Series C Purchase Agreements**"	means TMC Purchase Agreement, Fidelity Purchase Agreement, Eight Roads Purchase Agreement and 5Y Capital Purchase Agreement.
"**Series C+ Conversion Price**"	shall have the meaning set forth in Article 8.3(A) hereof.
"**Series C+ Issue Date**"	means the date of the first issuance of a Series C+ Preferred Share.
"**Series C+ Issue Price**"	means US$15.4687 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events affecting the Series C+ Preferred Shares.
"**Series C+ Preference Amount**"	shall have the meaning set forth in Article 8.2(A)(2).
"Series C+ Preferred Shares"	shall have the meaning set forth in the Memorandum.

"**Series D Conversion Price**"	shall have the meaning set forth in Article 8.3(A) hereof.
"**Series D Issue Date**"	means the date of the first issuance of a Series D Preferred Share.
"**Series D Issue Price**"	means US$25.0446 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events affecting the Series D Preferred Shares.
"**Series D Preference Amount**"	shall have the meaning set forth in Article 8.2(A)(1).
"Series D Preferred Shares"	shall have the meaning set forth in the Memorandum.
"**Series D Purchase Agreement**"	means the Series D Preferred Shares Purchase Agreement, dated December 23, 2021 by and among the Company, China-UAE, the other investors named therein and certain other parties named therein, as amended from time to time.
"**Series D Additional Purchase Agreements"**	means one or more additional purchase agreements may be entered into by and among the Company, the investors named therein and certain other parties named therein with respect to the purchase of additional Series D Preferred Shares or the Series D Warrants by the relevant investors, as amended from time to time.
"**Series D Warrant**"	shall have the meaning set forth in the Series D Additional Purchase Agreements.
"**Seal**"	means the common seal of the Company and includes every duplicate seal.
"**Share**" and "**Shares**"	means a share or shares in the capital of the Company (including the Ordinary Shares and the Preferred Shares) and includes a fraction of a share.
"**Shareholders**"	means holders of any Shares, and "Shareholder" refers to any of the Shareholders, and including for the avoidance of doubt, the holders of the Series D Warrants to the extent that any Series D Warrant remains outstanding.

"**Shareholders Agreement**"	means the Sixth Amended and Restated Shareholders Agreement, dated March 4, 2022, by and among the Company and certain other parties named therein, as amended from time to time.
"**Share Issue Price**"	with respect to each Series A Preferred Share means Series A Issue Price, while with respect to each Series B Preferred Share means Series B Issue Price, while with respect to each Series B+ Preferred Share means Series B+ Issue Price, while with respect to each Series B2 Preferred Share means Series B2 Issue Price, while with respect to each Series C Preferred Share means Series C Issue Price, while with respect to each Series C+ Preferred Share means Series C+ Issue Price, and while with respect to each Series D Preferred Share means Series D Issue Price.
"**Share Sale**"	means a transaction or series of related transactions in which a Person, or a group of related Persons, acquires any Equity Securities of the Company such that, immediately after such transaction or series of related transactions, such Person or group of related Persons holds Equity Securities of the Company representing more than fifty percent (50%) of the issued and outstanding voting power of the Company.
"**SPAC Transaction**"	means a transaction or series of related transactions by merger, consolidation, share exchange or otherwise of the Company with a publicly-traded "special purpose acquisition company" or its subsidiary (a "**SPAC**"), immediately following the consummation of which the common stock or share capital of the SPAC or its successor entity is listed on an internationally recognized securities exchange.
"**Special Resolution**"	means, a Members' resolution expressed to be a special resolution (a) passed by a majority of not less than two-thirds (2/3) of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given; or (b) approved in writing by all of the Members entitled to receive notice of and to attend and vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed. In computing the majority regard shall be had to the number of votes to which each Member is entitled by these Articles.

"**Statute**"	means the Companies Act (as amended) of the Cayman Islands as amended and every statutory modification or re-enactment thereof for the time being in effect.
"**Subsidiary**"	means, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person.
"**Third Notice**"	shall have the meaning set forth in Section 2.2.3.3 of Schedule A hereof.
"**TMC**"	means Toyota Motor Corporation, and its successors, transferees and permitted assigns.
"**TMC Purchase Agreement**"	means the Series C Preferred Shares Purchase Agreement, dated February 5, 2020, by and among the Company, TMC and certain other parties named therein, as amended from time to time.
"**TMC Proceeds**"	has the meaning given to such term in the TMC Purchase Agreement.
"**Transaction Documents**"	shall have the meaning set forth in the Shareholders Agreement, each such document as may be amended from time to time.
"**Transfer Notice**"	shall have the meaning set forth in Section 2.2.1 of Schedule A hereof.
"**Transfer**"	shall have the meaning set forth in Section 2.1.1 of Schedule A hereof.
"**Transferor**"	shall have the meaning set forth in Section 2.2.1 of Schedule A hereof.
"VIE Companies"	means Beijing Pony AI Technology Co., Ltd. (北京小 马智行科技有限公司) and Guangzhou Pony AI Technology Co., Ltd. (广州小马智行科技有限公司).

"**Warrant**"	shall have the meaning set forth in the Series D Purchase Agreement.
"**WFOEs**"	means Beijing Pony Huixing Technology Co., Ltd. (北京小马慧行科技有限公司), a limited liability company incorporated under the Laws of the PRC and wholly owned by the Pony HK, Guangzhou Pony Huixing Technology Co., Ltd. (广州小马慧行科技有限公司), a limited liability company incorporated under the Laws of the PRC and wholly owned by the Pony HK, Beijing Pony Yixing Technology Co., Ltd. (北京小马易行科技有限公司), a limited liability company incorporated under the Laws of the PRC and wholly owned by the Pony HK, and Shenzhen Pony Yixing Technology Co., Ltd. (深圳小马易行科技 有 限 公 司), a limited liability company incorporated under the Laws of the PRC and wholly owned by the Pony HK.
"**5Y Capital**"	means Morningside China TMT Fund IV, L.P., Morningside China TMT Fund IV Co-Investment, L.P. and Morningside China TMT Special Opportunity Fund II, L.P. and their respective successors, transferees and permitted assigns.
"**5Y Capital Purchase Agreement"**	means the Series C Preferred Shares Purchase Agreement, dated February 5, 2020, by and among the Company, Morningside China TMT Fund IV Co-Investment, L.P., Morningside China TMT Special Opportunity Fund II, L.P. and certain other parties named therein, as amended from time to time.

2. In these Articles:

2.1 words importing the singular number include the plural number and vice- versa;

2.2 words importing the masculine gender include the feminine gender;

2.3 "written" and "in writing" include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record;

2.4 references to provisions of any Law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time;

2.5 any phrase introduced by the terms "including," "include," "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

2.6 the term "voting power" refers to the number of votes attributable to the Shares (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains outstanding and on an as converted basis) in accordance with the terms of these Articles;

2.7 the term "or" is not exclusive;

2.8 the term "including" will be deemed to be followed by, "but not limited to";

2.9 the terms "shall," "will," and "agrees" are mandatory, and the term "may" is permissive;

2.10 the term "day" means "calendar day" (unless the term "Business Day" is used), and "month" means calendar month;

2.11 the phrase "directly or indirectly" means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and "direct or indirect" has the correlative meaning;

2.12 references to any documents shall be construed as references to such document as the same may be amended, supplemented, superseded, replaced or novated from time to time;

2.13 all references to dollars or to "US$" are to currency of the United States of America and all references to RMB are to currency of the PRC (and each shall be deemed to include reference to the equivalent amount in other currencies);

2.14 headings are inserted for reference only and shall be ignored in construing these Articles; and

2.15 unless the context requires otherwise, all references in these Articles to designated "Sections" are to the designated Sections of Schedule A.

3. For the avoidance of doubt, each other Article herein is subject to the provisions of Articles 8, 9, 63, 121 through 123 and Schedule A, and, subject to the requirements of the Statute, in the event of any conflict, the provisions of Articles 8, 9, 63, 121 through 123 and Schedule A shall prevail over any other Article herein.

3A. Subject to the terms and conditions set forth in the Series D Warrants, the rights, privileges and obligations pertaining to holders of the Series D Preferred Shares set forth herein shall be also applicable to such Series D Preferred Shares issuable under the Series D Warrants as if such Series D Warrants have been exercised to the extent that any Series D Warrant remains outstanding. Subject to the terms and conditions set forth in such Series D Warrants, each Investor holding the Series D Warrant shall be deemed as having duly exercised such Series D Warrant in full such that it shall be deemed as a holder of the corresponding Series D Preferred Shares of the Company under such Series D Warrants to the extent that such relevant Series D Warrant remains outstanding.

COMMENCEMENT OF BUSINESS

4. The business of the Company may be commenced as soon after incorporation as the Directors shall see fit notwithstanding that any part of the Shares may not have been allotted. The Company shall have perpetual existence until wound up or struck off in accordance with the Statute and these Articles.

5. The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company, including the expenses of registration.

ISSUE OF SHARES

6. Subject to the provisions, if any, in the Memorandum (and to any direction that may be given by the Company in a general meeting), the provisions of these Articles (including Articles 8 and 9 and Schedule A hereto) and without prejudice to any rights, preferences and privileges attached to any existing Shares, (a) the Directors may allot, issue, grant options or warrants over or otherwise dispose of two classes of Shares to be designated, respectively, as Ordinary Shares and Preferred Shares; (b) the Preferred Shares may be allotted and issued from time to time in one or more series; and (c) the series of Preferred Shares shall be designated prior to their allotment and issue. In the event that any Preferred Shares shall be converted pursuant to Article 8.3 hereof, the Preferred Shares so converted shall be cancelled and shall not be re-issuable by the Company. Further, any Preferred Share acquired by the Company by reason of redemption, repurchase, conversion or otherwise shall be cancelled and shall not be re-issuable by the Company.

7. The Company shall not issue Shares to bearer.

PREFERRED SHARES

8. Certain rights, preferences and privileges of the Preferred Shares of the Company are as follows:

8.1 Dividends Rights.

A. **Preference.**

(1) Each holder of a Series D Preferred Share shall be entitled to receive dividends at a simple rate of eight percent (8%) of the Series D Issue Price per annum, for each Series D Preferred Share held by such holder, payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other holder of Series D Preferred Shares, prior and in preference to, and satisfied before, any dividend on the Series C+ Preferred Shares, the Series C Preferred Shares, the Series B2 Preferred Shares, the Series B+ Preferred Shares, the Series B Preferred Shares, the Series A Preferred Shares and the Ordinary Shares (except for applicable Exempted Distributions).

After the holders of Series D Preferred Shares have received the dividends referred to above in full, each holder of a Series C+ Preferred Share shall be entitled to receive dividends at a simple rate of eight percent (8%) of the Series C+ Issue Price per annum, for each Series C+ Preferred Share held by such holder, payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other holder of Series C+ Preferred Shares, prior and in preference to, and satisfied before, any dividend on the Series C Preferred Shares, the Series B2 Preferred Shares, the Series B+ Preferred Shares, the Series B Preferred Shares, the Series A Preferred Shares and the Ordinary Shares (except for applicable Exempted Distributions).

After the holders of Series D Preferred Shares and the holders of Series C+ Preferred Shares have received the dividends referred to above in full, each holder of a Series C Preferred Share shall be entitled to receive dividends at a simple rate of eight percent (8%) of the Series C Issue Price per annum, for each Series C Preferred Share held by such holder, payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other holder of Series C Preferred Shares, prior and in preference to, and satisfied before, any dividend on the Series B2 Preferred Shares, the Series B+ Preferred Shares, the Series B Preferred Shares, the Series A Preferred Shares and the Ordinary Shares (except for applicable Exempted Distributions).

After the holders of Series D Preferred Shares, the holders of Series C+ Preferred Shares and the holders of Series C Preferred Shares have received the applicable dividends referred to above in full, each holder of a Series B2 Preferred Share shall be entitled to receive dividends at a simple rate of eight percent (8%) of the Series B2 Issue Price per annum, for each Series B2 Preferred Share held by such holder, payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other holder of Series B2 Preferred Shares, prior and in preference to, and satisfied before, any dividend on the Series B+ Preferred Shares, the Series B Preferred Shares, the Series A Preferred Shares and the Ordinary Shares (except for applicable Exempted Distributions).

After the holders of Series D Preferred Shares, the holders of Series C+ Preferred Shares, the holders of Series C Preferred Shares and the holders of Series B2 Preferred Shares have received the applicable dividends referred to above in full, each holder of a Series B+ Preferred Share shall be entitled to receive dividends at a simple rate of eight percent (8%) of the Series B+ Issue Price per annum, for each Series B+ Preferred Share held by such holder, payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other holder of Series B+ Preferred Shares, prior and in preference to, and satisfied before, any dividend on the Series B Preferred Shares, the Series A Preferred Shares and the Ordinary Shares (except for applicable Exempted Distributions).

After the holders of Series D Preferred Shares, the holders of Series C+ Preferred Shares, the holders of Series C Preferred Shares, the holders of Series B2 Preferred Shares and the holders of Series B+ Preferred Shares have received the applicable dividends referred to above in full, each holder of a Series B Preferred Share shall be entitled to receive dividends at a simple rate of eight percent (8%) of the Series B Issue Price per annum, for each Series B Preferred Share held by such holder, payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other holder of Series B Preferred Shares, prior and in preference to, and satisfied before, any dividend on the Series A Preferred Shares and the Ordinary Shares (except for applicable Exempted Distributions).

After the holders of Series D Preferred Shares, the holders of Series C+ Preferred Shares, the holders of Series C Preferred Shares, the holders of Series B2 Preferred Shares, the holders of Series B+ Preferred Shares and the holders of Series B Preferred Shares have received the applicable dividends referred to above in full, each holder of a Series A Preferred Share shall be entitled to receive dividends at a simple rate of eight percent (8%) of the Series A Issue Price per annum, for each Series A Preferred Share held by such holder, payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other holder of Series A Preferred Shares, prior and in preference to, and satisfied before, any dividend on the Ordinary Shares (except for applicable Exempted Distributions).

After the aforementioned dividends have been paid in full to the holders of Preferred Shares, the holders of the Preferred Shares and the holders of the Ordinary Shares shall be entitled to receive on a pro rata, as-converted basis any additional dividends that the Board of Directors may declare, set aside or pay at such time. Without prejudice to Section 8.4(B), any such dividends shall be payable only when, as, and if declared by the Board of Directors and shall be noncumulative.

(2) In the event the Company shall declare or make any distribution other than in cash (except for a distribution described in Article 8.2), each holder of Preferred Shares shall be entitled to a proportionate share of any such distribution in sequence set forth in Article 8.1(A)(1) above as though such holder of Preferred Shares were the holder of the number of Ordinary Shares into which its Preferred Shares are convertible as of the record date fixed for the determination of the holders of Ordinary Shares entitled to receive such distribution.

B. **Restrictions; Participation.**

Except for an Exempted Distribution, no dividend or distribution, whether in cash, in property, or in any other shares of the Company, shall be declared, paid, set aside or made with respect to the Ordinary Shares at any time unless (a) all declared but unpaid dividends on the Preferred Shares set forth in Article 8.1(A) have been paid in full, and (b) a dividend or distribution is likewise declared, paid, set aside or made, respectively, at the same time with respect to each outstanding Preferred Share such that the dividend or distribution declared, paid, set aside or made to the holder thereof shall be equal to the dividend or distribution that such holder would have received if such Preferred Share had been converted into Ordinary Shares immediately prior to the record date for such dividend or distribution, or if no such record date is established, the date such dividend or distribution is made.

8.2 Liquidation Rights.

A. **Liquidation Preferences**. In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, all assets and funds of the Company legally available for distribution to the Members (after satisfaction of all creditors' claims and claims that may be preferred by Law, the "**Liquidation Proceeds**") shall be distributed to the Members of the Company as follows:

(1) First, the holders of the Series D Preferred Shares shall be entitled to receive for each Series D Preferred Share held by such holder, on parity with each other and prior and in preference to any distribution of any of the assets or funds of the Company to the holders of the Series C+ Preferred Shares, the Series C Preferred Shares, the Series B2 Preferred Shares, the Series B+ Preferred Shares, the Series B Preferred Shares, Series A Preferred Shares and Ordinary Shares by reason of their ownership of such shares, the greater of (i) the amount equal to one hundred and fifty percent (150%) of the Series D Issue Price, plus all declared but unpaid dividends on such Series D Preferred Share, and (ii) the pro rata share of all the Liquidation Proceeds to which such holder of Series D Preferred Shares would be entitled with respect to such Series D Preferred Share, calculated based on the respective shareholdings of all of the Members of the Company on an as-converted basis as if all of the Preferred Shares are converted into Ordinary Shares immediately prior to such liquidation, dissolution or winding up (collectively, the "**Series D Preference Amount**"). If the assets and funds thus distributed among the holders of the Series D Preferred Shares shall be insufficient to permit the payment to such holders of the full Series D Preference Amount, then the entire assets and funds of the Company legally available for distribution shall be distributed rateably among the holders of the Series D Preferred Shares in proportion to the aggregate Series D Preference Amount each such holder is otherwise entitled to receive pursuant to this clause (1).

(2) Second, after distribution or payment in full of the amount distributable or payable on the Series D Preferred Shares pursuant to Article 8.2A(1), the holders of the Series C+ Preferred Shares shall be entitled to receive for each Series C+ Preferred Share held by such holder, on parity with each other and prior and in preference to any distribution of any of the assets or funds of the Company to the holders of the Series C Preferred Shares, the Series B2 Preferred Shares, the Series B+ Preferred Shares, the Series B Preferred Shares, Series A Preferred Shares and Ordinary Shares by reason of their ownership of such shares, the greater of (i) the amount equal to one hundred and fifty percent (150%) of the Series C+ Issue Price, plus all declared but unpaid dividends on such Series C+ Preferred Share, and (ii) the pro rata share of all the Liquidation Proceeds to which such holder of Series C+ Preferred Shares would be entitled with respect to such Series C+ Preferred Share, calculated based on the respective shareholdings of all of the Members of the Company on an as-converted basis as if all of the Preferred Shares are converted into Ordinary Shares immediately prior to such liquidation, dissolution or winding up (collectively, the "**Series C+ Preference Amount**"). If the remaining assets and funds thus distributed among the holders of the Series C+ Preferred Shares shall be insufficient to permit the payment to such holders of the full Series C+ Preference Amount, then the entire remaining assets and funds of the Company legally available for distribution shall be distributed rateably among the holders of the Series C+ Preferred Shares in proportion to the aggregate Series C+ Preference Amount each such holder is otherwise entitled to receive pursuant to this clause (2).

(3) Third, after distribution or payment in full of the amount distributable or payable on the Series D Preferred Shares pursuant to Article 8.2A(1) and the amount distributable or payable on the Series C+ Preferred Shares pursuant to Article 8.2A(2), the holders of the Series C Preferred Shares shall be entitled to receive for each Series C Preferred Share held by such holder, on parity with each other and prior and in preference to any distribution of any of the assets or funds of the Company to the holders of the Series B2 Preferred Shares, the Series B+ Preferred Shares, the Series B Preferred Shares, Series A Preferred Shares and Ordinary Shares by reason of their ownership of such shares, the greater of (i) the amount equal to one hundred and fifty percent (150%) of the Series C Issue Price, plus all declared but unpaid dividends on such Series C Preferred Share, and (ii) the pro rata share of all the Liquidation Proceeds to which such holder of Series C Preferred Shares would be entitled with respect to such Series C Preferred Share, calculated based on the respective shareholdings of all of the Members of the Company on an as-converted basis as if all of the Preferred Shares are converted into Ordinary Shares immediately prior to such liquidation, dissolution or winding up (collectively, the "**Series C Preference Amount**"). If the remaining assets and funds thus distributed among the holders of the Series C Preferred Shares shall be insufficient to permit the payment to such holders of the full Series C Preference Amount, then the entire remaining assets and funds of the Company legally available for distribution shall be distributed rateably among the holders of the Series C Preferred Shares in proportion to the aggregate Series C Preference Amount each such holder is otherwise entitled to receive pursuant to this clause (3).

(4) Fourth, after distribution or payment in full of the amount distributable or payable on the Series D Preferred Shares pursuant to Article 8.2A(1), the amount distributable or payable on the Series C+ Preferred Shares pursuant to Article 8.2A(2) and the amount distributable or payable on the Series C Preferred Shares pursuant to Article 8.2A(3), the holders of the Series B2 Preferred Shares shall be entitled to receive for each Series B2 Preferred Share held by such holder, on parity with each other and prior and in preference to any distribution of any of the assets or funds of the Company to the holders of the Series B+ Preferred Shares, the Series B Preferred Shares, Series A Preferred Shares and Ordinary Shares by reason of their ownership of such shares, the greater of (i) the amount equal to one hundred and fifty percent (150%) of the Series B2 Issue Price, plus all declared but unpaid dividends on such Series B2 Preferred Share, and (ii) the pro rata share of all the Liquidation Proceeds to which such holder of Series B2 Preferred Shares would be entitled with respect to such Series B2 Preferred Share, calculated based on the respective shareholdings of all of the Members of the Company on an as-converted basis as if all of the Preferred Shares are converted into Ordinary Shares immediately prior to such liquidation, dissolution or winding up (collectively, the "**Series B2 Preference Amount**"). If the remaining assets and funds thus distributed among the holders of the Series B2 Preferred Shares shall be insufficient to permit the payment to such holders of the full Series B2 Preference Amount, then the entire remaining assets and funds of the Company legally available for distribution shall be distributed rateably among the holders of the Series B2 Preferred Shares in proportion to the aggregate Series B2 Preference Amount each such holder is otherwise entitled to receive pursuant to this clause (4).

(5) Fifth, after distribution or payment in full of the amount distributable or payable on the Series D Preferred Shares pursuant to Article 8.2A(1), the amount distributable or payable on the Series C+ Preferred Shares pursuant to Article 8.2A(2), the amount distributable or payable on the Series C Preferred Shares pursuant to Article 8.2A(3) and the amount distributable or payable on the Series B2 Preferred Shares pursuant to Article 8.2A(4), the holders of the Series B+ Preferred Shares shall be entitled to receive for each Series B+ Preferred Share held by such holder, on parity with each other and prior and in preference to any distribution of any of the assets or funds of the Company to the holders of the Series B Preferred Shares, Series A Preferred Shares and Ordinary Shares by reason of their ownership of such shares, the greater of (i) the amount equal to one hundred and fifty percent (150%) of the Series B+ Issue Price, plus all declared but unpaid dividends on such Series B+ Preferred Share, and (ii) the pro rata share of all the Liquidation Proceeds to which such holder of Series B+ Preferred Shares would be entitled with respect to such Series B+ Preferred Share, calculated based on the respective shareholdings of all of the Members of the Company on an as-converted basis as if all of the Preferred Shares are converted into Ordinary Shares immediately prior to such liquidation, dissolution or winding up (collectively, the "**Series B+ Preference Amount**"). If the remaining assets and funds thus distributed among the holders of the Series B+ Preferred Shares shall be insufficient to permit the payment to such holders of the full Series B+ Preference Amount, then the entire remaining assets and funds of the Company legally available for distribution shall be distributed rateably among the holders of the Series B+ Preferred Shares in proportion to the aggregate Series B+ Preference Amount each such holder is otherwise entitled to receive pursuant to this clause (5).

(6) Sixth, after distribution or payment in full of the amount distributable or payable on the Series D Preferred Shares pursuant to Article 8.2A(1), the amount distributable or payable on the Series C+ Preferred Shares pursuant to Article 8.2A(2), the amount distributable or payable on the Series C Preferred Shares pursuant to Article 8.2A(3), the amount distributable or payable on the Series B2 Preferred Shares pursuant to Article 8.2A(4) and the amount distributable or payable on the Series B+ Preferred Shares pursuant to Article 8.2A(5), the holders of the Series B Preferred Shares shall be entitled to receive for each Series B Preferred Share held by such holder, on parity with each other and prior and in preference to any distribution of any of the assets or funds of the Company to the holders of the Series A Preferred Shares and Ordinary Shares by reason of their ownership of such shares, the greater of (i) the amount equal to one hundred and fifty percent (150%) of the Series B Issue Price, plus all declared but unpaid dividends on such Series B Preferred Share, and (ii) the pro rata share of all the Liquidation Proceeds to which such holder of Series B Preferred Shares would be entitled with respect to such Series B Preferred Share, calculated based on the respective shareholdings of all of the Members of the Company on an as-converted basis as if all of the Preferred Shares are converted into Ordinary Shares immediately prior to such liquidation, dissolution or winding up (collectively, the "**Series B Preference Amount**"). If the remaining assets and funds thus distributed among the holders of the Series B Preferred Shares shall be insufficient to permit the payment to such holders of the full Series B Preference Amount, then the entire remaining assets and funds of the Company legally available for distribution shall be distributed rateably among the holders of the Series B Preferred Shares in proportion to the aggregate Series B Preference Amount each such holder is otherwise entitled to receive pursuant to this clause (6).

(7) Seventh, after distribution or payment in full of the amount distributable or payable on the Series D Preferred Shares pursuant to Article 8.2A(1), the amount distributable or payable on the Series C+ Preferred Shares pursuant to Article 8.2A(2), the amount distributable or payable on the Series C Preferred Shares pursuant to Article 8.2A(3), the amount distributable or payable on the Series B2 Preferred Shares pursuant to Article 8.2A(4), the amount distributable or payable on the Series B+ Preferred Shares pursuant to Article 8.2A(5) and the amount distributable or payable on the Series B Preferred Shares pursuant to Article 8.2A(6), the holders of the Series A Preferred Shares shall be entitled to receive for each Series A Preferred Share held by such holder, on parity with each other and prior and in preference to any distribution of any of the assets or funds of the Company to the holders of the Ordinary Shares by reason of their ownership of such shares, the greater of (i) the amount equal to one hundred and fifty percent (150%) of the Series A Issue Price, plus all declared but unpaid dividends on such Series A Preferred Share, and (ii) the pro rata share of all the Liquidation Proceeds to which such holder of Series A Preferred Shares would be entitled with respect to such Series A Preferred Share, calculated based on the respective shareholdings of all of the Members of the Company on an as-converted basis as if all of the Preferred Shares are converted into Ordinary Shares immediately prior to such liquidation, dissolution or winding up (collectively, the "**Series A Preference Amount**"). If the remaining assets and funds thus distributed among the holders of the Series A Preferred Shares shall be insufficient to permit the payment to such holders of the full Series A Preference Amount, then the entire remaining assets and funds of the Company legally available for distribution shall be distributed rateably among the holders of the Series A Preferred Shares in proportion to the aggregate Series A Preference Amount each such holder is otherwise entitled to receive pursuant to this clause (7).

(8) If there are any assets or funds remaining after the aggregate Series D Preference Amount, Series C+ Preference Amount, Series C Preference Amount, Series B2 Preference Amount, Series B+ Preference Amount**,** Series B Preference Amount and Series A Preference Amount have been distributed or paid in full to the applicable holders of Preferred Shares pursuant to clause (1) to clause (7) above, the remaining assets and funds of the Company available for distribution to the Members shall be distributed rateably among holders of Ordinary Shares.

B. **Deemed Liquidation Event.** Unless waived in writing by Each Series Majority Preferred Holders, a Deemed Liquidation Event shall be deemed to be a liquidation, dissolution or winding up of the Company for purposes of Article 8.2(A), and any proceeds, whether in cash or properties, resulting from a Deemed Liquidation Event shall be distributed in accordance with the terms of Article 8.2(A).

C. **Valuation of Properties**. In the event the Company proposes to distribute assets other than cash in connection with any liquidation, dissolution or winding up of the Company pursuant to Article 8.2(A) or pursuant to a Deemed Liquidation Event of the Company pursuant to Article 8.2(B), the value of the assets to be distributed to the Members shall be determined in good faith by the Board (including the Approval of the Preferred Directors); provided, that any securities not subject to investment letter or similar restrictions on free marketability shall be valued as follows:

(1) If traded on a securities exchange, the value shall be deemed to be the average of the security's closing prices on such exchange over the thirty (30) day period ending one (1) day prior to the distribution;

(2) If traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the thirty (30) day period ending three (3) days prior to the distribution; and

(3) If there is no active public market, the value shall be the fair market value thereof as determined in good faith by the liquidator or, in the case of any proposed distribution in connection with a Deemed Liquidation Event, by the Board (including the Approval of the Preferred Directors);

provided, further, that the method of valuation of securities subject to investment letter or similar restrictions on free marketability shall be adjusted to make an appropriate discount from the market value determined as above in clauses (1), (2) or (3) to reflect the fair market value thereof as determined in good faith by the liquidator or, in the case of any proposed distribution in connection with a Deemed Liquidation Event, by the Board (including the Approval of the Preferred Directors).

D. **Notices**. In the event that, subject to any necessary approval required in the Statute and these Articles (including Article 8), the Company shall propose at any time to consummate a liquidation, dissolution or winding up of the Company or a Deemed Liquidation Event, then, in connection with each such event, the Company shall send to the holders of Preferred Shares at least thirty (30) days prior written notice of the date when the same shall take place; provided, however, that the foregoing notice periods may be shortened or waived with the Approval of the Majority Preferred Holders.

E. **Enforcement**. In the event the requirements of this Article 8.2 are not complied with, the Company shall forthwith either (i) cause the closing of the applicable transaction to be postponed until such time as the requirements of this Article 8.2 have been complied with, or (ii) cancel such transaction.

8.3 Conversion Rights

The holders of the Preferred Shares shall have the rights described below with respect to the conversion of the Preferred Shares into Class A Ordinary Shares:

A. **Conversion Ratio**. The number of Class A Ordinary Shares to which a holder of Preferred Shares shall be entitled upon conversion of each Preferred Share held by it shall be the quotient of (i) with respect to any holder of the Series A Preferred Shares, the Series A Issue Price divided by the then effective Series A Conversion Price (the "**Series A Conversion Price**"), which shall initially be the Series A Issue Price, (ii) with respect to any holder of the Series B Preferred Shares, the Series B Issue Price divided by the then effective Series B Conversion Price (the "**Series B Conversion Price**"), which shall initially be the Series B Issue Price, (iii) with respect to any holder of the Series B+ Preferred Shares, the Series B+ Issue Price divided by the then effective Series B+ Conversion Price (the "**Series B+ Conversion Price**"), which shall initially be the Series B+ Issue Price, (iv) with respect to any holder of the Series B2 Preferred Shares, the Series B2 Issue Price divided by the then effective Series B2 Conversion Price (the "**Series B2 Conversion Price**"), which shall initially be the Series B2 Issue Price, (v) with respect to any holder of the Series C Preferred Shares, the Series C Issue Price divided by the then effective Series C Conversion Price (the "**Series C Conversion Price**"), which shall initially be the Series C Issue Price, (vi) with respect to any holder of the Series C+ Preferred Shares, the Series C+ Issue Price divided by the then effective Series C+ Conversion Price (the "**Series C+ Conversion Price**"), which shall initially be the Series C+ Issue Price, and (vii) with respect to any holder of the Series D Preferred Shares, the Series D Issue Price divided by the then effective Series D Conversion Price (the "**Series D Conversion Price**"), which shall initially be the Series D Issue Price, in each case resulting in an initial conversion ratio for each of the Preferred Shares of 1:1, and shall be subject to adjustment and readjustment from time to time as hereinafter provided.

B. **Optional Conversion**. Subject to the Statute and these Articles (including this Article 8.3), any Preferred Share may, at the option of the holder thereof, be converted at any time after the date of issuance of such shares, without the payment of any additional consideration, into fully-paid and non-assessable Class A Ordinary Shares based on the then-effective Applicable Conversion Price.

C. **Automatic Conversion**. Each Preferred Share shall automatically be converted, based on the then-effective Applicable Conversion Price, without the payment of any additional consideration, into fully-paid and non-assessable Class A Ordinary Shares upon the earlier of (i) the closing of a Qualified IPO, and (ii) (v) with respect to Series A Preferred Shares, the date specified by written consent or agreement of Majority Series A Holders; (w) with respect to Series B Preferred Shares, the date specified by written consent or agreement of the holders of such Series B Preferred Shares; (x) with respect to Series B+ Preferred Shares, the date specified by written consent or agreement of the Majority Series B+ Holders; (y) with respect to Series B2 Preferred Shares, the date specified by written consent or agreement of the Majority Series B2 Holders; (z) with respect to Series C Preferred Shares, the date specified by written consent or agreement of the holders of such Series C Preferred Shares; (aa) with respect to Series C+ Preferred Shares, the date specified by written consent or agreement of the Majority Series C+ Holders; and (bb) with respect to Series D Preferred Shares, the date specified by written consent or agreement of the Majority Series D Holders. Any conversion pursuant to this Article 8.3(C) shall be referred to as an "**Automatic Conversion**."

D. **Conversion Mechanism**. The conversion hereunder of any Preferred Share shall be effected in the following manner:

(1) Except as provided in Articles 8.3(D)(2) and 8.3(D)(3) below, before any holder of the Preferred Shares shall be entitled to convert the same into Class A Ordinary Shares, such holder shall surrender the certificate or certificates therefor (or in lieu thereof shall deliver an affidavit of lost certificate and indemnity therefor) (if any) at the office of the Company or of any transfer agent for such share to be converted and shall give notice to the Company at its principal corporate office of the election to convert the same and shall state therein the name or names in which the certificate or certificates for such Class A Ordinary Shares are to be issued. The Company shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Shares, or to the nominee or nominees of such holder, a certificate or certificates for the number of Class A Ordinary Shares to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such notice and such surrender of the Preferred Shares to be converted, the Register of Members of the Company shall be updated accordingly to reflect the same, and the Person or Persons entitled to receive the Class A Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Class A Ordinary Shares as of such date.

(2) If the conversion is in connection with an underwritten public offering of securities, the conversion will be conditioned upon the closing with the underwriter(s) of the sale of securities pursuant to such offering and the holders of such Preferred Shares to be converted shall not be deemed to have converted such Preferred Shares until immediately prior to the closing of such sale of securities.

(3) Upon the occurrence of an event of Automatic Conversion, the Company shall give the holders of Preferred Shares pursuant to Article 8.3(C) to be automatically converted at least ten (10) days' prior written notice of the date fixed (which date shall be, in the case of a Qualified IPO, the latest practicable date immediately prior to the closing of a Qualified IPO) and the place designated for Automatic Conversion of all such Preferred Shares pursuant to this Article 8.3(D). Such notice shall be given pursuant to Articles 110 through 114 to each record holder of such Preferred Shares at such holder's address appearing on the Register of Members. On or before the date fixed for conversion, each holder of such Preferred Shares shall surrender the applicable certificate or certificates duly endorsed (or in lieu thereof shall deliver an affidavit of lost certificate and indemnity therefor) (if any) for all such shares to the Company at the place designated in such notice. On the date fixed for conversion, the Company shall effect such conversion and update its Register of Members to reflect such conversion, and upon surrender of the certificate or certificates representing the shares to be converted duly endorsed (or in lieu thereof upon delivery of an affidavit of lost certificate and indemnity therefor) (if any), the holder thereof shall be entitled to receive certificates (if applicable) for the number of Class A Ordinary Shares into which such Preferred Shares have been converted. All certificates evidencing such Preferred Shares shall, from and after the date of conversion, be deemed to have been retired and cancelled and the Preferred Shares represented thereby converted into Class A Ordinary Shares for all purposes, notwithstanding the failure of the holder or holders thereof to surrender such certificates on or prior to such date.

(4) The Company may effect the conversion of Preferred Shares in any manner available under applicable Law, including redeeming or repurchasing the relevant Preferred Shares and applying the proceeds thereof towards payment for the new Class A Ordinary Shares. For purposes of the repurchase or redemption, the Company may, subject to the Company being able to pay its debts in the ordinary course of business, make payments out of its capital.

(5) No fractional Class A Ordinary Shares shall be issued upon conversion of any Preferred Shares. In lieu of any fractional shares to which a holder of Preferred Shares would otherwise be entitled, the Company shall at the discretion of the Board of Directors either (i) pay cash equal to such fraction multiplied by the fair market value of the Class A Ordinary Share as determined and approved by the Board of Directors in good faith, or (ii) issue one whole Class A Ordinary Share for each fractional share to which the holder would otherwise be entitled.

(6) Upon conversion, all declared but unpaid share dividends on the Preferred Shares shall be paid in shares and all declared but unpaid cash dividends on the Preferred Shares shall be paid either in cash or by the issuance of such number of further Class A Ordinary Shares equal to the value of such cash amount, at the option of the holders of the applicable Preferred Shares.

E. **Adjustment of the Conversion Price**. Each Applicable Conversion Price shall be adjusted and readjusted from time to time as provided below, save that no adjustment shall have the effect that the relevant Applicable Conversion Price would be less than the par value of the Class A Ordinary Shares into which the applicable Preferred Shares are to be converted:

(1) **Adjustment for Share Splits and Combinations**. If the Company shall at any time, or from time to time, effect a subdivision of the outstanding Ordinary Shares, the Applicable Conversion Price in effect immediately prior to such subdivision with respect to each Preferred Share shall be proportionately decreased. Conversely, if the Company shall at any time, or from time to time, combine the outstanding Ordinary Shares into a smaller number of shares, the Applicable Conversion Price in effect immediately prior to such combination with respect to each Preferred Share shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.

(2) **Adjustment for Ordinary Share Dividends and Distributions.** If the Company makes (or fixes a record date for the determination of holders of Ordinary Shares entitled to receive) a dividend or other distribution to the holders of Ordinary Shares payable in additional Ordinary Shares, the Applicable Conversion Price then in effect with respect to each Preferred Share shall be decreased as of the time of such issuance (or in the event such record date is fixed, as of the close of business on such record date) by multiplying such conversion price by a fraction (i) the numerator of which is the total number of Ordinary Shares issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and (ii) the denominator of which is the total number of Ordinary Shares issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of Ordinary Shares issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Applicable Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Applicable Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) no such adjustment shall be made if the holders of the Preferred Shares each simultaneously receive a dividend or other distribution of Ordinary Shares in a number equal to the number of Ordinary Shares as it would have received if all outstanding Preferred Shares held by it had been converted into Ordinary Shares immediately before the date of such event or immediately before the record date for such event.

(3) **Adjustments for Other Distributions.** In the event the Company at any time or from time to time makes, or files a record date for the determination of holders of Ordinary Shares entitled to receive, any distribution payable in securities or assets of the Company other than Ordinary Shares, then and in each such event provision shall be made so that the holders of Preferred Shares shall each receive upon conversion of the Preferred Shares held by it, in addition to the number of Ordinary Shares receivable thereupon, the amount of securities or assets of the Company which it would have received had its Preferred Shares been converted into Ordinary Shares immediately before the date of such event or immediately before the record date for such event and had it thereafter, during the period from the date of such event to and including the date of conversion, retained such securities or assets receivable by them as aforesaid, subject to all other adjustments called for during such period under this Article 8.3(E) with respect to the rights of the holders of the Preferred Shares.

(4) **Adjustments for Reorganizations, Mergers, Consolidations, Reclassifications, Exchanges, Substitutions.** If at any time, or from time to time, any capital reorganization or reclassification of the Ordinary Shares (other than as a result of a share dividend, subdivision, split or combination otherwise treated above) occurs or the Company is consolidated, merged or amalgamated with or into another Person (other than a consolidation, merger or amalgamation treated as a liquidation in Article 8.2(B)), then in any such event, provision shall be made so that, upon conversion of any Preferred Share thereafter, the holder thereof shall receive the kind and amount of shares and other securities and property which the holder of such shares would have received in connection with such event had the relevant Preferred Shares been converted into Class A Ordinary Shares immediately prior to such event.

(5) **Adjustments to Applicable Conversion Price for Dilutive Issuance.**

(a) **Special Definition.** For purpose of this Article 8.3(E)(5), the following definitions shall apply:

(i) "**Options**" mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Ordinary Shares or Convertible Securities.

(ii) "**Convertible Securities**" shall mean any indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Ordinary Shares.

(iii) "**New Securities**" shall mean all Equity Securities issued (or, pursuant to Article 8.3(E)(5)(c), deemed to be issued) by the Company after the date on which these Articles are adopted, other than the following issuances:

a). 19,964,384 Series D Preferred Shares issuable at the Closing (as defined in the Series D Purchase Agreement) and the Additional Closing(s) (as defined in the Series D Purchase Agreement);

b). any Equity Securities of the Company issued pursuant to the Series D Warrants or the Warrant;

c). up to 56,230,176 Class A Ordinary Shares (or Options exercisable for such Class A Ordinary Shares) (as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events) issued (or issuable pursuant to such Options) to the Group Companies' employees, officers, directors, consultants and other service providers for the primary purpose of soliciting or retaining their services pursuant to plans or agreements approved by the Board of Directors in accordance with these Articles and the Shareholders Agreement;

d). Ordinary Shares issued or issuable pursuant to a share split or sub-division, share dividend, combination, recapitalization or other similar transaction of the Company, as described in Article 8.3(E)(1) through Article 8.3(E)(4);

e). Class A Ordinary Shares issued or issuable upon the conversion of Preferred Shares;

f). any Equity Securities of the Company issued pursuant to the firmly underwritten public offering of the Ordinary Shares duly approved in accordance with the Shareholders Agreement and these Articles;

g). any Equity Securities of the Company issued in connection with the bona fide acquisition of another corporation or entity by the Company by consolidation, merger, purchase of assets, or other reorganization in which the Company acquires, in a single transaction or series of related transactions, all or substantially all assets of such other corporation or entity, or fifty percent (50%) or more of the equity ownership or voting power of such other corporation or entity, in any case, as duly approved in accordance with the Shareholders Agreement and these Articles; and

h). any Equity Securities of the Company, the issuance of which is approved (i) unanimously by the members of the Board and the Board specifically states in such approval that such Equity Securities shall not be "New Securities" and (ii) by the Majority Series D Holders.

(b) **No Adjustment of Applicable Conversion Price.** No adjustment in the Applicable Conversion Price with respect to any Preferred Share shall be made in respect of the issuance of New Securities unless the consideration per Ordinary Share (determined pursuant to Article 8.3(E)(5)(e) hereof) for the New Securities issued or deemed to be issued by the Company is less than such Applicable Conversion Price in effect immediately prior to such issuance, as provided for by Article 8.3(E)(5)(d). No adjustment or readjustment in the Applicable Conversion Price with respect to any Preferred Share otherwise required by this Article 8.3 shall affect any Class A Ordinary Shares issued upon conversion of any Preferred Share prior to such adjustment or readjustment, as the case may be.

(c) **Deemed Issuance of New Securities.** In the event the Company at any time or from time to time after the Series D Issue Date, as applicable, shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any series or class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of Ordinary Shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number for anti-dilution adjustments) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities or the exercise of such Options, shall be deemed to be New Securities issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date; provided, that in any such case in which New Securities are deemed to be issued:

(i) no further adjustment in the Applicable Conversion Price shall be made upon the subsequent issue of Convertible Securities or Ordinary Shares upon the exercise of such Options or conversion or exchange of such Convertible Securities or upon the subsequent issue of Options or Convertible Securities or Ordinary Shares;

(ii) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any change in the consideration payable to the Company, or change in the number of Ordinary Shares issuable, upon the exercise, conversion or exchange thereof, the then effective Applicable Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such change becoming effective, be recomputed to reflect such change insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(iii) no readjustment pursuant to Article 8.3(E)(5)(c)(ii) shall have the effect of increasing the then effective Applicable Conversion Price to an amount which exceeds the Applicable Conversion Price that would have been in effect had no adjustments in relation to the issuance of the Options or Convertible Securities as referenced in Article 8.3(E)(5)(c)(ii) been made;

(iv) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities that have not been exercised, the then effective Applicable Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto) and any subsequent adjustments based thereon shall, upon such expiration, be recomputed as if:

(x) in the case of Convertible Securities or Options for Ordinary Shares, the only New Securities issued were the Ordinary Shares, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Company for the issue of such exercised Options plus the consideration actually received by the Company upon such exercise or for the issue of all such Convertible Securities that were actually converted or exchanged, plus the additional consideration, if any, actually received by the Company upon such conversion or exchange (in each case, determined pursuant to Article 8.3(E)(5)(e)), and

(y) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Company for the New Securities deemed to have been then issued was the consideration actually received by the Company for the issue of such exercised Options, plus the consideration deemed to have been received by the Company upon the issue of the Convertible Securities with respect to which such Options were actually exercised (in each case, determined pursuant to Article 8.3(E)(5)(e)); and

(v) if such record date shall have been fixed and such Options or Convertible Securities are not issued on the date fixed therefor, the adjustment previously made in the Applicable Conversion Price which became effective on such record date shall be cancelled as of the close of business on such record date, and thereafter the Applicable Conversion Price with respect to such Preferred Share shall be adjusted pursuant to this Article 8.3(E)(5)(c) as of the actual date of their issuance.

(d) **Adjustment of the Applicable Conversion Price upon Issuance of New Securities**. In the event of an issuance of New Securities, at any time after the Series D Issue Date, for a consideration per Ordinary Share received by the Company (net of any selling concessions, discounts or commissions and calculated on an as-converted basis) less than the Applicable Conversion Price with respect to any Preferred Share in effect immediately prior to such issue, then and in such event, the Applicable Conversion Price with respect to such Preferred Share shall be reduced, concurrently with such issue, to a price determined as set forth below:

NCP = OCP * (OS + (NP/OCP))/(OS + NS)

WHERE:

NCP = the new Applicable Conversion Price with respect to such Preferred Share,

OCP = the Applicable Conversion Price with respect to such Preferred Share in effect immediately before the issuance of the New Securities,

OS = the total outstanding Ordinary Shares immediately before the issuance of the New Securities plus the total Ordinary Shares issuable upon conversion or exchange of all the outstanding Preferred Shares and Convertible Securities and exercise of outstanding Options,

NP = the total consideration received for the issuance or sale of the New Securities, and

NS = the number of Ordinary Shares represented by the New Securities issued or sold.

(e) **Determination of Consideration**. For purposes of this Article 8.3(E)(5), the consideration received by the Company for the issuance of any New Securities shall be computed as follows:

(i) **Cash and Property.** Such consideration shall:

(1) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company excluding amounts paid or payable for accrued interest or accrued dividends and excluding any discounts, commissions or placement fees payable by the Company to any underwriter or placement agent in connection with the issuance of any New Securities;

(2) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined and approved in good faith by the Board of Directors (including the Approval of the Preferred Directors); provided, however, that no value shall be attributed to any services performed by any employee, officer or director of any Group Company;

(3) in the event New Securities are issued together with other Shares or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received which relates to such New Securities, computed as provided in clauses (1) and (2) above, as reasonably determined in good faith by the Board of Directors (including the Approval of the Preferred Directors).

(ii) **Options and Convertible Securities.** The consideration per Ordinary Share received by the Company for New Securities deemed to have been issued pursuant to Article 8.3(E)(5)(c) hereof relating to Options and Convertible Securities shall be determined by dividing (x) the total amount, if any, received or receivable by the Company as consideration for the issue of such Options or Convertible Securities (determined in the manner described in paragraph (i) above), plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by (y) the maximum number of Ordinary Shares (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(6) **Other Dilutive Events.** In case any event shall occur as to which the other provisions of this Article 8.3(E) are not strictly applicable, but the failure to make any adjustment to the Applicable Conversion Price with respect to any Preferred Shares would not fairly protect the conversion rights of the holders of such Preferred Shares in accordance with the essential intent and principles hereof, then, in each such case, the Board, in good faith, shall, subject to the Approval of the Preferred Directors, determine the appropriate adjustment to be made, on a basis consistent with the essential intent and principles established in this Article 8.3(E), necessary to preserve, without dilution, the conversion rights of the holders of such Preferred Shares.

(7) **No Impairment.** The Company will not, by amendment of these Articles or through any reorganization, recapitalization, transfer of assets, consolidation, merger, amalgamation, scheme of arrangement, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Article 8.3 and in the taking of all such action as may be necessary or appropriate to protect the conversion rights of the holders of Preferred Shares against impairment.

(8) **Certificate of Adjustment.** In the case of any adjustment or readjustment of the Applicable Conversion Price, the Company, at its sole expense, shall compute such adjustment or readjustment in accordance with the provisions hereof and prepare a certificate showing such adjustment or readjustment, and shall deliver such certificate by notice to each registered holder of such Preferred Shares at the holder's address as shown in the Company's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (i) the consideration received or deemed to be received by the Company for any New Securities issued or sold or deemed to have been issued or sold, (ii) the number of New Securities issued or sold or deemed to be issued or sold, (iii) the Applicable Conversion Price, in effect before and after such adjustment or readjustment, and (iv) the type and number of Equity Securities of the Company, and the type and amount, if any, of other property which would be received upon conversion of such Preferred Shares after such adjustment or readjustment.

(9) **Notice of Record Date.** In the event the Company shall propose to take any action of the type or types requiring an adjustment set forth in this Article 8.3(E), the Company shall give notice to the holders of the relevant Preferred Shares, which notice shall specify the record date, if any, with respect to any such action and the date on which such action is to take place. Such notice shall also set forth such facts with respect thereto as shall be reasonably necessary to indicate the effect of such action (to the extent such effect may be known at the date of such notice) on the Applicable Conversion Price, and the number and kind or class of shares or other securities or property which shall be deliverable upon the occurrence of such action or deliverable upon the conversion of the relevant Preferred Shares. In the case of any action which would require the fixing of a record date, such notice shall be given at least twenty (20) days prior to the date so fixed, and in the case of all other actions, such notice shall be given at least thirty (30) days prior to the taking of such proposed action.

(10) **Reservation of Shares Issuable Upon Conversion.** The Company shall at all times reserve and keep available out of its authorized but unissued Class A Ordinary Shares, solely for the purpose of effecting the conversion of the Preferred Shares, such number of its Class A Ordinary Shares as shall from time to time be sufficient to effect the conversion of all issued and outstanding Preferred Shares. If at any time the number of authorized but unissued Class A Ordinary Shares shall not be sufficient to effect the conversion of all then issued and outstanding Preferred Shares, in addition to such other remedies as shall be available to the holders of Preferred Shares, the Company and its Members will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Class A Ordinary Shares to such number of shares as shall be sufficient for such purpose.

(11) **Notices.** Any notice required or permitted pursuant to this Article 8.3 shall be given in writing and shall be given in accordance with Articles 110 through 114.

(12) **Payment of Taxes.** The Company will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or delivery of Class A Ordinary Shares upon conversion of the Preferred Shares, excluding any tax or other charge imposed in connection with any transfer involved in the issue and delivery of Class A Ordinary Shares in a name other than that in which such Preferred Shares so converted were registered.

8.4 Voting Rights.

A. **General Rights**. Subject to Article 8.4(B), at all general meetings of the Company: (a) the holder of each Class A Ordinary Share issued and outstanding shall have one (1) vote in respect of each Class A Ordinary Share held by it, (b) the holder of each Class B Ordinary Share issued and outstanding shall have ten (10) votes in respect of each Class B Ordinary Share held by it and (c) the holder of a Preferred Share shall be entitled to such number of votes as equals the whole number of Class A Ordinary Shares into which such holder's collective Preferred Shares are convertible (x) immediately after the close of business on the record date of the determination of the Company's Members entitled to vote or (y) if no such record date is established, at the date such vote is taken or any written consent of the Company's Members is first solicited. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as converted basis (after aggregating all the Preferred Shares held by each holder) shall be rounded to the nearest whole number (with one-half being rounded upward). To the extent that the Statute or these Articles allow the Preferred Shares to vote separately as one or more class or series with respect to any matters, such Preferred Shares shall have the right to vote separately as one or more class or series with respect to such matters.

B. **Protective Provisions.**

1. **Approval by the Preferred Holders**. Regardless of anything else contained herein or in the Shareholders Agreement or the Charter Documents of any other Group Company, the Company shall not take, permit to occur, approve, authorize, or agree or commit to do any of the following, and each Member (other than holders of the Preferred Shares) shall procure the Company not to take, permit to occur, approve, authorize, or agree or commit to do any of the following, and the Company shall procure each other Group Company not to take, permit to occur, approve, authorize, or agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless the written approval of the holders of seventy percent (70%) or more of the voting power of the then outstanding Preferred Shares (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains outstanding, and voting together as a single class and on an as-converted basis) has been obtained:

(1) any amendment or modification to or waiver under any of the Charter Documents of any Group Company, except such amendment, modification or waiver that is primarily in relation to the ordinary business of such Group Company and would not adversely affect the rights or preferences of the Preferred Shares;

(2) any change of the authorized size or composition of the board of directors of any Group Company, other than any change to the composition of such board of directors in compliance with Article 63, or the manner in which any Group Company's directors are appointed;

(3) any declaration, setting aside or payment of a dividend or other distribution on any Ordinary Share or Preferred Share;

(4) any transaction outside the ordinary course of business involving any Group Company and any of such Group Company's employees, officers, directors or shareholders or any Affiliate of any of such employees, officers, directors or shareholders;

(5) any change to the number of Shares reserved for issuance under the ESOP;

(6) effect any of the foregoing with respect to any Group Company, as applicable; or

(7) agree or commit to do any of the foregoing.

Notwithstanding anything to the contrary contained herein or in the Shareholders Agreement or the Charter Documents of any other Group Company, where any act listed in clauses (1) through (7) above may be approved by a Special Resolution pursuant to the Statute, and if the Members vote in favor of such act but the approval of the holders of seventy percent (70%) or more of the voting power of the then outstanding Preferred Shares (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains outstanding, and voting together as a single class and on an as-converted basis) has not yet been obtained, then each holder of the Preferred Shares who voted against such act shall, in such vote, have the voting rights equal to the aggregate voting power of all the Members who voted in favor of such act plus one (1).

2. **Approval by Each Series Majority Preferred Holders.** Regardless of anything else contained herein or in the Shareholders Agreement or the Charter Documents of any other Group Company, the Company shall not take, permit to occur, approve, authorize, or agree or commit to do any of the following, and each Member (other than holders of the Preferred Shares) shall procure the Company not to take, permit to occur, approve, authorize, or agree or commit to do any of the following, and the Company shall procure each other Group Company not to take, permit to occur, approve, authorize, or agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless approved in writing by Each Series Majority Preferred Holders; provided, further, that (x) for the matters set out in subsections (1) and (2) below, to the extent that such action would not reasonably be expected to change the rights, preferences, privileges or powers of any series of Preferred Shares, then the approval of the holders of fifty-one percent (51%) or more of the voting power of the then outstanding Preferred Shares of such series (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains outstanding, and voting together as a single class and on an as converted basis) would not be required and (y) the approval of the Majority Series C+ Holders shall not be required for any matter referred to in subsection (7) unless such matter also constitutes a matter referred to in subsection (8):

   (1) any amendment or change of the rights, preferences, privileges, powers, limitations or restrictions of or concerning, or the limitations or restrictions provided for the benefit of, the Preferred Shares;

   (2) any action that reclassifies any outstanding shares into shares having rights, preferences, privileges, powers, limitations or restrictions senior to or on a parity with any series of Preferred Shares in issue, whether as to liquidation, conversion, dividend, voting, redemption or otherwise;

   (3) any action that creates, authorizes or issues (A) any class or series of Equity Securities having rights, preferences, privileges or powers superior to or on a parity with any Preferred Shares, whether as to liquidation, conversion, dividend, voting, redemption, or otherwise, or any Equity Securities convertible into, exchangeable for, or exercisable into any Equity Securities having rights, preferences, privileges or powers superior to or on a parity with any Preferred Shares, whether as to liquidation, conversion, dividend, voting, redemption or otherwise, (B) any additional Preferred Shares, (C) any other Equity Securities of the Company except for the Conversion Shares, or (D) any Equity Securities of any other Group Company; provided, however, that this restriction shall not apply to: (i) the creation, authorization or issuance of Class A Ordinary Shares issuable upon conversion of the Preferred Shares, or (ii) the issuance of options or other equity-based awards and the Shares underlying such awards to any Group Company's employees, directors and consultants pursuant to the ESOP, (iii) issuance of any Equity Securities of the Company pursuant to the Warrant, or (iv) the issuance of Equity Securities in connection with any equity fundraising of the Company that does not otherwise require the approval of Each Series Majority Preferred Holders pursuant to subsection (9) or the approval of the Majority Series C+ Holders pursuant to subsection (11);

(4) any purchase, repurchase, redemption or retirements of any Equity Security of any Group Company other than (a) the purchase, repurchase or redemption of Equity Securities from employees, officers, directors, consultants or other persons performing services for the Company or any of its Subsidiaries pursuant to agreements approved by the Board (including the Approval of the Preferred Directors) under which the Company has the option to purchase, repurchase or redeem such Equity Securities upon the occurrence of certain events, such as the termination of employment or service, or pursuant to a right of first refusal or (b) the conversion or redemption of Preferred Shares pursuant to these Articles (including any purchase or repurchase of Shares to effect the conversion of the Preferred Shares into Class A Ordinary Shares); provided, however, that this restriction shall not apply to the issuance of Equity Securities in connection with any equity fundraising of the Company that does not otherwise require the approval of Each Series Majority Preferred Holders pursuant to subsection (9) or the approval of the Majority Series C+ Holders pursuant to subsection (11);

(5) any liquidation, dissolution or winding up of any Group Company, Share Sale, Change of Control Event, Deemed Liquidation Event or any merger, amalgamation, scheme of arrangement or consolidation of any Group Company with any Person, the division of any Group Company, the purchase or other acquisition by any Group Company of all or substantially all of the assets, equity or business of another Person, or the reduction of share capital of any Group Company;

(6) any IPO other than Qualified IPO concerning any of the Group Companies;

(7) any appointment, change or replacement of the Company's CEO or CTO;

(8) with respect to the vote or consent of the Majority Series C+ Holders only, any appointment, change or replacement outside of the ordinary course of business of the Company's CEO or CTO within two years from the Series C+ Issue Date;

(9) any equity or equity-linked fundraising of the Company with a pre-money valuation of the Company for such fundraising of lower than US$ 2,960,500,000 (or, with respect to the vote or consent of the Majority Series C+ Holders only, lower than US$4,000,000,000, or, with respect to the veto or consent of the Majority Series D Holders only, not more than US$8,500,000,000), and the proposed proceeds from such fundraising of more than US$50,000,000;

(10) cease to conduct or carry on the business of any Group Company substantially as now conducted; or

(11) with respect to the vote or consent of the Majority Series C+ Holders only, any equity or equity-linked fundraising of the Company which would result in OTPP ceasing to constitute the Majority Series C+ Holders.

Notwithstanding anything to the contrary contained herein or in the Shareholders Agreement or the Charter Documents of any other Group Company, where any act listed in clauses (1) through (11) above may be approved by a Special Resolution pursuant to the Statute, and if the Members vote in favor of such act but the approval of Each Series Majority Preferred Holders and/or the Majority Series C+ Holders (as applicable) has not yet been obtained, then each holder of the Preferred Shares who voted against such act shall, in such vote, have the voting rights equal to the aggregate voting power of all the Members who voted in favor of such act plus one (1).

3. **Approval by the Preferred Directors**. Regardless of anything else contained herein or in the Shareholders Agreement or the Charter Documents of any other Group Company, the Company shall not take, permit to occur, approve, authorize, or agree or commit to do any of the following, and each Member (other than holders of the Preferred Shares) shall procure the Company not to take, permit to occur, approve, authorize, or agree or commit to do any of the following, and the Company shall procure each other Group Company not to take, permit to occur, approve, authorize, or agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless approved by the Board (in the case of clauses (1) to (7) below, which approval shall also include the Approval of the Preferred Directors; in the case of clause (8) below, which approval shall also include the approval of more than one half (1/2) of the Preferred Directors; in the case of clause (9) below, which approval shall also include the approval of more than one half (1/2) of the Preferred Directors who do not have any conflict of interest with respect to such matter; in the case of clauses (10) and (11) below, which approval shall also include the Approval of the Preferred Directors, the approval of more than one half (1/2) of the Preferred Directors or the approval of more than one half (1/2) of the Preferred Directors who do not have any conflict of interest with respect to such matter (as applicable); and, in the case of adoption or amendment of annual budget in clause (2) below, to the extent the use of the TMC Proceeds is involved in the annual budget, includes the approval of the Director appointed by TMC, which approval shall not be unreasonably withheld to the extent that the use of the TMC Proceeds in such annual budget is consistent with the provisions of Schedule H to the TMC Purchase Agreement):

(1) the adoption or termination of the ESOP, or equivalent, for the benefit of the Company's employees, directors and consultants and the amendment to any terms and conditions thereof;

(2) adopt or amend any Group Company's annual budget or business plan;

(3) enter into any of the following transactions (in a single transaction or a series of related transactions): (i) the incurrence of any Indebtedness exceeding US$20,000,000 in the aggregate; (ii) the purchase or disposal of any Group Company's business or assets exceeding US$20,000,000 in the aggregate; (iii) the extension by any Group Company of any loan or guarantee for Indebtedness to any third-party in an amount exceeding US$20,000,000 in the aggregate; (iv) an equity or equity-linked investment in any third-party other than the Group Companies in an amount exceeding US$20,000,000; or (v) any transaction that is outside the ordinary course of business in an amount exceeding US$20,000,000 or involves an exclusive relationship;

(4) increase the compensation of any of the five (5) most highly compensated employees of any Group Company by more than fifty percent (50%) within any twelve (12) month period, or increase the compensation of any Principals by more than fifty percent (50%) within any twelve (12) month period;

(5) appoint or remove the auditors of any Group Company, or make any material change in any Group Company's Accounting Standards, accounting and financial policies and procedures;

(6) change any material part of any Group Company's business or enter into any new businesses substantially outside of its business as currently conducted;

(7) initiate or settle any material litigation or arbitration;

(8) any material amendment or modification to, or waiver under, any Control Document which would result in the Company losing Control of any Domestic Company, or termination of any Control Document;

(9) any equity or equity-linked fundraising of the Company from any Governmental Body of the PRC;

(10) effect any of the foregoing, as applicable, with respect to any Group Company, or any Subsidiary or Affiliate of the Company; or

(11) agree or commit to do any of the foregoing.

Notwithstanding anything to the contrary contained herein or in the Shareholders Agreement or the Charter Documents of any other Group Company, where any act listed in clauses (1) through (11) above may be approved by a Special Resolution pursuant to the Statute, and if the Approval of the Preferred Directors, the approval of more than one half (1/2) of the Preferred Directors who do not have any conflict of interest with respect to such act and/or the approval of the Director appointed by TMC (as applicable) has not yet been obtained, and where a meeting of shareholders is convened to consider such matters, the holders of the then outstanding Shares voting against the resolution shall have, in such vote, the same number of votes as all Shareholders of the Company who vote in favor of the resolution plus one (1).

4. **Consultation with the Majority Series C+ Holders**. Regardless of anything else contained herein or in the Shareholders Agreement or the Charter Documents of any other Group Company, the Company shall not take, permit to occur, approve, authorize, or agree or commit to do any of the following, and each Member (other than holders of the Preferred Shares) shall procure the Company not to take, permit to occur, approve, authorize, or agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless the Company has consulted with the Majority Series C+ Holders in good faith:

(1) any appointment, change or replacement within the ordinary course of business of the Company's CEO or CTO within two years from the Series C+ Issue Date; or

(2) any appointment, change or replacement of the Company's CEO or CTO after the expiry of two years from the Series C+ Issue Date.

5. **Approval by Majority Series D Holders**. Regardless of anything else contained herein or in the Shareholders Agreement or the Charter Documents of any other Group Company, the Company shall not take, permit to occur, approve, authorize, or agree or commit to do any of the following, and each Member (other than holders of the Preferred Shares) shall procure the Company not to take, permit to occur, approve, authorize, or agree or commit to do any of the following, and the Company shall procure each other Group Company not to take, permit to occur, approve, authorize, or agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless approved in writing by the Majority Series D Holders:

(1) any action by any Group Company in violation of applicable Law or requirement or order of competent Government Authorities, which is reasonably expected to cause a material adverse change in the prospects, condition or business of the Group, taken as a whole; or

(2) any decision by the Company to pursue an IPO (as defined in the Shareholders Agreement) in the U.S. which (i) is in violation of applicable PRC Laws or (ii) will or could reasonably be expected to result in investigation on the Group by any PRC Governmental Authority.

8.5 Redemption Rights.

A. Request for Redemption.

(1) At any time after the earliest to occur of the following: (a) a Qualified IPO has not occurred prior to December 28, 2024, (b) the unilateral termination by either Mr. Jun Peng or Mr. Tiancheng Lou of his employment relationship with the Group Companies before the earlier of December 28, 2024 and occurrence of a Qualified IPO, (c) a material breach by any Group Company of Section 3.2 of the Collaboration Agreement, which has not been remedied within 90 days (which period may be extended for another 90 days if the breach is curable and has not been completely cured) following delivery of written notice of such breach by TMC, (d) a breach of the Control Documents by any of the WFOEs, the VIE Companies, or nominee shareholders of VIE Companies who are employees of any Group Company, which has not been remedied within 45 days (which period may be extended for another 45 days if the breach is curable and has not been completely cured) following delivery of written notice of such breach by TMC, (e) a breach by any Group Company of its respective representations and warranties set forth in the Series C Purchase Agreements which would cause a material adverse change in the condition, business or prospects of the Company, (f) a breach by any of the Group Companies, Principals or Principal Holding Companies of its respective covenants set forth in Section 12 of the Shareholders Agreement, which has not been remedied within 90 days (which period may be extended for another 90 days if the breach is curable and has not been completely cured) following delivery of written notice of such breach by TMC, (g) a breach by any Group Company of its respective representations and warranties set forth in the OTPP Purchase Agreement or the CPE Purchase Agreement which would cause a material adverse change in the condition, business or prospects of the Company, or (h) a breach by any Group Company of its respective representations and warranties set forth in the Series D Purchase Agreement or the Series D Additional Purchase Agreements (as the case may be with respect to a holder of the Series D Preferred Shares (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants to the extent that any Series D Warrant remains outstanding)) which would cause a material adverse change in the condition, business or prospects of the Company, upon receipt of a written request from any holder of the then outstanding Preferred Shares (the "Redemption Request") (provided, however, it being understood that (A) only TMC may deliver a Redemption Request and become a Redeeming Shareholder before any other holder of Preferred Shares in case of the events described in the foregoing subparagraphs (c), (d) and (f), (B) the holders of the then outstanding Preferred Shares other than TMC may deliver a Redemption Request and become a Redeeming Shareholder in case of the event described in the foregoing subparagraphs (c) and (f) only if TMC has delivered a Redemption Request and become a Redeeming Shareholder, (C) only the holders of Series C Preferred Shares may deliver a Redemption Request and become a Redeeming Shareholder in case of the events described in the foregoing subparagraph (e) to request the redemption of only the Series C Preferred Shares it holds but not any other series of Preferred Shares it holds, (D) only the holders of Series C Preferred Shares and the holders of Series C+ Preferred Shares and their respective transferees may deliver a Redemption Request and become a Redeeming Shareholder in case of the events described in the foregoing subparagraph (g) to request the redemption of only the Series C Preferred Shares and/or the Series C+ Preferred Shares it holds pursuant to the OTPP Purchase Agreement or the CPE Purchase Agreement, but not any other Preferred Shares it holds, and (E) only the holders of Series D Preferred Shares (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants to the extent that any Series D Warrant remains outstanding) and their respective transferees may deliver a Redemption Request and become a Redeeming Shareholder in case of the events described in the foregoing subparagraph (h) to request the redemption of only the Series D Preferred Shares it holds pursuant to the Series D Purchase Agreement, the Series D Additional Purchase Agreements and/or the Series D Warrants (as the case may be) but not any other Preferred Shares it holds), the Company shall redeem all the outstanding Preferred Shares (but for the avoidance of doubt: (x) only the Series C Preferred Shares in case of the events described in the foregoing subparagraph (e), (y) only the Series C Preferred Shares and the Series C+ Preferred Shares acquired pursuant to the OTPP Purchase Agreement or the CPE Purchase Agreement in case of the events described in the foregoing subparagraph (g), and (z) only the Series D Preferred Shares (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants to the extent that any Series D Warrant remains outstanding) acquired pursuant to the Series D Purchase Agreement, the Series D Additional Purchase Agreements and/or the Series D Warrants (as the case may be) in case of the events described in the foregoing paragraph (h)) owned and requested to be redeemed by such holder (the "Redeeming Shareholder") by paying in cash therefor a sum per share equal to the applicable Share Issue Price (as adjusted for any share splits, share dividends, combinations, subdivisions, recapitalizations or the like) plus (i) with respect to each Series D Preferred Share (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants to the extent that any Series D Warrant remains outstanding) an amount equal to the applicable Series D Issue Price with a simple rate of eight percent (8%) per annum return calculated from the Series D Issue Date to the Redemption Date (as defined below); (ii) with respect to each Series C+ Preferred Share an amount equal to the applicable Series C+ Issue Price with a simple rate of eight percent (8%) per annum return calculated from the Series C+ Issue Date to the Redemption Date; (iii) with respect to each Series C Preferred Share an amount equal to the applicable Series C Issue Price with a simple rate of eight percent (8%) per annum return calculated from the Series C Issue Date to the Redemption Date; (iv) with respect to each Series B2 Preferred Share an amount equal to the applicable Series B2 Issue Price with a simple rate of eight percent (8%) per annum return calculated from the Series B2 Issue Date to the Redemption Date; (v) with respect to each Series B+ Preferred Share an amount equal to the applicable Series B+ Issue Price with a simple rate of eight percent (8%) per annum return calculated from the Series B+ Issue Date to the Redemption Date; (vi) with respect to each Series B Preferred Share an amount equal to the applicable Series B Issue Price with a simple rate of eight percent (8%) per annum return calculated from the Series B Issue Date to the Redemption Date; (vii) with respect to each Series A Preferred Share an amount equal to the applicable Series A Issue Price with a compound rate of five percent (5%) per annum return calculated from the Series A Issue Date to the Redemption Date; and (viii) with respect to all Preferred Shares all declared but unpaid dividends on such shares (such sum, the "**Redemption Price**") in any event within sixty (60) days of the date of the Redemption Request.

(2) At Redemption Date, subject to applicable Laws, the Company shall, from any source of assets or funds legally available therefor, redeem each Preferred Share requested to be redeemed in the relevant Redemption Request by paying in cash the Redemption Price (as defined above), against surrender by such Redeeming Shareholder at the Company's principal office of the certificate representing such share (or in lieu thereof shall deliver an affidavit of lost certificate and indemnity therefor) (if any), in accordance with the following: (a) the Redemption Price with respect to the Preferred Shares in the same class or series to be redeemed on the Redemption Date shall be paid on *pari passu* basis; (b) no Redemption Price with respect to any Series C+ Preferred Shares, Series C Preferred Shares, Series B2 Preferred Shares, Series B+ Preferred Shares, Series B Preferred Shares or Series A Preferred Shares shall be paid prior to the full payment of the Redemption Price with respect to all the Series D Preferred Shares requested to be redeemed at the Redemption Date; (c) no Redemption Price with respect to any Series C Preferred Shares, Series B2 Preferred Shares, Series B+ Preferred Shares, Series B Preferred Shares or Series A Preferred Shares shall be paid prior to the full payment of the Redemption Price with respect to all the Series C+ Preferred Shares requested to be redeemed at the Redemption Date; (d) no Redemption Price with respect to any Series B2 Preferred Shares, Series B+ Preferred Shares, Series B Preferred Shares or Series A Preferred Shares shall be paid prior to the full payment of the Redemption Price with respect to all the Series C Preferred Shares requested to be redeemed at the Redemption Date; (e) no Redemption Price with respect to any Series B+ Preferred Shares, Series B Preferred Shares or Series A Preferred Shares shall be paid prior to the full payment of the Redemption Price with respect to all the Series B2 Preferred Shares requested to be redeemed at the Redemption Date; (f) no Redemption Price with respect to any Series B Preferred Shares or Series A Preferred Shares shall be paid prior to the full payment of the Redemption Price with respect to all the Series B+ Preferred Shares requested to be redeemed at the Redemption Date; and (g) no Redemption Price with respect to any Series A Preferred Shares shall be paid prior to the full payment of the Redemption Price with respect to all the Series B Preferred Shares requested to be redeemed at the Redemption Date.

B. **General Rights**. A Redemption Request may be withdrawn or terminated upon the request of the related Redeeming Shareholder on the date of the request for withdrawal or termination, but only with respect to Preferred Shares that had not been redeemed in full in cash as of the date such request for withdrawal or termination is made. After any such withdrawn or terminated Redemption Request, the Preferred Shares subject thereto which have not been redeemed in full in cash as of the date such request for withdrawal or termination is made shall again be subject to redemption pursuant to this Article 8.5 upon the request of the holder thereof as provided above.

C. **Insufficient Legally Available Funds.** Notwithstanding any other provision set forth in this Article 8.5, if the funds of the Company legally available to redeem such shares shall be insufficient to redeem all Preferred Shares then to be redeemed, then any unredeemed shares shall continue to remain outstanding and shall be redeemed to the full extent of legally available funds of the Company afterwards. Any such unredeemed shares shall continue to remain outstanding until redeemed in full. The Preferred Shares that are subject to redemption hereunder but have not been redeemed in full (the "**Redeeming Preferred Shares**") due to insufficient legally available funds of the Company shall continue to be outstanding and entitled to all dividend, liquidation, conversion and other rights, powers and preferences of the Preferred Shares respectively until such shares have been redeemed in full (except that the conversion rights of such Redeeming Preferred Shares shall terminate three (3) days prior to the date on which such shares are redeemed in full). Any portion of the Redemption Price not paid by the Company in respect of any Redeeming Preferred Share on the related Redemption Date shall continue to be owed to the holder thereof and such outstanding portion of the Redemption Price shall accrue interest at a simple interest rate of eight percent (8%) per annum from the Redemption Date.

D. **Redemption Notice**. Within thirty (30) days after the receipt of a Redemption Request, written notice shall be mailed by the Company to the related holder of record (at the close of business on the Business Day next preceding the day on which notice is given) of the Preferred Shares to be redeemed, (a) notifying such holder of the redemption to be effected, (b) specifying the Redemption Price, the date on which the Redemption Price shall be payable (the "**Redemption Date**"), the number of such holder's Preferred Shares to be redeemed as requested in such Redemption Request, the place at which payment may be obtained and the date on which such holder's conversion rights as to such shares terminate (which date shall be three (3) days prior to the Redemption Date), and (c) calling upon such holder to surrender to the Company, in the manner and at the place designated, the certificate or certificates representing the shares to be redeemed (if any) (the "Redemption Notice"). The Company shall notify in writing all the other holders of Preferred Shares promptly after receipt of a Redemption Request.

E. **Surrender of Certificates**. On or before each designated Redemption Date, each holder of Preferred Shares to be redeemed shall (unless such holder has previously exercised such holder's right to convert such Preferred Shares into Class A Ordinary Shares) surrender the certificate(s) representing such Preferred Shares to be redeemed to the Company (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate), in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate(s) as the owner thereof, and each surrendered certificate shall be cancelled and retired. If less than all of the shares represented by such certificate are redeemed, then the Company shall promptly issue a new certificate representing the unredeemed shares.

F. **Effect of Redemption**. If the Redemption Notice shall have been duly given, and if on the Redemption Date the Redemption Price with respect to all of the Preferred Shares to be redeemed on the Redemption Date is paid to the relevant holders of Preferred Shares in full, then notwithstanding that the certificates evidencing any of the Preferred Shares so called for redemption on such Redemption Date shall not have been surrendered, the redemption of such shares shall be deemed to be effected at close of business on the Redemption Date at which time any such shares which are redeemed shall forthwith be cancelled and the rights of all of the holders of such shares with respect to such shares shall terminate, except only the right of the holders to receive the Redemption Price from the Company or the payment agent, without interest, upon surrender of their certificate(s) therefor (or a lost certificate affidavit or agreement as specified above).

G. **Deposit of Redemption Price**. On or prior to the Redemption Date, the Company may, at its option, deposit with an independent payment agent, a sum equal to the aggregate Redemption Price for all Preferred Shares called for redemption on the Redemption Date and not yet redeemed, with irrevocable instructions and authority to the payment agent to pay, on or after the Redemption Date, the Redemption Price to the respective holders upon the surrender of their respective share certificates (or a lost certificate affidavit or agreement as specified above). The deposit shall constitute full payment of the shares to their respective holders, and from and after the such Redemption Date, the shares called for redemption on that Redemption Date shall be deemed to be redeemed and no longer outstanding.

ORDINARY SHARES

9. Certain rights, preferences, privileges and limitations of the Ordinary Shares of the Company are as follows:

9.1 **Dividend Provision**. Subject to Article 8.4(B) and the preferential rights of holders of all series and classes of Shares in the Company at the time outstanding having preferential rights as to dividends (including those set out in Article 8.1), the holders of the Ordinary Shares shall, subject to the Statute and these Articles, be entitled to receive, when, as and if declared by the Directors, out of any assets of the Company legally available therefor, such dividends as may be declared from time to time by the Directors (including the Approval of the Preferred Directors).

9.2 **Liquidation**. Upon the liquidation, dissolution or winding up of the Company, the assets of the Company shall be distributed as provided in Article 8.2.

9.3 **Voting Rights**. Holders of Class A Ordinary Shares and holders of Class B Ordinary Shares shall, at all times, vote together as one class on all matters submitted to a vote by the holders of Ordinary Shares. Subject to Article 8.4(B), the holder of each Class A Ordinary Share shall have the right to one (1) vote with respect to such Class A Ordinary Share, the holder of each Class B Ordinary Share shall have the right to ten (10) votes with respect to such Class B Ordinary Share, and each holder of Ordinary Shares shall be entitled to notice of any Members' meeting in accordance with these Articles, and shall be entitled to vote upon such matters and in such manner as may be provided for in these Articles.

9.4 **Conversion**. Each Class B Ordinary Share is convertible into one (1) Class A Ordinary Share at any time by the holder thereof. The right to convert shall be exercisable by the holder of the Class B Ordinary Share delivering a written notice to the Company that such holder elects to convert a specified number of Class B Ordinary Shares into Class A Ordinary Shares. In no event shall Class A Ordinary Shares be convertible into Class B Ordinary Shares.

9.5 **Automatic Conversion**. With respect to any Class B Ordinary Share, upon (a) the death of the shareholder (or its ultimate Controlling beneficial owner that is a natural Person or any beneficial owner that is a Principal) of such Class B Ordinary Share, (b) any sale, transfer, assignment or disposition of such Class B Ordinary Share by a shareholder (or its Affiliate) to any Person who is not an Affiliate of such shareholder, (c) a change of ultimate beneficial ownership of such Class B Ordinary Share to any Person who is not an Affiliate of the registered shareholder of such Class B Ordinary Share, or (d) termination of employment of any Principal who is the ultimate beneficial owner holding such Class B Ordinary Share with the Company, such Class B Ordinary Share shall be automatically and immediately converted into one (1) Class A Ordinary Share.

REGISTER OF MEMBERS

10. The Company shall maintain or cause to be maintained the Register of Members in accordance with the Statute. The Register of Members shall be the only evidence as to who are the Members entitled to examine the Register of Members, or to vote in person or by proxy at any meeting of Members.

FIXING RECORD DATE

11. The Directors may fix in advance a date as the record date for any determination of Members entitled to notice of or to vote at a meeting of the Members, or any adjournment thereof, and for the purpose of determining the Members entitled to receive payment of any dividend the Directors may, at or within ninety (90) days prior to the date of declaration of such dividend, fix a subsequent date as the record date for such determination.

12. If no record date is fixed for the determination of Members entitled to notice of, or to vote at, a meeting of Members or Members entitled to receive payment of a dividend, the date on which notice of the meeting is sent or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Article, such determination shall apply to any adjournment thereof.

CERTIFICATES FOR SHARES

13. Share certificates representing Shares, if any, shall be in such form as the Directors may determine. Share certificates shall be signed by one or more Directors or other Person authorised by the Directors. The Directors may authorise certificates to be issued with the authorised signature(s) affixed by mechanical process. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All certificates surrendered to the Company for transfer shall be cancelled and, subject to these Articles (including Article 8), no new certificate shall be issued until the former certificate representing a like number of relevant Shares shall have been surrendered and cancelled.

14. The Company shall not be bound to issue more than one certificate for Shares held jointly by more than one Person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

15. If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating evidence, as the Directors may prescribe, and (in the case of defacement or wearing out) upon delivery of the old certificate.

TRANSFER OF SHARES

16. The Shares of the Company are subject to transfer restrictions as set forth in these Articles (including Schedule A hereto) and the Transaction Documents, by and among the Company and certain of its Members and such other parties named therein. The Company will register transfers of Shares that are made in accordance with such agreements and will not register transfers of Shares that are made in violation of such agreements. The instrument of transfer of any Share shall be in writing and shall be executed by or on behalf of the transferor (and, if the Directors so require, signed by the transferee). The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the Register of Members.

REDEMPTION AND REPURCHASE OF SHARES

17. The Company is permitted to redeem, purchase or otherwise acquire any of the Company's Shares, so long as such redemption, purchase or acquisition (i) is pursuant to any redemption provisions set forth in the Memorandum and these Articles, (ii) is pursuant to the ESOP, or (iii) is as otherwise agreed by the holder of such Share and the Company, subject in the case of clause (ii) or (iii) to compliance with any applicable restrictions set forth in the Shareholders Agreement, the Right of First Refusal and Co-Sale Agreement, the Memorandum and these Articles (including Article 8.4(B)) (in each case, as applicable).

18. Subject to the provisions of the Statute and these Articles (including Article 8.4(B)), the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the Member or the Company. Subject to the provisions of the Statute and these Articles (including Article 8.4(B)), the Directors may authorize the redemption or purchase by the Company of its own Shares in such manner and on such terms as they think fit and may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Statute, including out of capital.

VARIATION OF RIGHTS OF SHARES

19. Subject to these Articles (including Article 8.4(B)), if at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may only be varied with the consent in writing of Members holding not less than a majority of the votes entitled to be cast by holders (in person or by proxy) of Shares of such class affected by the proposed variation of rights on a poll at a general meeting of such class or with the sanction of a resolution of such Members holding not less than a majority of the votes which could be cast by holders (in person or by proxy) of Shares of such class on a poll at a general meeting but not otherwise. For purposes of this Article 19, all Series A Preferred Shares shall be deemed to be a single class and the rights attached to the Series A Preferred Shares may be varied with the consent in writing of Members holding fifty-one percent (51%) or more of the votes entitled to be cast by holders (in person or by proxy) of the Series A Preferred Shares, all Series B Preferred Shares shall be deemed to be a single class and the rights attached to the Series B Preferred Shares may be varied with the consent in writing of Members holding fifty-one percent (51%) or more of the votes entitled to be cast by holders (in person or by proxy) of the Series B Preferred Shares, all Series B+ Preferred Shares shall be deemed to be a single class and the rights attached to the Series B+ Preferred Shares may be varied with the consent in writing of Members holding fifty-one percent (51%) or more of the votes entitled to be cast by holders (in person or by proxy) of the Series B+ Preferred Shares, all Series B2 Preferred Shares shall be deemed to be a single class and the rights attached to the Series B2 Preferred Shares may be varied with the consent in writing of Members holding fifty-one percent (51%) or more of the votes entitled to be cast by holders (in person or by proxy) of the Series B2 Preferred Shares, all Series C Preferred Shares shall be deemed to be a single class and the rights attached to the Series C Preferred Shares may be varied with the consent in writing of Members holding fifty-one percent (51%) or more of the votes entitled to be cast by holders (in person or by proxy) of the Series C Preferred Shares, all Series C+ Preferred Shares shall be deemed to be a single class and the rights attached to the Series C+ Preferred Shares may be varied with the consent in writing of Members holding fifty-one percent (51%) or more of the votes entitled to be cast by holders (in person or by proxy) of the Series C+ Preferred Shares, and all Series D Preferred Shares shall be deemed to be a single class and the rights attached to the Series D Preferred Shares may be varied with the consent in writing of Members holding fifty-one percent (51%) or more of the votes entitled to be cast by holders (in person or by proxy) of the Series D Preferred Shares (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains outstanding). No amendment shall be effective or enforceable in respect of the rights, preferences and privileges of any particular Member without the prior written consent of such particular Member, if such amendment (x) affects any of the rights, preferences or privileges of such particular Member disproportionally and adversely differently from the other Members in the same class of Shares, or (y) affects any provision that specifically and expressly gives any right, preference, privilege or power to, or restriction for the benefit of, such particular Member.

20. For the purpose of the immediately preceding Article, all of the provisions of these Articles relating to general meetings shall apply, to the extent applicable, *mutatis mutandis*, to every such separate meeting of a class of Shares, except that the necessary quorum shall be one or more Persons holding or representing by proxy at least two thirds of the issued Shares of such class (as if all the Series D Warrants were fully exercised to the extent any Series D Warrant remains outstanding) and that any matter put to the vote of such meeting shall be decided by poll and not on a show of hands.

21. Subject to these Articles (including Article 8.4(B)), the rights conferred upon the holders of Shares or any class of Shares shall not, unless otherwise expressly provided by the terms of issue of such Shares, be deemed to be varied by the mere creation, redesignation, or issue of Shares ranking pari passu therewith.

COMMISSION ON SALE OF SHARES

22. The Company may, with the approval of the Board (so long as such approval includes the Approval of the Preferred Directors), so far as the Statute permits, pay a commission to any Person in consideration of his or her subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares of the Company. Such commissions may be satisfied by the payment of cash and/or the issue of fully or partly paid-up Shares. The Company may also on any issue of Shares pay such brokerage as may be lawful.

NON-RECOGNITION OF INTERESTS

23. The Company shall not be bound by or compelled to recognise in any way (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any Share other than an absolute right to the entirety thereof in the registered holder.

TRANSMISSION OF SHARES

24. If a Member dies, the survivor or survivors where such Member was a joint holder, and his or her legal personal representatives where such Member was a sole holder, shall be the only Persons recognised by the Company as having any title to such Member's interest. The estate of a deceased Member is not thereby released from any liability in respect of any Share that had been jointly held by such Member.

25. Any Person becoming entitled to a Share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer) may, upon such evidence being produced as may from time to time be required by the Directors, elect either to become the holder of the Share or to have some Person nominated by him or her as the transferee, but the Directors shall, in any case, have the same right to decline or suspend registration as they would have had in the case of a transfer by that Member before his death or bankruptcy pursuant to Article 16. If he or she elects to become the holder, he or she shall give written notice to the Company to that effect.

26. If the Person so becoming entitled shall elect to be registered as the holder, such Person shall deliver or send to the Company a notice in writing signed by such Person stating that he or she so elects.

AMENDMENTS OF MEMORANDUM AND ARTICLES OF ASSOCIATION AND ALTERATION OF CAPITAL

27. Subject to these Articles (including Article 8.4(B)), the Company may by Ordinary Resolution:

27.1 increase the share capital by such sum as the resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine;

27.2 consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

27.3 by subdivision of its existing Shares or any of them divide the whole or any part of its share capital into Shares of smaller amount than is fixed by the Memorandum or into Shares without par value;

27.4 cancel any Shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any Person; and

27.5 perform any action not required to be performed by Special Resolution.

28. Subject to the provisions of the Statute and the provisions of these Articles (including Articles 8.4(B) and 19) as regards the matters to be dealt with by Ordinary Resolution, the Company may by Special Resolution:

28.1 change its name;

28.2 alter or add to these Articles;

28.3 alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; and

28.4 reduce its share capital and any capital redemption reserve fund.

REGISTERED OFFICE

29. Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its Registered Office.

GENERAL MEETINGS

30. All general meetings other than annual general meetings shall be called extraordinary general meetings.

31. The Company shall, if required by the Statute, in each year hold a general meeting as its annual general meeting, and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as the Directors shall appoint. At these meetings, the report of the Directors (if any) shall be presented.

32. The Directors may call general meetings, and they shall on a Members requisition forthwith proceed to convene an extraordinary general meeting of the Company.

33. A Members requisition is a requisition of Members of the Company holding, on the date of deposit of the requisition, not less than either (i) a majority of the voting power of all of the Ordinary Shares, or (ii) twenty percent (20%) or more of the voting power of the Preferred Shares (on an as-converted and as-exercised basis) of the Company entitled to attend and vote at general meetings of the Company.

34. The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.

35. If the Directors do not within twenty-one (21) days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty-one (21) days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three (3) months after the expiration of the said twenty-one (21) days.

36. A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

37. At least ten (10) Business Days' notice shall be given of any general meeting unless such notice is waived either before, at or after such meeting both (i) by the Members (or their respective proxies) holding a majority of the aggregate voting power of all of the Ordinary Shares entitled to attend and vote thereat (including the Preferred Shares on an as converted basis), and (ii) by the Majority Preferred Holders (or their respective proxies). Every notice shall be exclusive of the day on which it is given or deemed to be given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company; provided, that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed both (i) by the Members (or their respective proxies) holding a majority of the aggregate voting power of all of the Ordinary Shares entitled to attend and vote thereat (including the Preferred Shares on an as converted basis), and (ii) by the Majority Preferred Holders (or their respective proxies).

38. The officer of the Company who has charge of the Register of Members of the Company shall prepare and make, at least two (2) Business Days before every general meeting, a complete list of the Members entitled to vote at the general meeting, arranged in alphabetical order, and showing the address of each Member and the number of shares registered in the name of each Member. Such list shall be open to examination by any Member for any purpose germane to the meeting, during ordinary business hours, for a period of at least two (2) Business Days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Member of the Company who is present.

PROCEEDINGS AT GENERAL MEETINGS

39. The holders of a majority of the aggregate voting power of all of the Ordinary Shares entitled to notice of and to attend and vote at such general meeting (including the Preferred Shares on an as converted basis, including the Majority Preferred Holders) present in person or by proxy or if a company or other non-natural Person by its duly authorised representative shall be a quorum. Subject to Article 42, no business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business.

40. A Person may participate at a general meeting by conference telephone or other communications equipment by means of which all the Persons participating in the meeting can communicate with each other. Participation by a Person in a general meeting in this manner is treated as presence in person at that meeting.

41. A unanimous resolution in writing (in one or more counterparts) signed by all the Members entitled to vote on the resolution shall be as valid and effective as if the resolution had been passed at a duly convened and held general meeting of the Company.

42. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum and the votes present may continue to transact business until adjournment. If, however, such quorum shall not be present or represented at any general meeting, the Members (or their respective proxies) holding a majority of the aggregate voting power of all of the Shares of the Company represented at the meeting may adjourn the meeting from time to time, until a quorum shall be present or represented; provided, that, if notice of such meeting has been duly delivered to all Members at least ten (10) Business Days prior to the scheduled meeting in accordance with the notice procedures hereunder, and the quorum is not present within three hours from the time appointed for the meeting because of the absence of any Member, the meeting shall be adjourned to the seventh (7th) following Business Day at the same time and place (or to such other time or such other place as the Directors may determine) with notice delivered to all Members 48 hours prior to the adjourned meeting in accordance with the notice procedures under Articles 110 through 114 and, if at the adjourned meeting, the quorum is not present within three (3) hours from the time appointed for the meeting solely because of the absence of any specific Member as may be required by Article 39 above, then the presence of such Member shall not be required at such adjourned meeting for purposes of establishing a quorum, and the holders of a majority of the aggregate voting power of all the Shares entitled to notice of and vote at a general meeting (calculated on an as-converted basis) shall be a quorum for such adjourned meeting. At such adjourned meeting, no business shall be transacted other than the business that might have been transacted at the meeting as originally notified.

43. The chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if he or she shall not be present within thirty (30) minutes after the time appointed for the holding of the meeting, or is unwilling or unable to act, the Directors present shall elect one of their number, or shall designate a Member, to be chairman of the meeting.

44. With the consent of a general meeting at which a quorum is present, the chairman may (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned, notice of the adjourned meeting shall be given as in the case of an original meeting.

45. A resolution put to the vote of the meeting shall be decided by poll and not on a show of hands.

46. On a poll a Member shall have one vote for each Ordinary Share he holds on an as converted basis.

47. Except on a poll on a question of adjournment, a poll shall be taken as the chairman directs, and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded.

48. A poll on a question of adjournment shall be taken forthwith.

49. A poll on any other question shall be taken at such time as the chairman of the general meeting directs, and any business other than that upon which a poll has been demanded or is contingent thereon may proceed pending the taking of the poll.

VOTES OF MEMBERS

50. Except as otherwise required by Law or these Articles, the Ordinary Shares and the Preferred Shares shall vote together on an as converted basis on all matters submitted to a vote of Members.

51. In the case of joint holders of record, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the Register of Members.

52. A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote by his or her committee, receiver, or other Person on such Member's behalf appointed by that court, and any such committee, receiver, or other Person may vote by proxy.

53. No Person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class or series of Shares unless he or she is registered as a Member on the record date for such meeting and unless all calls or other monies then payable by such Member in respect of Shares have been paid.

54. No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

55. Votes may be cast either personally or by proxy. A Member may appoint more than one proxy or the same proxy under one or more instruments to attend and vote at a meeting.

56. A Member holding more than one Share need not cast the votes in respect of his or her Shares in the same way on any resolution and therefore may vote a Share or some or all such Shares either for or against a resolution and/or abstain from voting a Share or some or all of the Shares and, subject to the terms of the instrument appointing him or her, a proxy appointed under one or more instruments may vote a Share or some or all of the Shares in respect of which he or she is appointed either for or against a resolution and/or abstain from voting.

PROXIES

57. The instrument appointing a proxy shall be in writing, be executed under the hand of the appointor or of his or her attorney duly authorised in writing, or, if the appointor is a corporation, under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.

58. The instrument appointing a proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, no later than the time for holding the meeting or adjourned meeting.

59. The instrument appointing a proxy may be in any usual or common form and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked. An instrument appointing a proxy shall be deemed to include the power to demand or join or concur in demanding a poll.

60. Votes given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given unless notice in writing of such death, insanity, revocation or transfer was received by the Company at the Registered Office before the commencement of the general meeting or adjourned meeting at which it is sought to use the proxy.

CORPORATE MEMBERS

61. Any corporation or other non-natural Person that is a Member may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body, authorise such Person as it thinks fit to act as its representative at any meeting of the Company or any class of Members, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he or she represents as the corporation could exercise if it were an individual Member.

SHARES THAT MAY NOT BE VOTED

62. Shares in the Company that are beneficially owned by the Company or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding Shares at any given time.

APPOINTMENT OF DIRECTORS AND OBSERVER

63. The authorized number of directors on the Board shall be no more than twelve (12) directors, with the composition of the Board determined as follows: (a) the holders of a majority of the Ordinary Shares (voting together as a single class and not including Class A Ordinary Shares issued upon conversion of Preferred Shares) shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time six (6) directors on the Board (each an "**Ordinary Director**"), one of whom shall be the then CEO of the Company (the "**CEO Director**") and shall initially have two (2) votes for any matters to be resolved by the Board and the other five (5) Ordinary Directors shall each have one (1) vote for any matters to be resolved by the Board; provided, however, if less than five (5) such other Ordinary Directors are actually appointed, then the CEO Director shall be entitled to such number of votes exceeding two (2) votes as would result in the Ordinary Directors having a total of seven (7) votes; (b) (i) the Majority Series A Holders, so long as the Majority Series A Holders hold Preferred Shares constituting no less than 4% of all issued and outstanding shares of the Company (calculated on a fully-diluted and an as-converted basis and including Conversion Shares converted therefrom), shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time one (1) director on the Board; (ii) the holders of fifty-one percent (51%) or more of the voting power of outstanding Ordinary Shares and Series A Preferred Shares (voting together as a single class and on an as-converted basis) shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time one (1) director on the Board; (iii) 5Y Capital, so long as it holds Preferred Shares constituting no less than 4% of all issued and outstanding shares of the Company (calculated on a fully-diluted and as-converted basis and including Conversion Shares converted therefrom), shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time one (1) director on the Board; (iv) CVP, so long as it holds Preferred Shares constituting no less than 4% of all issued and outstanding shares of the Company (calculated on an as-converted basis and including Conversion Shares converted therefrom), shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time one (1) director on the Board; (v) TMC, so long as it holds Preferred Shares constituting no less than 4% of all issued and outstanding shares of the Company (calculated on an as-converted basis and including Conversion Shares converted therefrom), shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time one (1) director on the Board; and (vi) OTPP, so long as it holds Preferred Shares constituting no less than 4% of all issued and outstanding shares of the Company (calculated on an as-converted basis and including Conversion Shares converted therefrom), shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time one (1) director on the Board (each such director appointed pursuant to (i), (ii), (iii), (iv), (v) and (vi) above, a "**Preferred Director**" and together, the "**Preferred Directors**"). Each Preferred Director shall have one (1) vote for any matters to be resolved by the Board. So long as OTPP does not, directly or indirectly, Transfer (as defined in the Right of First Refusal and Co-Sale Agreement) any of the Preferred Shares it now or thereafter directly or indirectly owns or holds, OTPP shall be entitled to designate, appoint, remove, replace and reappoint at any time or from time to time one (1) director on the Board during the period commencing from November 16, 2020 and ending on November 16, 2022 notwithstanding the shareholding requirement as set forth in this Article 63.

64. Each of the Majority Series A Holders, 5Y Capital, Nio, Legend Capital, CVP, TMC and OTPP, so long as it ceases to be entitled to designate, appoint, remove, replace and reappoint any director on the Board pursuant to Article 63 (if applicable) and so long as it holds Preferred Shares constituting no less than 2% of all issued and outstanding shares of the Company (calculated on a fully-diluted and as-converted basis and including Conversion Shares converted therefrom), shall be entitled to designate, appoint, remove, replace and reappoint one (1) Observer.

POWERS OF DIRECTORS AND OBSERVER

65. Subject to the provisions of the Statute, the Memorandum and these Articles and to any directions given by Special Resolution, the business of the Company shall be managed by or under the direction of the Directors who may exercise all the powers of the Company; provided, however, that the Company shall not carry out any action inconsistent with Articles 8 (including Article 8.4(B)) and 9. No alteration of the Memorandum or these Articles and no such direction shall invalidate any prior act of the Directors that would have been valid if that alteration had not been made or that direction had not been given. A duly convened meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

66. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall determine.

67. Subject to Article 8.4(B), the Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

68. Subject to Article 8.4(B), the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture shares, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

69. The Observers shall be entitled to receive notices, minutes, and all other materials in relation to the meetings of the Board and of each committee thereof at the same time as such notices, minutes and other materials are provided to the other members of the Board or such committee. The Observers may participate in a meeting of the Board by means of conference telephone or other communications equipment by means of which all Persons participating in the meeting can communicate with each other at the same time. An Observer may be represented at any meetings of the Board of Directors by a proxy appointed in writing by him. The Observers have the right to give advice and suggestions to the Board but have no right in any way to vote on any matters determined by any resolutions.

VACATION OF OFFICE AND REMOVAL OF DIRECTOR

70. The office of a Director shall be vacated if:

70.1 such Director gives notice in writing to the Company that he or she resigns the office of Director; or

70.2 such Director dies, becomes bankrupt or makes any arrangement or composition with such Director's creditors generally; or

70.3 such Director is found to be or becomes of unsound mind.

71. Any Director who shall have been elected by a specified group of Members may be removed from the Board, either for or without cause, only upon the vote or written consent of the group of Members then entitled to elect such Director in accordance with Article 63, given at a special meeting of such Members duly called or by an action by written consent for that purpose. Any vacancy in the Board of Directors caused as a result of such removal or one or more of the events set out in Article 70 of any Director who shall have been elected by a specified group of Members may be filled by, and only by, the vote or written consent of the group of Members then entitled to elect such Director in accordance with Article 63, given at a special meeting of such Members duly called or by an action by written consent for that purpose.

PROCEEDINGS OF DIRECTORS

72. A Director may by a written instrument appoint an alternate who need not be a Director, and an alternate is entitled to attend meetings in the absence of the Director who appointed him and to vote or consent in place of the Director. At all meetings of the Board of Directors a majority of the votes of all the Directors (including no less than two-thirds (2/3) of all the Preferred Directors) in office elected in accordance with Article 63 shall be necessary and sufficient to constitute a quorum for the transaction of business, and the vote of a majority of the votes of the Directors present (in person or in alternate) at any meeting at which there is a quorum, shall be the act of the Board of Directors, except as may be otherwise specifically provided or required by the Statute, the Memorandum or these Articles (including Article 8). If only one Director is elected, such sole Director shall constitute a quorum. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting, until a quorum shall be present, provided that, if notice of such meeting has been duly delivered to all Directors ten (10) Business Days prior to the scheduled meeting in accordance with the notice procedures hereunder, and the quorum is not present within three (3) hours from the time appointed for the meeting solely because of the absence of any Director, the meeting shall be adjourned to the seventh (7th) following Business Day at the same time and place (or to such other time or such other place as the Directors may determine) with notice delivered to all Directors forty-eight (48) hours prior to the adjourned meeting in accordance with the notice procedures under Articles 110 through 114 and, if at the adjourned meeting, the quorum is not present within three (3) hours from the time appointed for the meeting solely because of the absence of any Director(s), then the presence of such Director(s) shall not be required at such adjourned meeting for purposes of establishing a quorum, and the Directors consisting of a majority of all Directors that are entitled to the notice of and vote at the meeting shall be a quorum for such adjourned meeting. At such adjourned meeting, no business shall be transacted other than the business that might have been transacted at the meeting as originally notified.

73. Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit, provided however that the board meetings shall be held at least once every three (3) months unless the Board otherwise approves and that a written notice of each meeting, agenda of the business to be transacted at the meeting and all documents and materials to be circulated at or presented to the meeting shall be sent to all Directors and Observers entitled to receive notice of the meeting at least five (5) Business Days before the meeting and a copy of the minutes of the meeting shall be sent to such Persons.

74. The Directors may participate in a meeting of the Board or of any committee thereof by conference telephone or other communications equipment by means of which all the Persons participating in the meeting can communicate with each other at the same time. Participation by a Person in a meeting in this manner is treated as presence in person at that meeting. Unless otherwise determined by the Directors, the meeting shall be deemed to be held at the place where the chairman is at the start of the meeting. In the event of a deadlock of the votes at any meeting of the Directors, the relevant matters shall be submitted to the Members for approval, subject to compliance with Article 8.4(B) hereof.

75. A resolution in writing (in one or more counterparts) signed by all the Directors or all the members of a committee of the Board of Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors, or committee of the Board of Directors as the case may be, duly convened and held.

76. Meetings of the Board of Directors may be called by any Director on seven (7) days' notice to each Director and each Observer in accordance with Articles 110 through 114.

77. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

78. The Directors may elect a chairman of their board and determine the period for which he or she is to hold office; but if no such chairman is elected, or if at any meeting the chairman shall not be present within ten (10) minutes after the time appointed for holding the same, the Directors present may choose one of their members to be chairman of the meeting.

79. All acts done by any meeting of the Directors or of a committee of the Board of Directors shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and qualified to be a Director.

PRESUMPTION OF ASSENT

80. A Director of the Company who is present at a meeting of the Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless the Director's dissent shall be entered in the minutes of the meeting or unless the Director shall file his or her written dissent from such action with the Person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such Person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

DIRECTORS' INTERESTS

81. Subject to Article 84, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his or her office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

82. Subject to Article 84, a Director may act by himself or herself or his or her firm in a professional capacity for the Company and such Director or firm shall be entitled to remuneration for professional services as if such Director were not a Director.

83. Subject to Article 84, a Director of the Company may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as Member or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by such Director as a director or officer of, or from his or her interest in, such other company.

84. In addition to any further restrictions set forth in these Articles, no Person shall be disqualified from the office of Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested (each, an "**Interested Transaction**") be or be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such Interested Transaction by reason of such Director holding office or of the fiduciary relation thereby established, and any such Director may vote at a meeting of Directors on any resolution concerning a matter in which that Director has an interest (and if he votes his vote shall be counted) and shall be counted towards a quorum of those present at such meeting, in each case so long as the material facts of the interest of each Director in the agreement or transaction and his interest in or relationship to any other party to the agreement or transaction are disclosed in good faith to and are known by the other Directors. A general notice or disclosure to the Directors or otherwise contained in the minutes of a meeting or a written resolution of the directors or any committee thereof that a Director is a member of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure under this Article.

MINUTES

85. The Directors shall cause minutes to be made in books kept for the purpose of all appointments of officers made by the Directors, all proceedings at meetings of the Company or the holders of any series of Shares and of the Directors, and of committees of the Board of Directors including the names of the Directors present at each meeting.

DELEGATION OF DIRECTORS' POWERS

86. Subject to these Articles (including Article 8.4(B)), the Board of Directors may establish any committees, and approve the delegation of any of their powers to any committee consisting of one or more Directors, provided that the Preferred Directors shall be appointed as members of such committee. Without prejudice to Article 8.4(B), any actions taken by any committee of the Board shall be approved by a majority of the members of the committee, so long as such approval includes the Approval of the Preferred Directors. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another Director to act at the meeting in the place of the absent or disqualified member if such other Director's appointment is approved or ratified by the Board of Directors.

87. Subject to Article 8.4(B), any committee, to the extent allowed by Law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Company. Each committee shall keep regular minutes and report to the Board of Directors when required. Subject to these Articles, the proceedings of a committee of the Board of Directors shall be governed by the Articles regulating the proceedings of the Board of Directors, so far as they are capable of applying.

88. Subject to Article 8.4(B), the Board of Directors may also, with prior Approval of the Preferred Directors, delegate to any managing Director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by such Person provided that the appointment of a managing Director shall be revoked forthwith if he or she ceases to be a Director. Subject to Article 8.4(B), any such delegation may be made subject to any conditions the Board of Directors, with prior Approval of the Preferred Directors, may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered.

89. Subject to these Articles (including Article 8.4(B)), the Directors may by power of attorney or otherwise appoint any company, firm, Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or authorised signatory of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such attorneys or authorised signatories as the Directors may think fit and may also authorise any such attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in him or her.

90. Subject to these Articles (including Article 8.4(B)), the Directors may appoint such officers as they consider necessary on such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors may think fit. Subject to Article 8.4(B), unless otherwise specified in the terms of an officer's appointment, an officer may be removed by resolution of the Directors or Members.

NO MINIMUM SHAREHOLDING

91. There is no minimum shareholding required to be held by a Director.

REMUNERATION OF DIRECTORS

92. Subject to Article 8.4(B), the remuneration to be paid to the Directors, if any, shall be such remuneration as determined by the Board or one of its committees (in each case, including the Approval of the Preferred Directors). A Director who is not an employee of any Group Company shall also be entitled to be paid all reasonable travelling, hotel and other out-of-pocket expenses properly incurred by them in connection with their attendance at meetings of the Board of Directors or committees of the Board of Directors, or general meetings of the Company, or separate meetings of the holders of any series of Shares or debentures of the Company, or otherwise in connection with the business of the Company.

93. Subject to Article 8.4(B), the Directors may by resolution of the majority of the Board or one of its committees (in each case, including the Approval of the Preferred Directors) approve additional remuneration to any Director for any services other than his or her ordinary routine work as a Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise serves it in a professional capacity, shall be in addition to his or her remuneration as a Director.

SEAL

94. The Company may, if the Directors so determine, have a Seal. The Seal shall only be used by the authority of the Directors or of a committee of the Board of Directors authorised by the Board of Directors. Every instrument to which the Seal has been affixed shall be signed by at least one Person who shall be either a Director or some officer or other Person appointed by the Directors for the purpose.

95. The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals each of which shall be a facsimile of the common Seal of the Company and, if the Directors so determine, with the addition on its face of the name of every place where it is to be used.

96. A Director or an officer authorized by the Board of Directors, representative or attorney of the Company may without further authority of the Directors affix the Seal over his or her signature alone to any document of the Company required to be authenticated by him or her under Seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

DIVIDENDS, DISTRIBUTIONS AND RESERVE

97. Subject to the Statute and these Articles (including Articles 8.1 and 8.4(B)), the Directors may declare dividends and distributions on Shares in issue and authorise payment of the dividends or distributions out of the assets of the Company lawfully available therefor. No dividend or distribution shall be paid except out of the realised or unrealised profits of the Company, or out of the share premium account or as otherwise permitted by the Statute.

98. All dividends and distributions shall be declared and paid according to the provisions of Articles 8 (including Articles 8.1 and 8.4(B)) and 9.1.

99. The Directors may deduct from any dividend or distribution payable to any Member all sums of money (if any) then payable by such Member to the Company on account of calls or otherwise.

100. Subject to the provisions of Articles 8 (including Articles 8.1 and 8.4(B)) and 9.1, the Directors may declare that any dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of shares, debentures or securities of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional Shares and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.

101. Any dividend, distribution, interest or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of the holder who is first named on the Register of Members or to such Person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses or other monies payable in respect of the Share held by them as joint holders.

102. No dividend or distribution shall bear interest against the Company, except as expressly provided in these Articles.

103. Any dividend that cannot be paid to a Member and/or that remains unclaimed after six (6) months from the date of declaration of such dividend may, in the discretion of the Directors, be paid into a separate account in the Company's name; provided, that the Company shall not be constituted as a trustee in respect of that account and the dividend shall remain as a debt due to the Member. Any dividend that remains unclaimed after a period of six (6) years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

CAPITALIZATION

104. Subject to these Articles (including Article 8.4(B)), the Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend as set forth in Article 8.1 and 9.1 hereof and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. In such event, the Directors shall do all acts and things required to give effect to such capitalization, with full power to the Directors to make such provisions as they think fit for the case of Shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any Person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalization and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

BOOKS OF ACCOUNT

105. The Directors shall cause proper books of account to be kept at such place as they may from time to time designate with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions. Subject to Section 8 (Information and Inspection Rights) of the Shareholders Agreement, the Directors shall from time to time determine whether and to what extent and at what times and places, and under what conditions or regulations, the accounts and books of the Company or any of them shall be open to inspection of Members not being Directors and no such Member shall have any right of inspecting any account or book or document of the Company except as conferred by the Statute or authorized by the Directors or the Company in general meeting or in a written agreement binding on the Company. The Company shall cause all books of account to be maintained for a minimum period of five years from the date on which they were prepared.

106. The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by Law.

AUDIT

107. Subject to these Articles (including Article 8.4(B)), the Directors may appoint an Auditor of the Company who shall hold office until removed from office by a resolution of the Directors, and may fix the Auditor's remuneration.

108. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor.

109. Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment in the case of a company that is registered with the Registrar of Companies as an ordinary company, and at the next extraordinary general meeting following their appointment in the case of a company that is registered with the Registrar of Companies as an exempted company and at any other time during their term of office, upon request of the Directors or any general meeting of the Members.

NOTICES

110. Except as otherwise provided in these Articles, notices shall be in writing. Notice may be given by the Company to any Member or Director either personally or by sending it by next-day or second-day courier service, fax, electronic mail or similar means to such Member or Director (as the case may be) or to the address of such Member or Director as shown in the Register of Members or the Register of Directors (as the case may be) (or where the notice is given by fax or electronic mail by sending it to the number or electronic mail address provided by such Member or Director).

111. Where a notice is sent by next-day or second-day courier service, service of the notice shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, with a written confirmation of delivery, and to have been effected at the earlier of (i) delivery (or when delivery is refused) and (ii) expiration of two (2) Business Days after the letter containing the same is sent as aforesaid. Where a notice is sent by fax or electronic mail, service of the notice shall be deemed to be effected by properly addressing and sending such notice through a transmitting organization, with a written confirmation of deliver, and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day.

112. A notice may be given by the Company to the Person or Persons that the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Member in the same manner as other notices that are required to be given under these Articles and shall be addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the Persons claiming to be so entitled, or at the option of the Company, by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

113. Notice of every general meeting shall be given in any manner hereinbefore authorised to every Person shown as a Member in the Register of Members on the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the Register of Members and every Person upon whom the ownership of a Share devolves by reason of his or her being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his or her death or bankruptcy would be entitled to receive notice of the meeting, and no other Person shall be entitled to receive notices of general meetings.

114. Whenever any notice is required by Law or these Articles to be given to any Director, member of a committee or Member, a waiver thereof in writing, signed by the Person or Persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

WINDING UP

115. If the Company shall be wound up, assets available for distribution amongst the Members shall be distributed, in accordance with Articles 8.2 and 9.2.

116. If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute, divide amongst the Members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and, subject to these Articles (including Articles 8.2 and 9.2), determine how the division shall be carried out as between the Members or different classes of Members. Subject to Articles 8.2 and 9.2, the liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

INDEMNITY

117. To the maximum extent permitted by applicable Law, the Directors and officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives respectively shall be indemnified out of the assets of the Company from and against all actions, proceedings, costs, charges, losses, damages and expenses that they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices or trusts, except such (if any) as they shall incur or sustain by or through their own fraud or dishonesty, and no such Director or officer or trustee shall be answerable for the acts, receipts, neglects or defaults of any other Director or officer or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any banker or other Persons with whom any monies or effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of the Company may be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his or her office or trust unless the same shall happen through the fraud or dishonesty of such Director or officer or trustee. Except with respect to proceedings to enforce rights to indemnification pursuant to this Article, the Company shall indemnify any such indemnitee pursuant to this Article in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in this Article shall include the right to be paid by the Company the expenses incurred in defending any such proceeding in advance of its final disposition to the maximum extent provided by, and subject to the requirements of, applicable Law, so long as the indemnitee agrees with the Company to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this Article.

118. To the maximum extent permitted by applicable Law and these Articles, the Directors and officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives respectively shall not be personally liable to the Company or its Members for monetary damages for breach of their duty in their respective offices, except such (if any) as they shall incur or sustain by or through their own fraud or dishonesty respectively.

FINANCIAL YEAR

119. Unless the Directors otherwise prescribe, the financial year of the Company shall end on the 31st of December in each year and, following the year of incorporation, shall begin on the 1st of January in each year.

TRANSFER BY WAY OF CONTINUATION

120. If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and with the approval of a Special Resolution and the Approval of the Majority Preferred Holders, have the power to register by way of continuation as a body corporate under the Laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

DRAG ALONG RIGHTS

121. In the event that (a) the Majority Preferred Holders, and (b) the holders of a majority of the Ordinary Shares (voting together as a single class and not including Class A Ordinary Shares issued upon conversion of Preferred Shares or otherwise held by any holder of Preferred Shares), each voting as separate classes (collectively, the "**Drag Holders**") approve a Deemed Liquidation Event to any Person (the "**Offeror**") that values the Company at no less than US$10,000,000,000 (the "**Approved Sale**"), then at the written request of the Drag Holders the Company shall promptly notify in writing each other holder of Equity Securities of the Company that is a Party of such approval and the material terms and conditions of such proposed Approved Sale, whereupon each such holder shall, in accordance with written instructions received from the Company at the written direction of the Drag Holders:

(i) in the event such transaction is to be brought to a vote at a shareholder meeting, after receiving proper notice of any meeting of shareholders of the Company, vote on the approval of the Approved Sale, be present, in person or by proxy, as a holder of shares of voting securities, at all such meetings and be counted for the purposes of determining the presence of a quorum at such meetings;

(ii) vote (in person, by proxy or by action by written consent, as applicable) all Shares in favour of such Approved Sale and in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of the Company to consummate such Approved Sale;

(iii) refrain from exercising any dissenters' rights or rights of appraisal under applicable Law at any time with respect to such Approved Sale;

(iv) execute and deliver all related documentation and take such other action in support of the Approved Sale as shall reasonably be requested in writing by the Company;

(v) execute and deliver all related documentation and take such other action in support of the Approved Sale as shall reasonably be requested in writing by the Company or the Drag Holders;

(vi) if the Approved Sale is structured as a Share Sale, sell all (but not part) of his, her or its Shares, and, except as permitted in Article 122 below, on the same terms and conditions as the Drag Holders; and

(vii) not deposit, and shall cause its Affiliates not to deposit, except as provided in these Articles or the Shareholders Agreement, any Shares owned by such shareholder or Affiliate in a voting trust or subject any such Shares to any arrangement or agreement with respect to the voting of such Shares, unless specifically requested in writing to do so by the Offeror in connection with the Approved Sale.

122. Notwithstanding the foregoing, a shareholder will not be required to comply with Article 121 above in connection with any proposed Deemed Liquidation Event (the "**Proposed Sale**") unless (a) upon the consummation of the Proposed Sale, (i) each holder of each class or series of the Company's share capital will receive the same form of consideration for its shares of such class or series as is received by other holders in respect of their shares of such same class or series of share capital, (ii) each holder of a series of Preferred Shares will receive the same amount of consideration per share of such series of Preferred Shares as is received by other holders in respect of their shares of such same series, (iii) each holder of Ordinary Shares will receive the same amount of consideration per Ordinary Share as is received by other holders in respect of their Ordinary Shares, and (iv) the aggregate consideration receivable by all holders of Preferred Shares and Ordinary Shares shall be allocated among the holders of Preferred Shares and Ordinary Shares on the basis of the relative liquidation preferences to which the holders of each respective series of Preferred Shares and the holders of Ordinary Shares are entitled in a Deemed Liquidation Event in accordance with these Articles in effect immediately prior to the Proposed Sale and (b) such shareholder will (i) only be required to provide customary fundamental representations and warranties relating to its capacity, the enforceability of the relevant transaction documents against it and the title and ownership of the Shares to be transferred by it and will not be required to provide representations and warranties on the business or assets of the Group or on any Group Company and (ii) not be obliged to pay any amount with respect to any liabilities arising from the representations and warranties made by it in excess of its share of the total consideration paid by the Offeror.

123. None of the transfer restrictions set forth in the Right of First Refusal and Co-Sale Agreement, these Articles and any other Transaction Documents shall apply in connection with an Approved Sale, notwithstanding anything in the Right of First Refusal and Co-Sale Agreement, these Articles and any other Transaction Documents to the contrary.

TERMINATION OF RIGHTS

124. Notwithstanding anything to the contrary provided herein, as from the date on which the Company submits its first IPO application (the "**First IPO Application Date**") to the SEHK and the Securities and Futures Commission (collectively, the "**HK Listing Authorities**"), except with written consent of the Company:

(a) no holder of Shares shall be entitled to directly or indirectly transfer any Share;

(b) no holder of Shares shall be entitled to request the redemption of any Share held by it in accordance with provisions set out herein, including but not limited to Article 8.5; and

(c) no holder of Shares shall be entitled to, where applicable, exercise any divestment rights in the form of redemption, put option, drag-along rights, or otherwise, that are provided for herein

(collectively, the "**Divestment Rights**"); provided, that any Divestment Right shall be restored to the fullest effect upon the earlier of (i) such IPO application being rejected by any HK Listing Authority or otherwise withdrawn by the Company, and (ii) the twelve (12) month anniversary of the First IPO Application Date if such IPO fails to be consummated by such time.

125. In the case of an IPO application having been made to the SEHK, the Parties hereby agree to, promptly after the receipt by the Company of a "post-hearing letter" from the SEHK together with a request to post a "Post Hearing Information Pack", procure that all necessary resolutions are passed to adopt further amended and restated Articles in such form that is customary for the purpose of listing the Shares on the SEHK.

126. For avoidance of doubt, upon conversion of the Preferred Shares into Ordinary Shares in accordance with these Articles, all privileges, preferences and rights attached to such Preferred Shares, including but not limited to the privileges, preferences and rights set out in Articles 8, 63 and 64, and Schedule A hereto, shall lapse and be terminated in their entirety, whereupon the obligations of the Company to the Shareholders under the Articles shall be determined in accordance with the Articles then in effect.

SCHEDULE A

[**********]

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY BRACKETS [****], HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

Exhibit 10.1

PONY AI INC.

2016 SHARE PLAN

ADOPTED ON DECEMBER 3, 2016

PONY AI INC. 2016 SHARE PLAN

SECTION 1. ESTABLISHMENT AND PURPOSE.

The purpose of this Plan is to offer persons selected by the Company an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, by acquiring Shares. The Plan provides both for the direct award or sale of Shares and for the grant of Options to purchase Shares and the grant of Restricted Share Units over Shares. Options granted under the Plan may be ISOs intended to qualify under Code Section 422 or Nonstatutory Options which are not intended to so qualify.

Capitalized terms are defined in Section 13.

SECTION 2. ADMINISTRATION.

(a) Committees of the Board of Directors. The Plan may be administered by one or more Committees. Each Committee shall consist, as required by applicable law, of one or more members of the Board of Directors who have been appointed by the Board of Directors. Each Committee shall have such authority and be responsible for such functions as the Board of Directors has assigned to it. If no Committee has been appointed, the entire Board of Directors shall administer the Plan. Any reference to the Board of Directors in the Plan shall be construed as a reference to the Committee (if any) to whom the Board of Directors has assigned a particular function.

(b) Authority of the Board of Directors. Subject to the provisions of the Plan, the Board of Directors shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. Notwithstanding anything to the contrary in the Plan, with respect to the terms and conditions of awards granted to Participants outside the United States, the Board of Directors may vary from the provisions of the Plan to the extent it determines it necessary and appropriate to do so; provided that it may not vary from those Plan terms requiring shareholder approval pursuant to Section 11(d) below. All decisions, interpretations and other actions of the Board of Directors shall be final and binding on all Purchasers, all Optionees and all persons deriving their rights from a Purchaser or Optionee.

SECTION 3. ELIGIBILITY.

(a) General Rule. Only Employees, Outside Directors and Consultants shall be eligible for the grant of Nonstatutory Options, Restricted Share Units or the direct award or sale of Shares. Only Employees shall be eligible for the grant of ISOs.

(b) Ten-Percent Shareholders. A person who owns more than 10% of the total combined voting power of all classes of outstanding shares of the Company, its Parent or any of its Subsidiaries shall not be eligible for the grant of an ISO unless (i) the Exercise Price is at least 110% of the Fair Market Value of a Share on the Date of Grant (but in no event less than the par value per Share), and (ii) such ISO by its terms is not exercisable after the expiration of five years from the Date of Grant. For purposes of this Subsection (b), in determining share ownership, the attribution rules of Code Section 424(d) shall be applied.

SECTION 4. SHARES SUBJECT TO PLAN.

(a) Basic Limitation. Not more than 2,000,000 Shares may be issued under the Plan, subject to Subsection (b) below and Section 9(a). All of these Shares may be issued upon the exercise of ISOs. The number of Shares that are subject to Options, Restricted Share Units or other rights outstanding at any time under the Plan may not exceed the number of Shares that then remain available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan. Shares offered under the Plan may be authorized but unissued Shares or treasury Shares.

(b) Additional Shares. In the event that Shares previously issued under the Plan are reacquired by the Company, such Shares shall be added to the number of Shares then available for issuance under the Plan. In the event that Shares that otherwise would have been issuable under the Plan are withheld by the Company in payment of the Purchase Price, Exercise Price or withholding taxes, such Shares shall remain available for issuance under the Plan. In the event that an outstanding Option or other right for any reason expires or is canceled, the Shares allocable to the unexercised portion of such Option or other right shall be added to the number of Shares then available for issuance under the Plan.

SECTION 5. TERMS AND CONDITIONS OF AWARDS OR SALES.

(a) Grant or Purchase Agreement. Each award of Shares under the Plan shall be evidenced by a Share Grant Agreement between the Grantee and the Company. Each sale of Shares under the Plan (other than upon exercise of an Option) shall be evidenced by a Share Purchase Agreement between the Purchaser and the Company. Such award or sale shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Share Grant Agreement or Share Purchase Agreement. The provisions of the various Share Grant Agreements and Share Purchase Agreements entered into under the Plan need not be identical.

(b) Duration of Offers and Nontransferability of Rights. Any right to purchase Shares under the Plan (other than an Option) shall automatically expire if not exercised by the Purchaser within 30 days (or such other period as may be specified in the Award Agreement) after the grant of such right was communicated to the Purchaser by the Company. Such right is not transferable and may be exercised only by the Purchaser to whom such right was granted.

(c) Purchase Price. The Purchase Price of Shares to be offered under the Plan, if newly issued, shall not be less than the par value of such Shares. Subject to the foregoing, the Board of Directors shall determine the Purchase Price of Shares to be offered under the Plan at its sole discretion. The Purchase Price shall be payable in a form described in Section 7.

SECTION 6. TERMS AND CONDITIONS OF OPTIONS.

(a) Option Agreement. Each grant of an Option under the Plan shall be evidenced by a Share Option Agreement between the Optionee and the Company. The Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and that the Board of Directors deems appropriate for inclusion in a Share Option Agreement. The provisions of the various Share Option Agreements entered into under the Plan need not be identical.

(b) Number of Shares. Each Share Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 9. The Share Option Agreement shall also specify whether the Option is an ISO or a Nonstatutory Option.

(c) Exercise Price. Each Share Option Agreement shall specify the Exercise Price. The Exercise Price of an Option shall not be less than 100% of the Fair Market Value of a Share on the Date of Grant but in no event less than the par value per Share, and in the case of an ISO a higher percentage may be required by Section 3(b). Subject to the preceding sentence, the Exercise Price shall be determined by the Board of Directors at its sole discretion. The Exercise Price shall be payable in a form described in Section 7. This Subsection (c) shall not apply to an Option granted pursuant to an assumption of, or substitution for, another option in a manner that complies with Code Section 424(a) (whether or not the Option is an ISO).

(d) Exercisability. Each Share Option Agreement shall specify the date when all or any installment of the Option is to become exercisable. No Option shall be exercisable unless the Optionee (i) has delivered an executed copy of the Share Option Agreement to the Company or (ii) otherwise agrees to be bound by the terms of the Share Option Agreement. The Board of Directors shall determine the exercisability provisions of the Share Option Agreement at its sole discretion.

(e) Basic Term. The Share Option Agreement shall specify the term of the Option. The term shall not exceed 10 years from the Date of Grant, and in the case of an ISO a shorter term may be required by Section 3(b). Subject to the preceding sentence, the Board of Directors at its sole discretion shall determine when an Option is to expire.

(f) Termination of Service (Except by Death). Except as otherwise provided in a Share Option Agreement, if an Optionee's Service terminates for any reason other than the Optionee's death, then the Optionee's Options shall expire on the earliest of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above;

(ii) The date three months after the termination of the Optionee's Service for any reason other than Disability, or such earlier or later date as the Board of Directors may determine (but in no event earlier than 30 days after the termination of the Optionee's Service); or

(iii) The date six months after the termination of the Optionee's Service by reason of Disability, or such later date as the Board of Directors may determine.

The Optionee may exercise all or part of the Optionee's Options at any time before the expiration of such Options under the preceding sentence, but only to the extent that such Options had become exercisable before the Optionee's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Optionee's Service terminated (or vested as a result of the termination). The balance of such Options shall lapse when the Optionee's Service terminates. In the event that the Optionee dies after the termination of the Optionee's Service but before the expiration of the Optionee's Options, all or part of such Options may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired such Options directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Optionee's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Optionee's Service terminated (or vested as a result of the termination).

(g) Leaves of Absence. For purposes of Subsection (f) above, Service shall be deemed to continue while the Optionee is on a bona fide leave of absence, if such leave was approved by the Company in writing and if continued crediting of Service for this purpose is expressly required by the terms of such leave or by applicable law (as determined by the Company).

(h) Death of Optionee. Except as otherwise provided in a Share Option Agreement, if an Optionee dies while the Optionee is in Service, then the Optionee's Options shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above; or

(ii) The date 12 months after the Optionee's death, or such earlier or later date as the Board of Directors may determine (but in no event earlier than six months after the Optionee's death).

All or part of the Optionee's Options may be exercised at any time before the expiration of such Options under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired such Options directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Optionee's death (or became exercisable as a result of the death) and the underlying Shares had vested before the Optionee's death (or vested as a result of the Optionee's death). The balance of such Options shall lapse when the Optionee dies.

(i) Pre-Exercise Restrictions on Transfer of Options or Shares. An Option shall be transferable by the Optionee only by (i) a beneficiary designation, (ii) a will or (iii) the laws of descent and distribution, except as provided in the next sentence. If the applicable Share Option Agreement so provides, a Nonstatutory Option shall also be transferable by gift or domestic relations order to a Family Member of the Optionee. An ISO may be exercised during the lifetime of the Optionee only by the Optionee or by the Optionee's guardian or legal representative. In addition, an Option shall comply with all conditions of Rule 12h-1(f)(1) under the Exchange Act until the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act. Such conditions include, without limitation, the transferability restrictions set forth in Rule 12h-1(f)(1)(iv) and (v) under the Exchange Act, which shall apply to an Option and, prior to exercise, to the Shares to be issued upon exercise of such Option during the period commencing on the Date of Grant and ending on the earlier of (i) the date when the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or (ii) the date when the Company makes a determination that it will cease to rely on the exemption afforded by Rule 12h-1(f)(1) under the Exchange Act. During such period, an Option and, prior to exercise, the Shares to be issued upon exercise of such Option shall be restricted as to any pledge, hypothecation or other transfer by the Optionee, including any short position, any "put equivalent position" (as defined in Rule 16a-1(h) under the Exchange Act) or any "call equivalent position" (as defined in Rule 16a-1(b) under the Exchange Act).

(j) No Rights as a Shareholder. An Optionee, or a transferee of an Optionee, shall have no rights as a shareholder with respect to any Shares covered by the Optionee's Option until such person becomes entitled to receive such Shares by filing a notice of exercise and paying the Exercise Price pursuant to the terms of such Option.

(k) Modification, Extension and Assumption of Options. Within the limitations of the Plan, the Board of Directors may modify, extend or assume outstanding Options or may accept the cancellation of outstanding Options (whether granted by the Company or another issuer) in return for the grant of new Options or a different type of award for the same or a different number of Shares and at the same or a different Exercise Price (if applicable). The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair the Optionee's rights or increase the Optionee's obligations under such Option

(l) Company's Right to Cancel Certain Options. Any other provision of the Plan or a Share Option Agreement notwithstanding, the Company shall have the right at any time to cancel an Option that was not granted in compliance with Rule 701 under the Securities Act. Prior to canceling such Option, the Company shall give the Optionee not less than 30 days' notice in writing. If the Company elects to cancel such Option, it shall deliver to the Optionee consideration with an aggregate Fair Market Value equal to the excess of (i) the Fair Market Value of the Shares subject to such Option as of the time of the cancellation over (ii) the Exercise Price of such Option. The consideration may be delivered in the form of cash or cash equivalents, in the form of Shares, or a combination of both. If the consideration would be a negative amount, such Option may be cancelled without the delivery of any consideration.

SECTION 7. PAYMENT FOR SHARES.

(a) General Rule. The entire Purchase Price or Exercise Price of Shares issued under the Plan shall be payable in cash or cash equivalents at the time when such Shares are purchased, except as otherwise provided in this Section 7. In addition, the Board of Directors in its sole discretion may also permit payment through any of the methods described in (b) through (g) below:

(b) Services Rendered. Shares may be awarded under the Plan in consideration of services rendered to the Company, a Parent or a Subsidiary prior to the award provided that no Share is issued for less than its par value paid in cash to the Company.

(c) Promissory Note. All or a portion of the Purchase Price or Exercise Price (as the case may be) of Shares issued under the Plan may be paid with a full-recourse promissory note. The Shares shall be pledged as security for payment of the principal amount of the promissory note and interest thereon. The interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Subject to the foregoing, the Board of Directors (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any) and other provisions of such note.

(d) Surrender of Shares. All or any part of the Exercise Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when the Option is exercised.

(e) Exercise/Sale. If the Shares are publicly traded, all or part of the Exercise Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company.

(f) Net Exercise. An Option may permit exercise through a "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issued upon exercise by the largest whole number of Shares having an aggregate Fair Market Value (determined by the Board of Directors as of the exercise date) that does not exceed the aggregate Exercise Price or the sum of the aggregate Exercise Price plus all or a portion of the minimum amount required to be withheld under applicable tax law (with the Company accepting from the Optionee payment of cash or cash equivalents to satisfy any remaining balance of the aggregate Exercise Price and, if applicable, any additional withholding obligation not satisfied through such reduction in Shares); *provided* that to the extent Shares subject to an Option are withheld in this manner, the number of Shares subject to the Option following the net exercise will be reduced by the sum of the number of Shares withheld and the number of Shares delivered to the Optionee as a result of the exercise.

(g) Other Forms of Payment. To the extent that an Award Agreement so provides, the Purchase Price or Exercise Price of Shares issued under the Plan may be paid in any other form permitted by applicable laws.

SECTION 8. TERMS AND CONDITIONS OF RESTRICTED SHARE UNITS.

(a) Restricted Share Unit Award Agreement

Each Restricted Share Unit Award under the Plan shall be evidenced by a Restricted Share Unit Award Agreement between the Grantee and the Company. The Restricted Share Unit Award shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and that the Board of Directors deems appropriate for inclusion in a Restricted Share Unit Award Agreement. The provisions of the various Restricted Share Unit Award Agreements entered into under the Plan need not be identical.

(b) Number of Shares

Each Restricted Share Unit Award Agreement shall specify the number of Shares that are subject to the Restricted Share Unit Award and shall provide for the adjustment of such number in accordance with Section 9.

(c) Vesting Conditions

Each Restricted Share Unit Award may or may not be subject to vesting, as determined by the Board of Directors in its sole discretion. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Restricted Share Unit Award Agreement. A Restricted Share Unit Award Agreement may provide for accelerated vesting upon certain specified events.

(d) Voting Rights

The holders of Restricted Share Unit Awards shall have no voting rights.

(e) Settlement of Restricted Share Unit Awards

Settlement of any vested Restricted Share Unit Award may be made in the form of (a) Shares, (b) cash or (c) any combination of both, as determined by the Board of Directors in its sole discretion. The actual number of Restricted Share Units eligible for settlement may be larger or smaller than the number included in the original Restricted Share Unit Award, based on predetermined performance factors. Methods of converting Restricted Share Units into cash may include (without limitation) a method based on the average Fair Market Value of a Share over a series of trading days. Vested Restricted Share Units shall be settled in such manner and at such time(s) as specified in the Restricted Share Unit Award Agreement. Until a Restricted Share Unit Award is settled, the number of such Restricted Share Units shall be subject to adjustment pursuant to Section 9.

(f) Modification or Assumption of Restricted Share Units

Within the limitations of the Plan, the Board of Directors may modify or assume outstanding Restricted Share Units or may accept the cancellation of outstanding Restricted Share Units (whether granted by the Company or by another issuer) in return for the grant of new Restricted Share Units for the same or a different number of Shares or in return for the grant of a different type of Award.

SECTION 9. ADJUSTMENT OF SHARES.

(a) General. In the event of a subdivision of the outstanding Shares, a declaration of a dividend payable in Shares, a combination or consolidation of the outstanding Shares into a lesser number of Shares, a reclassification, or any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, proportionate adjustments shall automatically be made in each of (i) the number and kind of Shares available for future grants under Section 4, (ii) the number and kind of Shares covered by each outstanding Option and any outstanding and unexercised right to purchase Shares that has not yet expired pursuant to Section 5(b), (iii) the Exercise Price under each outstanding Option and the Purchase Price applicable to any unexercised share purchase right described in clause (ii) above, (iv) the number and kind of Shares covered by each outstanding Restricted Share Unit that has not yet expired and (v) any repurchase price that applies to Shares granted under the Plan pursuant to the terms of a Company repurchase right under the applicable Award Agreement. In the event of a declaration of an extraordinary dividend payable in a form other than Shares in an amount that has a material effect on the Fair Market Value of the Shares, a recapitalization, a spin-off, or a similar occurrence, the Board of Directors at its sole discretion may make appropriate adjustments in one or more of the items listed in clauses (i) through (iv) above. No fractional Shares shall be issued under the Plan as a result of an adjustment under this Section 9(a), although the Board of Directors in its sole discretion may make a cash payment in lieu of fractional Shares.

(b) Corporate Transactions. In the event that the Company is a party to a merger or consolidation, or in the event of a sale of all or substantially all of the Company's shares or assets, all Shares acquired under the Plan and all Options and other Plan awards outstanding on the effective date of the transaction shall be treated in the manner described in the definitive transaction agreement (or, in the event the transaction does not entail a definitive agreement to which the Company is party, in the manner determined by the Board of Directors in its capacity as administrator of the Plan, with such determination having final and binding effect on all parties), which agreement or determination need not treat all Options and awards (or all portions of an Option or an award) in an identical manner. The treatment specified in the transaction agreement may include (without limitation) one or more of the following with respect to each outstanding Option or award:

(i) Continuation of the Option or award by the Company (if the Company is the surviving company).

(ii) Assumption of the Option by the surviving company or its parent in a manner that complies with Code Section 424(a) (whether or not the Option is an ISO) and applicable foreign exchange and tax requirements.

(iii) Substitution by the surviving company or its parent of a new option for the Option in a manner that complies with Code Section 424(a) (whether or not the Option is an ISO) and applicable foreign exchange and tax requirements.

(iv) Cancellation of the Option and a payment to the Optionee with respect to each Share subject to the portion of the Option that is vested as of the transaction date equal to the excess of (A) the value, as determined by the Board of Directors in its absolute discretion, of the property (including cash) received by the holder of a Share as a result of the transaction, over (B) the per-Share Exercise Price of the Option (such excess, the "Spread"). Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving company or its parent having a value equal to the Spread. In addition, any escrow, holdback, earn-out or similar provisions in the transaction agreement may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Shares. If the Spread applicable to an Option is zero or a negative number, then the Option may be cancelled without making a payment to the Optionee.

(v) Cancellation of the Option without the payment of any consideration; provided that the Optionee shall be notified of such treatment and given an opportunity to exercise the Option (to the extent the Option is vested or becomes vested as of the effective date of the transaction) during a period of not less than five (5) business days preceding the effective date of the transaction, unless (A) a shorter period is required to permit a timely closing of the transaction and (B) such shorter period still offers the Optionee a reasonable opportunity to exercise the Option. Any exercise of the Option during such period may be contingent upon the closing of the transaction.

(vi) Suspension of the Optionee's right to exercise the Option during a limited period of time preceding the closing of the transaction if such suspension is administratively necessary to permit the closing of the transaction.

(vii) Termination of any right the Optionee has to exercise the Option prior to vesting in the Shares subject to the Option (i.e., "early exercise"), such that following the closing of the transaction the Option may only be exercised to the extent it is vested.

For the avoidance of doubt, the Board of Directors has discretion to accelerate, in whole or part, the vesting and exercisability of an Option or other Plan award, including the vesting and settlement of a Restricted Share Unit Award in connection with a corporate transaction covered by this Section 9(b).

(c) Reservation of Rights. Except as provided in this Section 9, a Participant shall have no rights by reason of (i) any subdivision or consolidation of shares of any class, (ii) the payment of any dividend or (iii) any other increase or decrease in the number of shares of any class. Any issuance by the Company of shares of any class, or securities convertible into shares of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Option. The grant of an Option pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 10. PRE-EXERCISE INFORMATION REQUIREMENT.

(a) Application of Requirement. This Section 10 shall apply only during a period that (i) commences when the Company begins to rely on the exemption described in Rule 12h-1(f)(1) under the Exchange Act, as determined by the Company in its sole discretion, and (ii) ends on the earlier of (A) the date when the Company ceases to rely on such exemption, as determined by the Company in its sole discretion, or (B) the date when the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act. In addition, this Section 10 shall in no event apply to an Optionee after he or she has fully exercised all of his or her Options.

(b) Scope of Requirement. The Company shall provide to each Optionee the information described in Rule 701(e)(3), (4) and (5) under the Securities Act. Such information shall be provided at six-month intervals, and the financial statements included in such information shall not be more than 180 days old. The foregoing notwithstanding, the Company shall not be required to provide such information unless the Optionee has agreed in writing, on a form prescribed by the Company, to keep such information confidential.

SECTION 11. MISCELLANEOUS PROVISIONS.

(a) Securities Law Requirements. Shares shall not be issued under the Plan unless, in the opinion of counsel acceptable to the Board of Directors, the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any exchange or other securities market on which the Company's securities may then be traded. The Company shall not be liable for a failure to issue Shares as a result of such requirements.

(b) No Retention Rights. Nothing in the Plan or in any right or Option granted under the Plan shall confer upon the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

(c) Treatment as Compensation. Any compensation that an individual earns or is deemed to earn under this Plan shall not be considered a part of his or her compensation for purposes of calculating contributions, accruals or benefits under any other plan or program that is maintained or funded by the Company, a Parent or a Subsidiary.

(d) Governing Law. The Plan and all awards, sales and grants under the Plan shall be governed by, and construed in accordance with, the laws of the Cayman Islands, as such laws are applied to contracts entered into and performed in such jurisdiction.

(e) Conditions and Restrictions on Shares. Shares issued under the Plan shall be subject to such forfeiture conditions, rights of repurchase, rights of first refusal, other transfer restrictions and such other terms and conditions as the Board of Directors may determine. Such conditions and restrictions shall be set forth in the applicable Award Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally. In addition, Shares issued under the Plan shall be subject to conditions and restrictions imposed either by applicable law or by Company policy, as adopted from time to time, designed to ensure compliance with applicable law or laws with which the Company determines in its sole discretion to comply including in order to maintain any statutory, regulatory or tax advantage.

(f) Tax Matters.

(i) As a condition to the award, grant, issuance, vesting, purchase, exercise or transfer of any award, or Shares issued pursuant to any award, granted under this Plan, the Participant shall make such arrangements as the Board of Directors may require or permit for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such event.

(ii) Unless otherwise expressly set forth in an Award Agreement, it is intended that awards granted under the Plan shall be exempt from Code Section 409A, and any ambiguity in the terms of an Award Agreement and the Plan shall be interpreted consistently with this intent. To the extent an award is not exempt from Code Section 409A (any such award, a "**409A Award**"), any ambiguity in the terms of such award and the Plan shall be interpreted in a manner that to the maximum extent permissible supports the award's compliance with the requirements of that statute. Notwithstanding anything to the contrary permitted under the Plan, in no event shall a modification of an Award not already subject to Code Section 409A be given effect if such modification would cause the Award to become subject to Code Section 409A unless the parties explicitly acknowledge and consent to the modification as one having that effect. A 409A Award shall be subject to such additional rules and requirements as specified by the Board of Directors from time to time in order for it to comply with the requirements of Code Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" to an individual who is considered a "specified employee" (as each term is defined under Code Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the Participant's separation from service or (ii) the Participant's death, but only to the extent such delay is necessary to prevent such payment from being subject to Section 409A(a)(1). In addition, if a transaction subject to Section 8(b) constitutes a payment event with respect to any 409A Award, then the transaction with respect to such award must also constitute a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Code Section 409A.

(iii) Neither the Company nor any member of the Board of Directors shall have any liability to a Participant in the event an award held by the Participant fails to achieve its intended characterization under applicable tax law, or any payment cannot be made or is otherwise delayed due to applicable foreign exchange restrictions.

(g) Languages.

In case of any inconsistency between Chinese and English in this Plan, the English version shall prevail.

SECTION 12. DURATION AND AMENDMENTS; SHAREHOLDER APPROVAL.

(a) Term of the Plan. The Plan, as set forth herein, shall become effective on the date of its adoption by the Board of Directors, subject to approval of the Company's shareholders under Subsection (d) below. The Plan shall terminate automatically 10 years after the later of (i) the date when the Board of Directors adopted the Plan or (ii) the date when the Board of Directors approved the most recent increase in the number of Shares reserved under Section 4 that was also approved by the Company's shareholders. The Plan may be terminated on any earlier date pursuant to Subsection (b) below.

(b) Right to Amend or Terminate the Plan. Subject to Subsection (d) below, the Board of Directors may amend, suspend or terminate the Plan at any time and for any reason.

(c) Effect of Amendment or Termination. No Shares shall be issued or sold and no Option or Restricted Share Unit Award shall be granted under the Plan after the termination thereof, except upon exercise of an Option (or any other right to purchase Shares) granted under the Plan prior to such termination. The termination of the Plan, or any amendment thereof, shall not affect any Share or Restricted Share Unit Award previously issued or any Option previously granted under the Plan.

(d) Shareholder Approval. To the extent required by applicable law, the Plan will be subject to approval of the Company's shareholders within 12 months of its adoption date. To the extent required by applicable law, any amendment of the Plan will be subject to the approval of the Company's shareholders within 12 months of the amendment date if it (i) increases the number of Shares available for issuance under the Plan (except as provided in Section 8), or (ii) materially changes the class of persons who are eligible for the grant of ISOs. In addition, an amendment effecting any other material change to the Plan terms will be subject to approval of the Company's shareholder only if required by applicable law. Shareholder approval shall not be required for any other amendment of the Plan.

SECTION 13. DEFINITIONS.

(a) "**Award**" means individually or collectively, a grant under the Plan of Options, Restricted Share Units or any other award to acquire Shares made under the Plan.

(b) "**Award Agreement**" means a Share Grant Agreement, Restricted Share Unit Award Agreement, Share Option Agreement or Share Purchase Agreement.

(c) "**Board of Directors**" means the Board of Directors of the Company, as constituted from time to time.

(d) "**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

(e) "**Committee**" means a committee of the Board of Directors, as described in Section 2(a).

(f) "**Company**" means Pony AI Inc., a Cayman Islands company.

(g) "**Consultant**" means a person, excluding Employees and Outside Directors, who performs bona fide services for the Company, a Parent or a Subsidiary as a consultant or advisor and who qualifies as a consultant or advisor under Rule 701(c)(1) of the Securities Act or under Instruction A.1.(a)(1) of Form S-8 under the Securities Act.

(h) "**Date of Grant**" means the date of grant specified in the applicable Share Option Agreement, which date shall be the later of (i) the date on which the Board of Directors resolved to grant the Option or (ii) the first day of the Optionee's Service.

(i) "**Disability**" means that the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment.

(j) "**Employee**" means any individual who is a common-law employee of the Company, a Parent or a Subsidiary.

(k) "**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

(l) "**Exercise Price**" means the amount for which one Share may be purchased upon exercise of an Option, as specified by the Board of Directors in the applicable Share Option Agreement.

(m) "**Fair Market Value**" means the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.

(n) "**Family Member**" means (i) any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, (ii) any person sharing the Optionee's household (other than a tenant or employee), (iii) a trust in which persons described in Clause (i) or (ii) have more than 50% of the beneficial interest, (iv) a foundation in which persons described in Clause (i) or (ii) or the Optionee control the management of assets and (v) any other entity in which persons described in Clause (i) or (ii) or the Optionee own more than 50% of the voting interests.

(o) "**Grantee**" means a person to whom the Board of Directors has awarded Shares under the Plan, including through the grant of a Restricted Share Unit Award.

(p) "**IPO**" shall mean the first firm commitment underwritten public offering pursuant to an effective registration statement on an established national or foreign securities exchange covering the offer and sale by the Company of its equity securities, as a result of or following which the Shares shall be publicly held, and "**IPO Date**" shall mean the date on which the IPO occurs.

(q) "**ISO**" means an Option that qualifies as an incentive stock option as described in Code Section 422(b). Notwithstanding its designation as an ISO, an Option that does not qualify as an ISO under applicable law shall be treated for all purposes as a Nonstatutory Option.

(r) "**Nonstatutory Option**" means an Option that does not qualify as an incentive stock option as described in Code Section 422(b) or 423(b).

(s) "**Option**" means an ISO or Nonstatutory Option granted under the Plan and entitling the holder to purchase Shares.

(t) "**Optionee**" means a person who holds an Option.

(u) "**Outside Director**" means a member of the Board of Directors who is not an Employee.

(v) "**Parent**" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(w) "**Participant**" means a Grantee, Optionee or Purchaser.

(x) "**Plan**" means this Pony AI Inc. 2016 Share Plan.

(y) "**Purchase Price**" means the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Board of Directors.

(z) "**Purchaser**" means a person to whom the Board of Directors has offered the right to purchase Shares under the Plan (other than upon exercise of an Option).

(aa) "**Restricted Share Unit**" means a bookkeeping entry representing the equivalent of one Share, granted pursuant to Section 8.

(bb) "**Restricted Share Unit Award**" means an award of Restricted Share Units.

(cc) "**Restricted Share Unit Award Agreement**" means the agreement between the Company and a Grantee that contains the terms, conditions and restrictions pertaining to the Grantee's Restricted Share Unit Award.

(dd) "**Sale Event**" means the consummation of the following transactions in which holders of Shares receive cash or marketable securities tradable on an established national or foreign securities exchange: (i) a sale of all or substantially all of the assets of the Company determined on a consolidated basis to an unrelated person or entity; (ii) a merger, reorganization, or consolidation involving the Company in which the shares of voting share of the Company outstanding immediately prior to such transaction represent or are converted into or exchanged for securities of the surviving or resulting entity immediately upon completion of such transaction which represent less than 50% of the outstanding voting power of such surviving or resulting entity; or (iii) the acquisition of all or a majority of the outstanding voting share of the Company in a single transaction or series of related transactions by a person or group of persons. For the avoidance of doubt, an initial public offering, any subsequent public offering, another capital raising event, and a merger effected solely to change the Company's domicile shall not constitute a "Sale Event." In addition, a transaction shall not constitute a Sale Event unless such transaction also qualifies as an event under Treasury Regulation Section 1.409A-3(i)(5)(v) (change in the ownership of a corporation), Treasury Regulation Section 1.409A-3(i)(5)(vi) (change in the effective control of a corporation), or Treasury Regulation Section 1.409A-3(i)(5)(vii) (change in the ownership of a substantial portion of a corporation's assets).

(ee) "**Securities Act**" means the U.S. Securities Act of 1933, as amended.

(ff) "**Service**" means service as an Employee, Outside Director or Consultant.

(gg) "**Share**" means one ordinary share of the Company, as adjusted in accordance with Section 9 (if applicable).

(hh) "**Share Grant Agreement**" means the agreement between the Company and a Grantee who is awarded Shares under the Plan that contains the terms, conditions and restrictions pertaining to the award of such Shares.

(ii) "**Share Option Agreement**" means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to the Optionee's Option.

(jj) "**Share Purchase Agreement**" means the agreement between the Company and a Purchaser who purchases Shares under the Plan that contains the terms, conditions and restrictions pertaining to the purchase of such Shares.

(kk) "**Subsidiary**" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain, or (ii) any corporation whose assets, or portions thereof, are consolidated with the net earnings of the subject entity and are recorded on the books of the subject entity for financial reporting purposes in accordance with IFRS and/or PRC GAAP or any internationally recognized accounting standard; or (iii) any corporation with respect to which the subject entity has the power to otherwise direct the business and policies of that entity directly or indirectly through another subsidiary. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

Exhibit A

[**********]

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY BRACKETS [****], HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

Exhibit 10.15

Execution Version

SERIES D PREFERRED SHARE PURCHASE AGREEMENT

THIS SERIES D PREFERRED SHARE PURCHASE AGREEMENT (together with all schedules and exhibits attached hereto, this "Agreement") is made and entered into on December 23, 2021 (the "Effective Date"), by and among:

1. Pony AI Inc., an exempted company organized under the Laws of the Cayman Islands (the "Company"),

2. Pony.AI, Inc., a company incorporated under the Laws of the State of Delaware, the United States (the "U.S. Company"),

3. Hongkong Pony AI Limited (香港小馬智行有限公司), a company incorporated under the Laws of Hong Kong (the "HK Company"),

4. Beijing Pony Huixing Technology Co., Ltd. (北京小马慧行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Beijing WFOE"),

5. Beijing Pony AI Technology Co., Ltd. (北京小马智行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Beijing Company"),

6. Guangzhou Pony Huixing Technology Co., Ltd. (广州小马慧行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Guangzhou WFOE"),

7. Shenzhen Pony Yixing Technology Co., Ltd. (深圳小马易行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Shenzhen WFOE"),

8. Guangzhou Pony AI Technology Co., Ltd. (广州小马智行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Guangzhou Company"),

9. Beijing Pony Yixing Technology Co., Ltd. (北京小马易行科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Beijing Yixing"),

10. Jiangsu Heimai Data Technology Co., Ltd. (江苏黑麦数据科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Jiangsu Heimai"),

11. Guangzhou Bibi Technology Co., Ltd. (广州哔哔出行科技服务有限公司) a limited liability company incorporated under the Laws of the PRC ("Guangzhou Bibi"),

12. Shanghai Pony Yixing Technology Co., Ltd. (小马易行科技(上海)有限公司), a limited liability company incorporated under the Laws of the PRC ("Shanghai Yixing"),

[Seal]

13. Guangzhou Pony Yixing Technology Co., Ltd. (广州小马易行科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Guangzhou Yixing"),

14. Beijing Pony Zhika Technology Co., Ltd. (北京小马智卡科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Beijing Zhika"),

15. Beijing Pony Ruixing Technology Co., Ltd. (北京小马睿行科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Beijing Ruixing"),

16. Guangzhou Pony Zhika Technology Co., Ltd. (广州小马智卡科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Guangzhou Zhika"),

17. Guangzhou Pony Zhihui Logistics Technology Co., Ltd. (广州小马智慧物流科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Guangzhou Zhihui"),

18. each individual listed on Schedule A hereto (each, a "Principal," and collectively, the "Principals"),

19. each entity listed on Schedule A attached hereto (each, a "Principal Holding Company," and collectively, the "Principal Holding Companies"), and

20. each Person listed on Schedule B hereto (each, together with its successors, transferees and permitted assigns, an "Investor," and collectively, the "Investors").

Each of the parties listed above is referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. The Company seeks expansion capital to grow the Business and, correspondingly, seeks to secure an investment from the Investors, on the terms and conditions set forth herein.

B. Each Investor wishes to, severally and not jointly, invest in the Company by subscribing for such number of Series D Preferred Shares to be issued by the Company to such Investor at the applicable Closing pursuant to the terms and subject to the conditions of this Agreement.

C. The Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and conditions set forth herein.

WITNESSETH

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound hereto hereby agree as follows:

[Seal]

1. Definitions.

1.1 Certain Defined Terms. The following terms shall have the meanings ascribed to them below:

"Accounting Standards" means generally accepted accounting principles in the United States, applied on a consistent basis.

"Action" means any charge, claim, action, complaint, petition, investigation, appeal, suit, litigation, grievance, inquiry or other proceeding, whether administrative, civil, regulatory or criminal, whether at law or in equity, or otherwise under any applicable Law, and whether or not before or made by any mediator, arbitrator, other tribunal or Governmental Authority.

"Affiliate" means, with respect to a Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person. In the case of an Investor, the term "Affiliate" also includes (a) any shareholder of such Investor, (b) any of such shareholder's or such Investor's general partners or limited partners, (c) the fund manager managing or advising such shareholder or such Investor (and general partners, limited partners and officers thereof) and other funds managed or advised by such fund manager, and (d) trusts Controlled by or for the benefit of any such Person referred to in (a), (b) or (c), and (e) any fund or holding company formed for investment purposes that is promoted , sponsored, managed, advised or serviced by such Investor of any of its Affiliates, but excludes, for the avoidance of doubt, any portfolio companies of such Investor and portfolio companies of any affiliated investment fund or investment vehicle of such Investor. For the avoidance of doubt, unless the context requires otherwise, Affiliates of a Group Company shall not include any Investor and vice versa.

"Ancillary Agreements" means, collectively, the Warrant (solely with respect to China-UAE), the Shareholders Agreement and the Right of First Refusal & Co-Sale Agreement, each as defined herein.

"Associate" means, with respect to any Person, (a) a corporation or organization (other than the Group Companies) of which such Person is an officer or partner or is, directly or indirectly, the record or beneficial owner of five percent (5%) or more of any class of Equity Securities of such corporation or organization, (b) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity, or (c) any relative or spouse of such Person, or any relative of such spouse.

"Beijing Control Documents" means the agreements entered into from time to time that provide to the Beijing WFOE exclusive contractual control over the Beijing Company and its Subsidiaries and allow the Company to consolidate 100% of the financial statements of the Beijing Company and its Subsidiaries with those of the Company for financial reporting purposes under IFRS or the Accounting Standards, including the following contracts and documents (each as amended, supplemented, restated or replaced from time to time) collectively: (a) an Exclusive Business Cooperation Agreement《(独家业务合作协议》) entered into by and among the Beijing WFOE, the Beijing Company and the HK Company as of June 1, 2020, (b) an Exclusive Call Option Agreement (《独家购买权合同》) entered into by and among the Beijing WFOE, the Beijing Company, the HK Company and the equity holders of the Beijing Company, as of June 1, 2020 (c) Power of Attorney (《授权委托书》) executed and issued by Suping Xu (许素萍), Hengyu Li (李衡宇), Jun Zhou (周筠) and Tiancheng Lou (楼天城) as of June 1, 2020, by Haojun Wang (王皓俊) as of February 26, 2021, and by Fengheng Tang (唐丰珩) as of July 22, 2021, as the equity holders of the Beijing Company to the Beijing WFOE, (d) an Equity Pledge Contract (《股权质押合同》) entered into by and among the Beijing WFOE, the Beijing Company, the HK Company and the equity holders of the Beijing Company as of June 1, 2020, and (e) the Commitment Letters (《承诺函》) executed and issued by the spouse of each applicable equity holders of the Beijing Company as of December 27, 2017.

[Seal]

"Benefit Plan" means any employment Contract, deferred compensation Contract, bonus plan, incentive plan, profit sharing plan, mandatory provident scheme, occupational retirement scheme, retirement Contract or other employment compensation Contract or any other plan which provides or provided benefits for any past or present employee, officer, consultant, and/or director of a Person or with respect to which contributions are or have been made on account of any past or present employee, officer, consultant, and/or director of such a Person.

"Board" or "Board of Directors" means the board of directors of the Company.

"Business" means the development of artificial intelligence solutions for autonomous driving.

"Business Day" means any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorized by law to be closed in the Cayman Islands, British Virgin Islands, the United States, Hong Kong, Toronto, the United Arab Emirates or the PRC.

"CFC" means a controlled foreign corporation as defined in the Code.

"Charter Documents" means, with respect to a particular legal entity, the articles of incorporation, certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.

"China Company Registration Authority" means (a) the State Administration for Industry and Commerce of China or the State Administration for Market Regulation as the successor of the foregoing, as the case may be, or (b) its competent local counterparts.

[Seal]

"China-UAE" means China-UAE Investment Cooperation Fund, L.P. and its successors, transferees and permitted assigns.

"Circular 37" means the Notice on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents to Engage in Overseas Investment and Financing and Round-Trip Investment via Overseas Special Purpose Companies (《关于境内居民通过境外特殊目的公司境外投融资及返程投资外汇管理有关问题的通知》) issued by the SAFE on July 4, 2014, as amended from time to time, and any implementation or successor rule or regulation under the PRC Laws.

"Class A Ordinary Shares" means the Company's class A ordinary shares, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Class B Ordinary Shares" means the Company's class B ordinary shares, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles, the ownership of which shall be limited to Jun Peng and Tiancheng Lou.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Company Owned IP" means all Intellectual Property owned by, purported to be owned by or exclusively licensed to any Group Company.

"Company Registered IP" means all patents, trademarks, software registrations, domain names and any other registrable Intellectual Property owned by or held in the name of, and for which applications or registrations have been made in the name of, any Group Company.

"Consent" means any consent, approval, authorization, release, waiver, permit, grant, franchise, concession, agreement, license, exemption or order of, registration, qualification, designation certificate, declaration or filing with, or report or notice to, any Person, including any Governmental Authority or any other applicable Person.

"Contract" means, a contract, agreement, understanding, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, or other legally binding arrangement, whether written or oral.

"Control" of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by Contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person. The terms "Controlled" and "Controlling" have meanings correlative to the foregoing.

"Control Documents" means, collectively, the Beijing Control Documents and the Guangzhou Control Documents.

[Seal]

"Conversion Shares" means the Class A Ordinary Shares issuable upon conversion of the Preferred Shares (including without limitation the Purchased Shares and the Warrant Shares).

"Domestic Companies" means, collectively, Beijing Company, Guangzhou Company, Jiangsu Heimai and Guangzhou Bibi.

"Equity Securities" means, with respect to any Person that is a legal entity, (a) any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person; (b) any equity appreciation, phantom equity, equity plans or similar rights with respect to such Person; (c) any security convertible into, exchangeable or exercisable for, or any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire, subscribe for or purchase any of the Equity Securities referred to in (a) and (b); or (d) any Contract providing for the acquisition of any of the foregoing, either directly or indirectly.

"FCPA" means Foreign Corrupt Practices Act of the United States, as amended from time to time.

"Governmental Authority" means any government of any nation, federation, province or state or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any governmental authority, agency, department, board, commission or instrumentality of the PRC, Hong Kong or any other country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self- regulatory organization.

"Governmental Order" means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.

"Group" or "Group Companies" means, collectively, the Company, the U.S. Company, the HK Company, the Domestic Companies, the Beijing WFOE, the Guangzhou WFOE, the Shenzhen WFOE, Beijing Yixing, Shanghai Yixing, Guangzhou Yixing, Beijing Zhika, Beijing Ruixing, Guangzhou Zhika, and Guangzhou Zhihui, together with each Subsidiary of any of the foregoing, and "Group Company" refers to any of the Group Companies.

"Guangzhou Control Documents" means the agreements entered into from time to time that provide to the Guangzhou WFOE exclusive contractual control over the Guangzhou Company and its Subsidiaries and allow the Company to consolidate 100% of the financial statements of the Guangzhou Company and its Subsidiaries with those of the Company for financial reporting purposes under IFRS or the Accounting Standards, including the following contracts and documents (each as amended, supplemented, restated or replaced from time to time) collectively: (a) an Exclusive Business Cooperation Agreement (《独家业务合作协议》) by and among the Guangzhou WFOE, the Guangzhou Company and the HK Company as of June 1, 2020, (b) an Exclusive Call Option Agreement (《独家购买权合同》) by and among the Guangzhou WFOE, the Guangzhou Company, the HK Company and the equity holders of the Guangzhou Company as of September 14, 2020, (c) Power of Attorney (《授权委托书》) by the equity holders of the Guangzhou Company to the Guangzhou WFOE as of September 14, 2020, (d) an Equity Pledge Contract (《股权质押合同》) by and among the Guangzhou WFOE, the Guangzhou Company, the HK Company and the equity holders of the Guangzhou Company as of September 14, 2020, and (e) the Commitment Letters (《承诺函》) executed and issued by the spouse of each applicable equity holders of the Guangzhou Company as of September 14, 2020, respectively.

[Seal]

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC.

"IFRS" means the International Financial Reporting Standards.

"Indebtedness" of any Person means, without duplication, each of the following of such Person: (a) all indebtedness for borrowed money, (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business), (c) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced that are incurred in connection with the acquisition of properties, assets or businesses, (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (f) all obligations that are capitalized (including capitalized lease obligations), (g) all obligations under banker's acceptance, letter of credit or similar facilities, (h) all obligations to purchase, redeem, retire, defease or otherwise acquire for value any Equity Securities of such Person, (i) all obligations in respect of any interest rate swap, hedge or cap agreement, and (j) all guarantees issued in respect of the Indebtedness referred to in clauses (a) through (i) above of any other Person, but only to the extent of the Indebtedness guaranteed.

"Indemnifiable Loss" means, with respect to any Person, any action, claim, cost, damage, deficiency, diminution in value, disbursement, expense, liability, loss, obligation, penalty or settlement of any kind or nature or Taxes imposed on or otherwise incurred or suffered by such Person, including without limitation, reasonable legal, accounting and other professional fees and expenses incurred in the investigation, collection, prosecution and defense of claims and amounts paid in settlement and Taxes payable by such Person by reason of the indemnification, in each case with sufficient supporting records in writing.

"Indemnitee(s)" means the Investors and their respective Affiliates, officers, directors, employees, agents, successors and assigns.

"Intellectual Property" or "IP" means any and all (a) patents, patent rights and applications therefor and reissues, reexaminations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (b) inventions (whether patentable or not), discoveries, improvements, concepts, innovations and industrial models, (c) registered and unregistered copyrights, copyright registrations and applications, mask works and registrations and applications therefor, author's rights and works of authorship (including artwork, software, computer programs, source code, object code and executable code, firmware, development tools, files, records and data, and related documentation), (d) URLs, web sites, web pages and any part thereof, (e) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary processes, technology, formulae, and algorithms and other intellectual property, (f) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefor, and (g) the goodwill symbolized or represented by the foregoing.

[Seal]

"Key Employees" means the individuals listed on Schedule F hereto, which includes all employees of the Group Companies with positions of president, chief executive officer, chief financial officer, chief operating officer, chief technical officer, chief sales and marketing officer, general manager, any other managers reporting directly to any Group Company's Board of Directors, president or chief executive officer, and any other employee with the title of "vice president" or higher, or with responsibilities similar to any of the foregoing, and any key technical personnel and any employee with access to proprietary technology of a Group Company.

"Law" or "Laws" means any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, concession, grant, franchise, license, agreement, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as amended, and any and all applicable Governmental Orders.

"Liabilities" means, with respect to any Person, all liabilities, obligations and commitments of such Person of any nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due.

"Lien" means any claim, charge, easement, encumbrance, lease, covenant, security interest, lien, option, pledge, rights of others, or restriction (whether on voting, sale, transfer, disposition or otherwise), whether imposed by Contract, understanding, law, equity or otherwise.

"Material Adverse Effect" means any (a) event, occurrence, fact, condition, change or development that has had, has, or could reasonably be expected to have individually or together with other events, occurrences, facts, conditions, changes or developments a material adverse effect on the business, employees, operations, results of operations, condition or affairs (financially or otherwise), properties, assets or liabilities of the Group taken as a whole, (b) material impairment of the ability of any Party (other than the Investors) to perform the material obligations of such party under any Transaction Documents, or (c) material impairment of the validity or enforceability of this Agreement or any other Transaction Document against any Party hereto and thereto (other than the Investors).

"Memorandum and Articles" means the Seventh Amended and Restated Memorandum of Association of the Company and the Seventh Amended and Restated Articles of Association of the Company attached together hereto as Exhibit A, to be adopted in accordance with applicable Laws on or before the Closing.

[Seal]

"MOFCOM" means the Ministry of Commerce of the PRC or, with respect to any matter to be submitted for examination and approval by the Ministry of Commerce, any Governmental Authority which is similarly competent to examine and approve such matter under the Laws of the PRC.

"OEM" means any original equipment manufacturer of vehicles.

"OFAC" means the office of Foreign Assets Control of the United States Department of Treasury.

"Order No. 10" means the Rules for Mergers with and Acquisitions of Domestic Enterprises by Foreign Investors (《关于外国投资者并购境内企业的规定》) jointly issued by the MOFCOM, the State-owned Assets Supervision and Administration Commission, the State Administration of Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission and the SAFE on August 8, 2006, as amended from time to time.

"Ordinary Shares" means the Class A Ordinary Shares and/or the Class B Ordinary Shares.

"Outbound Investment Approvals" means necessary filings and/or registrations, with respect to the transaction contemplated under the Transaction Documents regarding the RMB Investor(s), with the competent local branch of the Ministry of Commerce of the PRC and the competent branch of the National Development and Reform Commission of the PRC, as well as necessary filing and/or registration with the competent branch of the SAFE (or a bank competent to accept or effect such filing and/or registration under the Laws of the PRC).

"Permitted Liens" means (a) Liens for Taxes not yet delinquent or the validity of which are being contested in good faith and for which there are adequate reserves on the applicable financial statements; and (b) Liens incurred in the ordinary course of business, which (i) do not individually or in the aggregate materially detract from the value, use, or transferability of the assets that are subject to such Liens, and (ii) were not incurred in connection with the borrowing of money.

"Person" means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.

"PFIC" means a passive foreign investment company as defined in the Code.

"PRC" means the People's Republic of China, but solely for the purposes of this Agreement and the other Transaction Documents, excluding Hong Kong, the Macau Special Administrative Region and the islands of Taiwan.

"Preferred Shares" means Series A Preferred Shares, Series B Preferred Shares, Series B+ Preferred Shares, Series B2 Preferred Shares, Series C Preferred Shares, Series C+ Preferred Shares and Series D Preferred Shares.

[Seal]

"Prohibited Person" means any Person that is (a) in or a national, domicile or resident of any United States embargoed or restricted country or region, presently, Crimea, Cuba, Iran, North Korea, Syria and Venezuela (a "Sanctioned Jurisdiction"), (b) included on, or Affiliated with any Person on, the United States Commerce Department's Denied Parties List, Entity List or Unverified List; the United States Department of Treasury's Specially Designated Nationals and Blocked Persons List, Specially Designated Narcotics Traffickers or Specially Designated Terrorists, the Annex to Executive Order No. 13224 or any other list of sanctioned Persons maintained by OFAC or the United States Department of State; or any sanctions list administered by the United Kingdom, Canada, the European Union, or the United Nations; or the United States Department of State's Debarred List, or (c) any other Person with whom business transactions or dealings, including exports and re-exports, are restricted by a United States Governmental Authority, including, in each clause above, any updates or revisions to the foregoing and any newly published rules and any Person that is owned or Controlled by any one or more Persons described in clause (a) or (b) above.

"Public Official" means any executive, official, or employee of a Governmental Authority, political party or member of a political party, or political candidate; executive, employee or officer of a public international organization; or director, officer or employee or agent of a wholly owned or partially state-owned or Controlled enterprise, including a PRC state-owned or Controlled enterprise.

"Public Software" means any Software that contains, or is derived in any manner (in whole or in part) from software that is distributed as free software, open source software (*e.g.*, Linux) or similar licensing or distribution models, including, without limitation, software licensed or distributed under any of the following licenses or distribution models, or licenses or distribution models similar to any of the following: (a) GNU's General Public License (GPL) or Lesser/Library GPL (LGPL), (b) the Artistic License (e.g., PERL), (c) the Mozilla Public License, (d) the Netscape Public License, (e) the Sun Community Source License (SCSL), (f) the Sun Industry Standards License (SISL), (g) the BSD License, and (h) the Apache License.

"Related Party" means any Affiliate, officer, director, supervisory board member, employee, or holder of any Equity Security of any Group Company, and any Affiliate of any of the foregoing.

"Right of First Refusal & Co-Sale Agreement" means the Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement to be entered into by and among the parties named therein on or prior to the Closing, which shall be in substantially the form and substance attached hereto as Exhibit C.

"RMB Investor" means a Person who will, on or after the date hereof, enter into (a) a loan agreement (or an equivalent agreement) with a Subsidiary of the Company incorporated in the PRC, pursuant to which such investor will provide a loan to such Subsidiary and (b) a warrant with the Company, pursuant to which (i) such investor shall have the right to subscribe for a number of Series D Preferred Shares at a per share purchase price of US$25.0446 for an aggregate purchase price equal to the total principal amount of the loan described under foregoing (a), and (ii) the right to exercise shall expire upon the six (6) month anniversary of the issuance date of such warrant or such earlier time as provided in such warrant (if any), provided that, such exercise period shall be automatically extended to nine (9) months after the issuance date of such warrant if the application for Outbound Investment Approvals has been submitted within the initial six (6) month period and such extension will not have any negative impact on the timetable of any plans for the Company's IPO (as defined in the Shareholders Agreement) (each such warrant, a "Series D Warrant").

[Seal]

"SAFE" means the State Administration of Foreign Exchange of the PRC or, with respect to any reporting, filing or registration to be accepted or effected by or with the State Administration of Foreign Exchange, any of its branches which is competent to accept or effect such reporting, filing or registration under the Laws of the PRC.

"SAFE Rules and Regulations" means collectively, the Circular 37 and any other applicable SAFE rules and regulations.

"Securities Act" means the U.S. Securities Act of 1933, as amended and interpreted from time to time.

"Series A Preferred Shares" means, collectively, the Series A Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B Preferred Shares" means, collectively, the Series B Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B+ Preferred Shares" means, collectively, the Series B+ Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B2 Preferred Shares" means, collectively, the Series B2 Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series C Preferred Shares" means, collectively, the Series C Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series C+ Preferred Shares" means, collectively, the Series C+ Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series D Preferred Shares" means, collectively, the Series D Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Shareholders Agreement" means the Sixth Amended and Restated Shareholders Agreement to be entered into by and among the parties named therein on or prior to the Closing, which shall be in substantially the form and substance attached hereto as Exhibit B.

"Social Insurance" means any form of social insurance required under applicable Laws, including without limitation, the PRC national and local contributions for pensions, medical insurance, unemployment insurance, work-related injury insurance, pregnancy benefits, and housing accumulation funds.

[Seal]

"Software" means any and all (a) computer programs, including any and all software implementations of algorithms, models and methodologies, including all source code and executable code, whether embodied in software, firmware or otherwise, documentation, development tools, designs, files, verilog files, RTL files, HDL, VHDL, net lists, records, data and mask works; and (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, and all rights therein.

"Strategic Investor" means any Person whose principal business is automobile, or automobile components manufacturing, or transportation or logistics services, or online car hailing services, or insurance, with whom any Group Company may enter into a strategic cooperation arrangement in connection with the Business.

"Statement Date" means September 30, 2021.

"Subsidiary" means, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person. For the avoidance of doubt, a branch of any Group Company shall be deemed a Subsidiary of such Group Company.

"Tax" or "Taxation" means (a) in the PRC: (i) any national, provincial, municipal, or local taxes, charges, fees, levies, duties or other assessments, including, without limitation, all net income (including enterprise income tax and individual income withholding tax), turnover (including value-added tax, business tax, and consumption tax), resource (including urban and township land use tax), special purpose (including land value-added tax, urban maintenance and construction tax, and additional education fees), property (including urban real estate tax and land use fees), documentation (including stamp duty and deed tax), sales and use, transfer, excise, capital gains, environmental, filing, recording, Social Insurance (including pension, medical, unemployment, housing, and other Social Insurance withholding), tariffs (including import duty and import value-added tax), and estimated and provisional taxes, charges, fees, levies, duties or other assessments of any kind whatsoever, (ii) all interest, penalties (administrative, civil or criminal), or additional amounts imposed by any Governmental Authority in connection with any item described in clause (i) above, and (iii) any form of transferee or successor liability imposed by any Governmental Authority, by contract or otherwise in connection with any item described in clauses (i) and (ii) above, and (b) in any jurisdiction other than the PRC: all similar liabilities as described in clauses (i), (ii) and (iii) above.

"Tax Return" means any return, declaration, form, election, report, filing, claim for refund or information return or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.

"Transaction Documents" means this Agreement, the Ancillary Agreements, the Memorandum and Articles, the exhibits attached to any of the foregoing and any other document, each of such agreements and documents as contemplated by, and/or annexed and exhibited to any of the foregoing, and each of the other agreements and documents entered into and executed concurrently or around the date hereof by the parties thereto (or any of them) or otherwise required in connection with implementing the transactions contemplated by any of the foregoing.

[Seal]

"U.K. Bribery Act" means the U.K. Bribery Act 2010, as amended from time to time.

"U.S. Treasury Regulations" means the Tax regulations issued by the United States Internal Revenue Service.

"US," "U.S." or "United States" means the United States of America.

"United States Person" means United States person as defined in Section 7701(a)(30) of the Code.

"Warrant" means the Warrant to Purchase Shares substantially in the form attached hereto as Exhibit D to be entered into by and between China-UAE and the Company as of the Closing.

"Warrant Shares" means the Series D Preferred Shares or other preferred shares of the Company that China-UAE may subscribe for pursuant to its exercise of the Warrant from time to time in accordance with the terms of the Warrant.

1.2 Other Defined Terms. The following terms shall have the meanings defined for such terms in the Sections set forth below:

Additional Closing	Section 2.4.2
Agreement	Preamble
Arbitration Notice	Section 12.3.1
Beijing Company	Preamble
Beijing WFOE	Preamble
Beijing Yixing	Preamble
Beijing Zhika	Preamble
CFIUS	Section 3.25
Closing	Section 2.4.1
Company	Preamble
Company IP	Section 3.21.1
Compliance Laws	Section 3.18.1
Data Security Laws	Section 3.9.1
Disclosure Schedule	Section 3
Dispute	Section 12.3.1
EAR	Section 3.18.5
Effective Date	Preamble
Extension	Section 2.4.2
ESOP	Section 3.2.1
Financial Statements	Section 3.14
Guangzhou Bibi	Preamble
Guangzhou Company	Preamble
Guangzhou WFOE	Preamble
Guangzhou Yixing	Preamble
Guangzhou Zhihui	Preamble

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Guangzhou Zhika	Preamble
HK Company	Preamble
HKIAC	Section 12.3.2
HKIAC Rules	Section 12.3.2
Initial Purchase Price	Section 2.1
Initial Purchased Shares	Section 2.1
International Trade Laws	Section 3.18.5
Investor/Investors	Preamble
ITAR	Section 3.18.5
Jiangsu Heimai	Preamble
Lease	Section 3.19.2
Licenses	Section 3.21.5
Mapping Service Provider	Section 3.17.2
Material Contracts	Section 3.17.2
Non-transferrable Items	Section 3.3.3
Money Laundering Laws	Section 3.18.11
Party/Parties	Preamble
Principal/Principals	Preamble
Principal Holding Company/Principal Holding Companies	Preamble
Proceeds	Section 2.4.5
Purchase Price	Section 2.1
Purchased Shares	Section 2.3
Representatives	Section 3.18.1
Required Governmental Consents	Section 3.8.2
Sanctions	Section 3.18.5
SEC	Section 5.3
Security Holder	Section 3.8.4
Shenzhen WFOE	Preamble
Subsequent Purchase Price	Section 2.3
Subsequent Shares	Section 2.3
Subsequent Warrants	Section 2.3
U.S. Company	Preamble

2. Purchase and Sale of Shares, Warrant and Series D Warrants.

2.1 Sale and Issuance of the Purchased Shares. Subject to the terms and conditions of this Agreement, at the Closing, each Investor agrees to, severally and not jointly, subscribe for and purchase, and the Company agrees to issue and sell to each Investor, that number of Series D Preferred Shares set forth opposite such Investor's name on Schedule C attached hereto (the "Initial Purchased Shares"), for such amount of consideration as set forth opposite such Investor's name on Schedule C attached hereto (the "Initial Purchase Price"). The Initial Purchase Price payable by the Investors reflects a per share purchase price of US$25.0446 for each Series D Preferred Share.

2.2 Warrant. Upon the Closing, the Company and China-UAE shall enter into the Warrant, under which China-UAE shall have the right to purchase a certain number of Series D Preferred Shares or other Equity Securities of the Company with an aggregate purchase price of up to US$25,000,000 in accordance with the terms thereunder.

[Seal]

2.3 Sale and Issuance of the Subsequent Shares and Subsequent Warrants at Closing/Additional Closing(s). The Company shall have the right to (a) issue and sell a number of Series D Preferred Shares at a per share price of US$25.0446 to such investor(s) as may be approved by the Company at the Closing or the Additional Closing(s) (as defined below) in accordance with Section 2.4.2 (the "Subsequent Shares", together with the Initial Purchased Shares, the "Purchased Shares"), and/or (b) issue Series D Warrant(s) to RMB Investor(s) at the Closing or the Additional Closing(s) (the "Subsequent Warrants"), for such amount of aggregate consideration (together with the Initial Purchase Price, the "Purchase Price") up to a certain amount, which, in aggregate with the Initial Purchase Price, shall not exceed US$500,000,000.

2.4 Closing.

2.4.1 Closing. The consummation of the sale and issuance of the Initial Purchased Shares to each Investor pursuant to Section 2.1 (the "Closing") shall take place remotely via the exchange of documents and signatures on the tenth (10th) Business Day after all closing conditions specified in Section 6 and Section 7 hereof have been satisfied or otherwise waived by such Investor or the Company (as applicable), or at such other time and place as the Company and such Investor shall mutually agree in writing.

2.4.2 Additional Issuances at the Closing and the Additional Closing(s). At any time on or before the date that is three (3) months, or if approved by China-UAE in writing in advance, four (4) months (such one (1) month extension, the "Extension") following the date of the Closing, the Company may sell any Subsequent Shares to any investor or issue any Series D Warrant to any RMB Investor at the Closing or an additional closing (each, an "Additional Closing"), in each case in accordance with Section 2.3; provided, that the approval of China- UAE shall not be required for the Extension with respect to an Additional Closing if such Additional Closing to be completed within the Extension contemplates an investment with respect to subscription of Series D Preferred Shares by (a) an investor which is not an existing shareholder of the Company or any of its Affiliates immediately prior to the Closing with an investment amount of no less than US$30,000,000, or (b) a Strategic Investor. The issuance and sale of the Subsequent Shares or the issuance of the Subsequent Warrants at the Closing or any Additional Closing shall be subject to substantially the same terms and in any event on terms no more favorable than the terms of this Agreement. Each such subsequent purchaser participating in the Closing or any Additional Closing shall become a party to this Agreement (or shall enter into a separate purchase agreement with the Company containing substantially the same terms as the terms of this Agreement and in no event on terms more favorable than the terms of this Agreement) and the related Transaction Documents, and have the rights and obligations hereunder and thereunder, by executing and delivering to the Company such purchaser's counterpart signature pages and/or such purchaser's joinder agreement or deed of adherence to this Agreement and the related Transaction Documents, in form and substance reasonably acceptable to the Company. Schedule B (Investors), Schedule C (Investment Particulars) and Schedule G (Address for Notices) of this Agreement may be unilaterally amended by the Company to include each subsequent purchaser participating in the Closing or any Additional Closing and to reflect the number of Subsequent Purchased Shares or the Subsequent Warrants sold to each such subsequent purchaser at the Closing or any Additional Closing.

[Seal]

2.4.3 Deliveries by the Company at the applicable Closing. At the Closing and/or Additional Closing(s) (each an "applicable Closing"), subject to the satisfaction or waiver of all the conditions set forth in Section 7 below, in addition to any items the delivery of which is made an express condition to each Investor's obligations at the applicable Closing pursuant to Section 6, the Company shall deliver to each Investor (a) a scanned copy of the updated register of members of the Company, certified by the registered agent of the Company, reflecting the issuance to each Investor of the Purchased Shares being purchased by such Investor at the applicable Closing pursuant to Section 2.1, (b) a scanned copy of the duly executed share certificate or certificates issued in the name of the Investor representing the Purchased Shares purchased by such Investor, certified as true by a director or the registered agent of the Company (the original of which shall be delivered to such Investor within fifteen (15) days after the applicable Closing), (c) with respect to China-UAE only, a copy of the signature page to the Warrant duly executed by the Company, and (d) if applicable, a copy of the Memorandum and Articles certified by the registered agent of the Company via email confirmation that it is the same copy which will be duly filed with the Registrar of Companies of the Cayman Islands.

2.4.4 Deliveries by the Investors at the applicable Closing. At the applicable Closing, subject to the satisfaction or waiver of all the conditions set forth in Section 6 below at the applicable Closing, each Investor shall, severally and not jointly, by wire transfer, remit immediately available funds in U.S. dollars in an amount equal to its Purchase Price to an account designated by the Company in the form of transfer instructions delivered to such Investor at least five (5) Business Days prior to the applicable Closing.

2.4.5 Use of Proceeds. Subject to the terms of this Agreement, the Company shall use the proceeds from the issuance and sale of the Purchased Shares and the Warrant Shares (the "Proceeds") for purpose of business expansion, capital expenditures and general working capital needs of the Group Companies in accordance with the budgets and business plans of the Company duly approved in accordance with the Shareholders Agreement and the Memorandum and Articles. The Group Companies shall use the Proceeds without violating any applicable PRC Law, including without limitation SAFE Rules and Regulations. The Company shall provide the necessary information relating to the use of Proceeds as reasonably requested by the Investors to facilitate their requisite tax reporting obligations.

3. Representations and Warranties of the Group Companies. Subject to such exceptions as may be specifically set forth in the disclosure schedule delivered by the Group Companies to each Investor as of the date hereof (the "Disclosure Schedule"), attached as Schedule D hereto, each of the Group Companies, jointly and severally, represents and warrants to the Investors that each of the statements contained in this Section 2.4.5 is true, accurate and complete as of the date of this Agreement, and that each of such statements shall be true, accurate and complete on and as of the date of the applicable Closing, with the same effect as if made on and as of the date of the applicable Closing. "To the Group Companies' Knowledge" or words of similar effect shall mean the actual knowledge of the Principals and the Key Employees, and that knowledge which should have been acquired by each such individual after making such due inquiry and exercising such due diligence as a prudent business person would have made or exercised in the management of his or her business affairs.

3.1 Organization, Good Standing and Qualification. Each Group Company is duly organized, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, and by virtue of, the Laws of the place of its incorporation or establishment and has all requisite power and authority to own its properties and assets and to carry on its business as now conducted and as currently proposed to be conducted, and to perform each of its obligations under the Transaction Documents to which it is a party. Each Group Company is qualified to do business and is in good standing (or equivalent status in the relevant jurisdiction) in each jurisdiction where failure to be so qualified would be a Material Adverse Effect. Each Group Company that is a PRC entity has a valid business license issued by the China Company Registration Authority or other relevant Governmental Authorities (a true, complete and most up-to-date copy of which has been delivered to the Investors), and has, since its establishment, carried on its business in compliance with the business scope set forth in its business license.

[Seal]

3.2 Capitalization and Voting Rights.

3.2.1 Company. Assuming the issuance of the Series D Preferred Shares (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants) at a Purchase Price of US$500,000,000 in the aggregate, the fully-diluted capitalization table of the Company prior to and immediately after the Closing is set forth in Schedule E hereto. Assuming the issuance of the Series D Preferred Shares (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants) at a Purchase Price of US$500,000,000 in the aggregate, the authorized share capital of the Company immediately prior to the Closing shall be US$300,000.00 divided into (a) a total of 307,505,707 authorized Class A Ordinary Shares, 10,635,221 of which are issued and outstanding, and 56,230,176 of which have been reserved for issuance to officers, directors, employees, consultants or service providers of the Company pursuant to the employee and advisor equity incentive plan of the Company (the "ESOP"), (b) a total of 81,088,770 authorized Class B Ordinary Shares, all of which are issued and outstanding, (c) a total of 34,717,760 authorized Series A Preferred Shares, all of which are issued and outstanding, (d) a total of 44,758,365 authorized Series B Preferred Shares, all of which are issued and outstanding, (e) a total of 27,428,047 authorized Series B+ Preferred Shares, all of which are issued and outstanding, (f) a total of 10,478,885 authorized Series B2 Preferred Shares, all of which are issued and outstanding, (g) a total of 57,896,414 authorized Series C Preferred Shares, all of which are issued and outstanding, (h) a total of 16,161,668 authorized Series C+ Preferred Shares, 16,161,021 of which are issued and outstanding, and (i) a total of 19,964,384 authorized Series D Preferred Shares (including the Series D Preferred Shares issuable under the Series D Warrants), none of which are issued and outstanding immediately prior to the Closing.

3.2.2 Group Companies and Principal Holding Companies. Section 3.2.2 of the Disclosure Schedule sets forth the capitalization table of each Group Company and Principal Holding Company as of immediately prior to the Closing, and immediately after the Closing (for the capitalization table of the Company, assuming the issuance of the Series D Preferred Shares (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants) at a Purchase Price of US$500,000,000 in the aggregate), in each case reflecting all then outstanding and authorized Equity Securities of such Group Company or Principal Holding Company, and the record and beneficial holders thereof. Each Group Company and Principal Holding Company is the sole record and beneficial holder of the Equity Securities as set forth opposite its name on Section 3.2.2 of the Disclosure Schedule, free and clear of all Liens of any kind other than those arising under applicable Laws.

3.2.3 No Other Securities. Except for (a) the conversion privileges of the Preferred Shares, (b) certain rights provided in the Memorandum and Articles, the Shareholders Agreement, the Right of First Refusal & Co-Sale Agreement and the Warrant from and after the Closing, (c) currently outstanding options to purchase Ordinary Shares granted to employees and other service providers pursuant to the ESOP, and (d) the outstanding Equity Securities set forth in Section 3.2.3 of the Disclosure Schedule, (x) there are no and at the Closing there shall be no other authorized or outstanding Equity Securities of any Group Company, (y) no Equity Securities of any Group Company are subject to any preemptive rights, rights of first refusal (except to the extent provided by applicable PRC Laws) or other rights to purchase such Equity Securities or any other rights with respect to such Equity Securities, and (z) except as contemplated under the Transaction Documents, no Group Company is a party or subject to any Contract that affects or relates to the voting or giving of written consents with respect to, or the right to cause the redemption, or repurchase of, any Equity Security of such Group Company. Except as set forth in the Shareholders Agreement (from and after the Closing), the Company has not granted any registration rights or information rights to any other Person, nor is the Company obliged to list any of the Equity Securities of any Group Companies on any securities exchange. Except as contemplated under the Transaction Documents, there are no voting or similar agreements which relate to the share capital or registered capital of any Group Company.

[Seal]

3.2.4 Issuance and Status. All presently outstanding Equity Securities of each Group Company and Principal Holding Company were duly and validly issued (or subscribed for) in compliance with all applicable Laws, preemptive rights of any Person, and applicable Contracts. All Equity Securities, as the case may be, of each Group Company have been duly and validly issued, are fully paid (or subscribed for) and non-assessable, and as of the Closing shall be free of any and all Liens (except for any restrictions on transfer under the Transaction Documents and applicable Laws). Except as contemplated under the Transaction Documents in the case of (a), (d) and (e), there are no (a) resolutions pending to increase the share capital or registered capital of any Group Company, (b) resolutions pending to cause the liquidation, winding up, or dissolution of any Group Company, nor has any distress, execution or other process been levied against any Group Company, (c) dividends which have accrued or been declared but are unpaid by any Group Company, or (d) obligations, contingent or otherwise, of any Group Company to repurchase, redeem, or otherwise acquire any Equity Securities, or (e) outstanding or authorized equity appreciation, phantom equity, equity plans or similar rights with respect to any Group Company. All dividends (if any) or distributions (if any) declared, made or paid by each Group Company, and all repurchases and redemptions of Equity Securities of each Group Company (if any), have been declared, made, paid, repurchased or redeemed, as applicable, in accordance with its Charter Documents and all applicable Laws.

3.2.5 Title. Each Group Company is the sole record and beneficial holder of all of the Equity Securities set forth opposite its name on Section 3.2.2 of the Disclosure Schedule, free and clear of all Liens of any kind other than those arising under the Control Documents.

3.3 Corporate Structure; Subsidiaries.

3.3.1 The Company does not presently have any Subsidiaries, other than those listed in Section 3.3.1 of the Disclosure Schedule. Section 3.3.1 of the Disclosure Schedule sets forth the name, jurisdiction of incorporation or organization, and security holders of each Subsidiary. No Group Company owns or Controls, or has ever owned or Controlled, directly or indirectly, any Equity Securities, interest or share in any other Person or is or was a participant in any joint venture, partnership or similar arrangement. No Group Company or Principal Holding Company is obligated to make any investment in or capital contribution in or on behalf of any other Person. The Principal Holding Companies were formed solely to acquire and hold the equity interests in the Company. The Company was formed solely to acquire and hold the equity interests in the HK Company and the U.S. Company. The HK Company was formed solely to acquire and hold the equity interests in the Guangzhou WFOE, the Beijing WFOE, the Shenzhen WFOE and Beijing Yixing. None of the Principal Holding Companies, the Company nor the HK Company has engaged in any other business and has not incurred any Liability since its formation other than any Liabilities relating to the transactions contemplated by the Transaction Documents. The Group Companies which are incorporated in the PRC and the U.S. Company are engaged in the Business and have no other business. Neither any Principal nor any other entity owned or Controlled by such Principal (other than a Group Company), is engaged in the Business or has any assets in relation to the Business (other than through an advisory, employment or consulting relationship with a Group Company).

[Seal]

3.3.2 All the Control Documents have been duly executed and delivered and constitute legally binding obligations of the parties thereto in accordance with their respective terms. As a result, each of the Beijing WFOE and the Guangzhou WFOE has established effective Control over the Beijing Company and the Guangzhou Company through the Control Documents. The equity pledge by the equity holders of each of the Beijing Company and the Guangzhou Company in favor of the Beijing WFOE and the Guangzhou WFOE pursuant to the Control Documents has been registered with the China Company Registration Authority (the "Equity Pledge Registration"). The Equity Pledge Registration remains effective and valid, and there is no Lien held by any Person on the Equity Securities in the Beijing Company or the Guangzhou Company other than the Equity Pledge Registration.

3.3.3 To the extent permitted by applicable Laws, all Consents, Intellectual Property, assets (whether tangible or intangible), employees and Contracts material to the operation of the Group's Business in the PRC are held, owned, employed or entered into, as the case may be, by the Beijing WFOE or the Guangzhou WFOE, except for the following, which are held, owned, employed or entered into, as the case may be, by the Beijing Company or the Guangzhou Company: (a) road test licenses; (b) vehicles that are required for maintaining road test licenses; (c) safety drivers and engineers who mainly focus on developing map related technologies; (d) Intellectual Properties that were developed by the then existing employees of the Beijing Company or the Guangzhou Company; and (e) certain Contracts with OEMs and the Mapping Service Provider (as defined below) ((a), (b), (c), (d) and (e) collectively, "Non- transferrable Items"). Other than the Non-transferrable Items above, and the items listed in Section 3.3.3 of the Disclosure Schedule, no material Consents, Intellectual Property, assets (whether tangible or intangible), employees or Material Contracts are held, owned, employed or entered into, as the case may be, by the Beijing Company or the Guangzhou Company.

3.3.4 Each Subsidiary is duly organized, validly existing and in good standing (where such concept is applicable) under the Laws of its respective jurisdiction of formation and has all requisite power and authority to carry on its business as now conducted and as proposed to be conducted. Each Subsidiary is duly qualified to transact business and is in good standing (where such concept is applicable) in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect on the assets, condition, business or affairs of the Group Companies, financial or otherwise.

3.3.5 There are not any outstanding options, warrants, rights (including conversion or preemptive rights), or agreements for the purchase or acquisition from the Subsidiaries of any of the Subsidiaries' share capital or other Equity Securities.

3.4 Authorization. Each of the Group Companies has all requisite power and authority to execute and deliver the Transaction Documents to which it is a party and to carry out and perform its obligations thereunder. All corporate actions on the part of each party (other than the Investors) to the Transaction Documents (and as applicable, its officers, directors and shareholders) necessary for the authorization, execution and delivery of the Transaction Documents, the performance of all obligations of each such party, and, in the case of the Company, the authorization, issuance (or reservation for issuance), sale and delivery of the Purchased Shares, the Warrant Shares and the Conversion Shares, have been taken or will be taken prior to the applicable Closing. Each Transaction Document shall have been or will be on or prior to the applicable Closing, duly executed and delivered by each party thereto (other than the Investors) and, when executed and delivered, constitutes valid and legally binding obligations of such party, enforceable against such party in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other Laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

[Seal]

3.5 Valid Issuance of Purchased Shares. The Purchased Shares and the Warrant Shares, when issued, delivered and paid for in accordance with the terms of this Agreement for the consideration expressed herein, and registered in the register of members of the Company, will be duly and validly issued, fully paid and non-assessable, free from any Liens (except for any restrictions on transfer under applicable Laws and under the Transaction Documents). The Conversion Shares have been reserved for issuance and, upon issuance in accordance with the terms of the Memorandum and Articles, will be duly and validly issued, fully paid and non- assessable, free from any Liens (except for any restrictions on transfer under applicable securities Laws and under the Transaction Documents). The issuance of the Purchased Shares, the Warrant, the Warrant Shares and the Conversion Shares is not subject to any preemptive rights, rights of first refusal or similar rights.

3.6 Consents; No Conflicts. All Consents from or with any Governmental Authority or any other Person required in connection with the valid execution, delivery and performance of the Transaction Documents, and the consummation of the transactions contemplated by the Transaction Documents, in any case on the part of any party thereto (other than the Investors) have been duly obtained or completed (as applicable) and are in full force and effect. The execution, delivery and performance of each Transaction Document by each party thereto (other than the Investors) do not, and the consummation by each such party of the transactions contemplated thereby will not, with or without notice or lapse of time or both, (a) result in any violation of, be in conflict with, or constitute a default under, require any Consent under, or give any Person rights of termination, amendment, acceleration or cancellation under, with or without the passage of time or the giving of notice, any Governmental Order, any provision of the Charter Documents of any Group Company, any applicable Laws (including without limitation, Order No. 10 and the SAFE Rules and Regulations), or any Material Contract, (b) result in any violation of, be in conflict with, or constitute a default under, or give rise to any right of any termination, modification, or cancellation, or give rise to any augmentation or acceleration of any material obligation or liability of any Group Company (including without limitation, any Indebtedness of such Group Company), or (c) result in the creation of any Lien upon any of the material properties or assets of any Group Company other than Permitted Liens.

3.7 Offering. Subject in part to the accuracy of the Investors' representations set forth in Section 5 of this Agreement, the offer, sale and issuance of the Purchased Shares, the Warrant and the Warrant Shares are, and the issuance of the Conversion Shares will be, exempt from the qualification, registration and prospectus delivery requirements of the Securities Act and any other applicable securities Laws.

[Seal]

3.8 Compliance with Laws; Consents.

3.8.1 Each Group Company is, and has been, in material compliance with all applicable Laws, including all SAFE Rules and Regulations. To the Group Companies' Knowledge, no event has occurred and no circumstance exists that (with or without notice or lapse of time) (a) constitutes or may constitute or result in a violation by any Group Company of, or a failure on the part of such Group Company to comply with, any applicable Laws, or (b) may give rise to any obligation on the part of any Group Company to undertake, or to bear all or any portion of the cost of, any remedial action of any nature. None of the Group Companies has received any written notice from any Governmental Authority regarding any of the foregoing. None of the Group Companies has received any Governmental Order, is subject to any Action or, to the Group Companies' Knowledge, is under investigation with respect to a material violation of any Law.

3.8.2 All Consents and registrations from or with the relevant Governmental Authority required in respect of the due and proper establishment and operations of each Group Company as now conducted, including but not limited to the Consents and registrations from or with MOFCOM, China Company Registration Authority, SAFE, the Ministry of Industry and Information Technology, the Ministry of Culture and Tourism, the Ministry of Transport, the State Radio and Television Administration, any Tax bureau, customs authorities, the Department of Motor Vehicles of the State of California, the Public Utilities Commission of the State of California, the U.S. Department of Commerce's Bureau of Industry and Security and the local counterparts thereof, as applicable (or any predecessors thereof, as applicable) (collectively, the "Required Governmental Consents"), have been duly obtained or completed in accordance with all applicable Laws.

3.8.3 No Required Governmental Consent contains any materially burdensome restrictions or conditions, and each Required Governmental Consent is in full force and effect and will remain in full force and effect upon the consummation of the transactions contemplated hereby. None of the Group Companies is in default under any Required Governmental Consent. There is no reason to believe that any Required Governmental Consent which is subject to periodic renewal will not be granted or renewed. No Group Company has received any letter or other communication from any Governmental Authority threatening or providing notice of revocation of any Required Governmental Consent issued to such Group Company or the need for compliance or remedial actions in respect of the activities carried out directly or indirectly by such Group Company.

3.8.4 Each holder or beneficial owner of an Equity Security of a Group Company (each, a "Security Holder"), who is a "Domestic Resident (境内居民)" as defined in Circular 37 and is subject to any of the registration or reporting requirements of Circular 37 or any other applicable SAFE Rules and Regulations, has complied with all reporting and/or registration requirements (including filings of amendments to existing registrations) under the SAFE Rules and Regulations, and has made all oral or written filings, registrations, reporting and any other communications required by SAFE or any of its local branches. To the Group Companies' Knowledge, no Group Company has, nor has any Security Holder, received any oral or written inquiries, notifications, orders or any other form of official correspondence from SAFE or any of its local branches with respect to any actual or alleged non-compliance with SAFE Rules and Regulations.

[Seal]

3.8.5 The receipt of all subsidies and incentives by each Group Company is in material compliance with applicable Law.

3.9 Data Security Laws.

3.9.1 Each Group Company is, and has been, in material compliance with (a) all applicable PRC and U.S. federal and state laws and regulations relating to data security, cybersecurity, and personal privacy, including, but not limited to, the PRC Cybersecurity Law (中华人民共和国网络安全法), the PRC National Security Law (中华人民共和国国家安全法), the PRC Data Security Law (中华人民共和国数据安全法), the PRC Personal Information Protection Law (中华人民共和国个人信息保护法), the Chinese Cyber Security Review Measures (网络安全审查办法), the Chinese Several Provisions on the Management of Automobile Data Security (Trial Implementation) (汽车数据安全管理若干规定(试行)), California Consumer Privacy Act, California Online Privacy Protection Act, California Civil Code, California Vehicle Code, California Financial Information Privacy Act, U.S. Children's Online Privacy Protection Act, and regulatory guidelines relating thereto issued by any unit of the PRC government or U.S. federal or state government (collectively, "Data Security Laws"); and (b) all applicable PRC and U.S. Laws and regulations relating to autonomous driving.

3.9.2 To the Group Companies' Knowledge, no event has occurred and no circumstance exists that (with or without notice or lapse of time) (a) may constitute or result in a material violation by any Group Company of, or a material failure on the part of such entity to comply with, Data Security Laws, or (b) may give rise to any material obligation on the part of any Group Company to undertake, or to bear all or any portion of the cost of, any remedial action of any nature with respect to Data Security Laws.

3.9.3 The Group Companies possess the licenses and permits to the extent applicable and necessary to comply with Data Security Laws relating to the collection, processing, use, storage, sharing, transferring, disclosing, and/or dissemination of data by the Group Companies in the conduct of the Business in all material respects.

3.9.4 The Group Companies have adopted policies, procedures, and controls that are consistent with reasonable industry practices and designed to ensure the compliance with Data Security Laws in all material respects.

3.9.5 To the Group Companies' Knowledge, no Group Company, nor any director or employee of any Group Company, (a) has been, or is the subject of any current, pending, or threatened investigation, fine, injunction, rectification order, or other penalty or enforcement action by any unit of the PRC government or U.S. federal or state government with respect to material noncompliance with Data Security Laws; or (b) has received any written notice from any unit of the PRC government or U.S. federal or state government alleging any material noncompliance by any Group Company with Data Security Laws.

3.9.6 To the Group Companies' Knowledge, no Group Company, nor any director or employee of any Group Company, has initiated any internal investigation, nor made any voluntary, directed, or involuntary disclosure in writing to any unit of the PRC government or U.S. federal or state government with respect to any alleged noncompliance by any Group Company with Data Security Laws.

[Seal]

3.9.7 To the Group Companies' Knowledge, no Group Company has experienced or suspected an incident of unauthorized access to, exfiltration, disclosure, loss, or leak of any data in such Group Company's possession and/or control.

3.10 Litigation. There is no Action, suit, proceeding or investigation pending or, to the Group Companies' Knowledge, currently threatened against any Group Company, or any Principal or Principal Holding Company, or that questions the validity of this Agreement or any Transaction Document, or the right of the Company to enter into such agreements, or to consummate the transactions contemplated hereby or thereby, or that is likely to result, either individually or in the aggregate, in any Material Adverse Effect. To the Group Companies' Knowledge, no Group Company is a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no material Action, suit, proceeding or investigation by any Group Company currently pending or that any Group Company intends to initiate.

3.11 Tax Matters.

3.11.1 All Tax Returns required to be filed on or prior to the date hereof with respect to each Group Company have been duly and timely filed by such Group Company within the requisite period (taking into account for this purpose any valid extensions) and such Tax Returns are true, correct and complete in all material respects. All Taxes owed by each Group Company (whether or not shown on any Tax Return) have been paid in full or provision for the payment thereof have been made, except for Taxes that are Permitted Liens. No deficiencies for any material Taxes have been asserted in writing by, and no written notice of any pending Action with respect to any material Taxes have been received from, any Tax authority, and no dispute relating to any Tax Returns with any such Tax authority is outstanding. Each Group Company (a) has timely paid all Taxes owed by it which are due and payable (whether or not shown on any Tax Return) and withheld and remitted to the appropriate Governmental Authority all Taxes which it is obligated to withhold and remit from amounts owing to any employee, creditor, contractor, customer or third party and (b) has not waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency other than, in the case of clause (a), unpaid Taxes that are in contest with Tax authorities by Group Company in good faith or nonmaterial in amount.

3.11.2 No audit of any Tax Return of each Group Company and no formal investigation or Action with respect to any such Tax Return by any Tax authority is currently in progress or pending, and no Group Company has waived any statute of limitation with respect to any Taxes, or agreed to any extension of time with respect to an assessment or deficiency for such Taxes. Each filed Tax Return was properly prepared in compliance with applicable Law and was (and will be) true, correct and complete in all material aspects.

3.11.3 No claim or Action has been made by any Governmental Authority in a jurisdiction where the Group Companies does not file Tax Returns that any Group Company is or may be subject to taxation by that jurisdiction, and no Group Company is currently the subject of any examination or investigation. Each Group Company has, in accordance with applicable Laws and within the time limits prescribed thereby, duly registered with the relevant Tax authority for or in respect of all material Taxes and have complied in all material respects with all requirements imposed thereby.

3.11.4 No Group Company is treated for any Taxation purpose as resident in a country other than the country of its incorporation and no Group Company has, or has had within the relevant statutory limitation period a branch, agency or permanent establishment in a country other than the country of its incorporation. Each Group Company is subject to Taxation only in the country of its incorporation.

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3.11.5 No Group Company has incurred any liability for Taxes outside the ordinary course of business, and each Group Company has made adequate provisions on its books of account for all Taxes, assessments and governmental charges with respect to its business, properties and operations for such period, whether or not assessed or disputed as of the date of the applicable balance sheet. There is no pending dispute with, or written notice from, any Tax authority relating to any of the Tax Returns filed by any Group Company, and there is no proposed Liability for a deficiency in any Tax to be imposed upon the properties or assets of any Group Company.

3.11.6 No Group Company is responsible for the Taxes of any other Person by reason of Contract, successor or transferee liability or otherwise (other than Taxes incurred in the ordinary course of business of such Group Company).

3.11.7 All Tax credits and Tax holidays enjoyed by each of the Group Companies established under the Laws of the PRC or otherwise under applicable Laws since its establishment have been in compliance with all applicable Laws and is not and will not be subject to reduction, revocation, cancellation or any other changes (including retroactive changes) in the future, except through change in applicable Laws published by relevant Governmental Authority.

3.11.8 Unless otherwise provided in the Section 3.10.8 of the Disclosure Schedule, no Group Company is or has ever been a PFIC or CFC. No Group Company anticipates that it will become a PFIC or CFC for the current taxable year.

3.11.9 The Company is treated as a corporation for U.S. federal income tax purposes.

3.11.10 No Group Company has consummated or participated in, nor is it currently participating in, any transaction which was or is a "reportable transaction" as defined in Section 6707A(c) of the Code or the U.S. Treasury Regulations promulgated thereunder.

3.11.11 All related party transactions involving the Group Companies are at arm's length in compliance with Section 482 of the Code, the U.S. Treasury Regulations promulgated thereunder, and any similar provision of state, local and non-U.S. law. Each Group Company has maintained in all material respects all necessary documentation in connection with such related party transactions in accordance with Sections 482 and 6662 of the Code and the U.S. Treasury Regulations promulgated thereunder or comparable provisions under applicable non-U.S. law.

3.11.12 Section 3.11.12 of the Disclosure Schedule lists all "nonqualified deferred compensation plans" (within the meaning of Section 409A of the Code) to which the Company is a party. Each such nonqualified deferred compensation plan to which the Company is a party complies with the requirements of paragraphs (2), (3) and (4) of Section 409A(a) of the Code by its terms and has been operated in accordance with such requirements. No event has occurred that would be treated by Section 409A(b) of the Code as a transfer of property for purposes of Section 83 of the Code. The Company is under no obligation to gross up any Taxes under Section 409A of the Code.

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3.11.13 The exercise price of all stock options to purchase Ordinary Shares is at least equal to the fair market value of the Ordinary Shares on the date such stock options were granted or repriced, and the Company has not incurred nor will it incur any liability or obligation to withhold or report taxes under Section 409A of the Code upon the vesting of any such stock options. All stock options to purchase Ordinary Shares are with respect to "service recipient stock" (as defined under U.S. Treasury Regulations Section 1.409A-1(b)(5)(iii)) of the grantor thereof.

3.12 Minute Books. The minute books of the Group Companies provided to the Investors contain a complete summary of all meetings of directors and shareholders since the time of incorporation and reflect all transactions referred to in such minutes accurately in all respects.

3.13 Charter Documents; Books and Records. The Charter Documents of each Group Company are in the form provided to the Investors. Each Group Company has been in compliance with its Charter Documents, and none of the Group Companies has violated or breached any of their respective Charter Documents. Each Group Company maintains its books of accounts and records in the usual, regular and ordinary manner, on a basis consistent with prior practice, and which permits its Financial Statements to be prepared in accordance with the Accounting Standards. The register of members and directors (if applicable) of each Group Company is correct, there has been no notice of any proceedings to rectify any such register, and to the Group Companies' Knowledge, there are no circumstances which might lead to any application for its rectification. All documents requiring to be filed by each Group Company with the applicable Governmental Authority in respect of the relevant jurisdiction in which the relevant Group Companies is being incorporated have been properly made up and filed.

3.14 Financial Statements. The audited balance sheet, profit statement and cash flows statement for the Group Companies for the years ended December 31, 2020 and December 31, 2019 and the unaudited balance sheet, profit statement and cash flows statement for the Group Companies for the year ended December 31, 2018 and for the nine-month period ending on the Statement Date (the financial statements referred to above, collectively, the "Financial Statements") have been provided to the Investors. The Financial Statements (a) have been prepared in accordance with the books and records of the Group Companies, (b) fairly present in all material respects the financial condition and position of the Group Companies as of the dates indicated therein and the results of operations and cash flows of the Group Companies for the periods indicated therein, except in the case of unaudited financial statements for the omission of notes thereto and normal year-end audit adjustments that are not expected to be material, and (c) were prepared in accordance with the Accounting Standards applied on a consistent basis throughout the periods involved. There is no material contingent or asserted claims, refusals to pay, or other rights of set-off with respect to any accounts receivable of the Group Companies.

3.15 Material Liabilities. The Group Companies have no Liability or obligation, absolute or contingent (individually or in the aggregate) in excess of US$1,000,000, except (a) obligations and Liabilities incurred after the date of incorporation in the ordinary course of business that are not material, individually or in the aggregate, and (b) obligations under Contracts made in the ordinary course of business that would not be required to be reflected in the Financial Statements. None of the Group Companies is a guarantor or indemnitor of any Liabilities of any other Person (other than a Group Company).

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3.16 Changes. Since the Statement Date, there has not been any Material Adverse Effect or any material change in the way the Group conducts its business, and there has not been by or with respect to any Group Company:

3.16.1 any change in the assets, Liabilities, financial condition or operating results of the Group Companies, except changes in the ordinary course of business that have not been, in the aggregate, materially adverse;

3.16.2 any damage, destruction or loss, whether or not covered by insurance, materially and adversely affecting the assets, properties, financial condition, operating results, prospects or business of the Group Companies (as such business is presently conducted and as it is proposed to be conducted);

3.16.3 any change to any Consent from Governmental Authorities held by such Group Company except for the purpose of performing any obligation under the Transaction Documents;

3.16.4 any waiver by a Group Company of a valuable right or of a material debt owed to it;

3.16.5 any satisfaction or discharge of any Lien, claim or encumbrance or payment of any obligation by a Group Company, except in the ordinary course of business and that is not material to the assets, properties, financial condition, operating results or business of the Group Companies (as such business is presently conducted and as it is proposed to be conducted);

3.16.6 any amendment to or waiver under any Charter Document except for the purpose of performing any obligations under the Transaction Documents;

3.16.7 any material change in any compensation arrangement or agreement with any employee, officer, director or shareholder, or adoption of any new Benefit Plan, or made any change to any existing Benefit Plan;

3.16.8 any sale, assignment, transfer, or license of any patents, trademarks, copyrights, trade secrets, Intellectual Property or other intangible assets;

3.16.9 any acquisition (by merger, consolidation or other combination, or acquisition of stock or assets, or otherwise) of any business or other Person or division thereof, or any sale or disposition of any business or division thereof;

3.16.10 any resignation or termination of employment of any officer or Key Employee, or any group of employees of any Group Company, and to the Group Companies' Knowledge, any impending resignation or termination of employment of any such officer, Key Employee or group of employees;

3.16.11 any mortgage, pledge, transfer of a security interest in, or Lien, created, assumed or discharged by a Group Company, with respect to any of its properties or assets, except Liens for Taxes not yet due or payable and Liens that arise in the ordinary course of business and do not materially impair the Group Company's ownership or use of such property or assets;

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3.16.12 any loans or guarantees made by a Group Company to or for the benefit of its employees, officers or directors, or any members of their immediate families, other than reasonable and normal travel advances and other advances made in the ordinary course of its business;

3.16.13 any change in accounting methods or practices or any revaluation of any of its assets;

3.16.14 except in the ordinary course of business consistent with its past practice, entry into any closing agreement in respect of material Taxes, settlement of any claim or assessment in respect of any material Taxes, or consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of any material Taxes, entry or change of any material Tax election, change of any method of accounting resulting in a material amount of additional Tax or filing of any material amended Tax Return;

3.16.15 any commencement or settlement of any Action;

3.16.16 any transaction with any Related Party;

3.16.17 any declaration, setting aside, dividend payment or other distribution in respect of any Group Company's share capital or other Equity Securities, or any direct or indirect redemption, purchase or other acquisition of any of such share capital or Equity Securities by such Group Company;

3.16.18 any authorization, sale, issuance, transfer, pledge or other disposition of any Equity Securities of any Group Company except for the purpose of performing any obligation under the Transaction Documents; or

3.16.19 any agreement or commitment by a Group Company to do any of the things described in this Section 3.16.

3.17 Agreements; Action.

3.17.1 Except for agreements explicitly contemplated hereby and by the Transaction Documents, there are no agreements, understandings or proposed transactions between any Group Company and any of its officers, directors and Affiliates.

3.17.2 Section 3.17.2 of the Disclosure Schedule contains a complete and accurate list of all Material Contracts. "Material Contracts" mean, collectively, each Contract to which a Group Company, or any of their properties or assets is bound or subject to that (a) involves obligations (contingent or otherwise) or payments in excess of US$1,000,000 in the aggregate, (b) involves Intellectual Property that is material to a Group Company (other than generally-available "off-the-shelf" shrink-wrap software licenses obtained by the Group on non-exclusive and non-negotiated terms), including without limitation, the Licenses, (c) contains exclusivity, non-competition, or similar clauses that impair, restrict or impose conditions on any Group Company's right to offer or sell products or services in specified areas, during specified periods, or otherwise, (d) relates to the sale, issuance, grant, exercise, award, purchase, repurchase or redemption of any Equity Securities other than the Transaction Documents, (e) involves any provisions providing for exclusivity, "change in control," "most favored nations," rights of first refusal or first negotiation or similar rights, or grants a power of attorney, agency or similar authority, (f) involves Indebtedness, an extension of credit, a guaranty, surety or assumption of any obligation or any secondary or contingent Liabilities, deed of trust, or the grant of a Lien, (g) involves the lease, license, sale, use, disposition or acquisition of a material amount of assets or of a business, (h) involves the establishment of, contribution to, or operation of a partnership, joint venture, alliance or similar entity, or involves a sharing of profits or losses (including joint development and joint marketing Contracts), (i) is with a Governmental Authority, state-owned enterprise, OEM, sole-source supplier of any material product or service (other than utilities) or the holder of the navigation digital map production and survey license providing mapping service ("Mapping Service Provider") to the Company, (j) is the collaboration agreement entered into by and between Toyota Motor Corporation and the Group Companies on February 5, 2020, or (k) is a Control Document.

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3.17.3 Each Material Contract is a valid and binding agreement of the Group Company that is a party thereto, and is in full force and effect and enforceable against the parties thereto, except (a) as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other Laws of general application affecting enforcement of creditors' rights generally, and (b) as may be limited by Laws relating to the availability of specific performance, injunctive relief or other remedies in the nature of equitable remedies. No Group Company, and, to the Group Companies' Knowledge, no other party to any Material Contract, has breached, violated or defaulted under any Material Contract in any material respect or that any other party thereto intends to terminate such Material Contract.

3.17.4 There are no agreements, understandings, instruments, Contracts, proposed transactions, judgments, orders, writs or decrees to which any Group Company is a party or by which it is bound that may involve any material license of any Intellectual Property right to or from such Group Company (other than (a) non-exclusive licenses of any Group Company's software, services, and products in the ordinary course of business, and (b) licenses to a Group Company of commercially available, "off-the-shelf" third party software, products or services).

3.17.5 No Group Company has (a) declared or paid any dividends or authorized or made any distribution upon or with respect to any class or series of its Equity Securities other than dividends or distributions paid to another Group Company, (b) incurred any Indebtedness for money borrowed or any other Liabilities with any Person other than another Group Company individually in excess of US$1,000,000 or, in the case of Indebtedness and/or Liabilities individually less than US$1,000,000, in excess of US$2,000,000 in the aggregate, (c) made any loans or advances to any Person other than another Group Company, other than ordinary course advances for travel expenses to its employees, or (d) sold, exchanged or otherwise disposed of any of its assets or rights, other than the sale of its inventory in the ordinary course of business.

3.17.6 For the purposes of Section 3.17.2 and Section 3.17.5, all Indebtedness, Liabilities, agreements, understandings, instruments, Contracts and proposed transactions involving the same person or entity (including persons or entities the Company has reason to believe are affiliated therewith) shall be aggregated for the purpose of meeting the individual minimum dollar amounts of such subsections.

3.17.7 There is no Action pending or threatened against or affecting any Group Company or any of its officers, directors or employees with respect to its businesses or proposed business activities, or, to the Group Companies' Knowledge, any officers, directors or employees of any Group Company in connection with such Person's respective relationship with such Group Company, nor to the Group Companies' Knowledge is there any basis for any of the foregoing. By way of example, but not by way of limitation, there are no Action pending against any of the Group Companies or threatened against any of the Group Companies, relating to the use by any employee of any Group Company of any information, technology or techniques allegedly proprietary to any of their former employers, clients or other parties. There is no judgment or award unsatisfied against any Group Company, nor is there any Governmental Order in effect and binding on any Group Company or their respective assets or properties. There is no Action pending by any Group Company against any third party nor does any Group Company intend to commence any such Action. No Governmental Authority has at any time challenged or questioned in writing the legal right of any Group Company to conduct in any material respect its business as presently being conducted.

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3.17.8 There is no side letter or similar agreement between the Company and any of its shareholders which grants any special right or privilege with respect to the Equity Securities of the Company held by such shareholder other than those granted in the Transaction Documents that has not been provided to the Investors.

3.18 Anti-Bribery, Anti-Corruption, Anti-Money Laundering and Sanctions; Absence of Government Interests.

3.18.1 Each of the Group Companies and their Affiliates, respective directors, officers, managers, employees, independent contractors, representatives, agents and other Persons acting on their behalf (collectively, "Representatives") are and have been in compliance with all applicable Laws relating to anti-bribery, anti-corruption, anti-money laundering, record keeping and internal control laws (collectively, the "Compliance Laws") including the FCPA as if it were a United States Person and the U.K. Bribery Act. Furthermore, no Public Official (i) holds an ownership or other economic interest, direct or indirect, in any of the Group Companies or in the contractual relationship formed by this Agreement, or (ii) serves as an officer, director or employee of any Group Company. Without limiting the foregoing, neither any Group Company nor any Representative has, directly or indirectly, offered, authorized, promised, condoned, participated in, consummated, or received notice of any allegation of, (a) the making of any gift or payment of anything of value to any Public Official by any Person to obtain any improper advantage, affect or influence any act or decision of any such Public Official, or assist any Group Company in obtaining or retaining business for, or with, or directing business to, any Person; (b) the taking of any Action by any Person which (i) would violate the FCPA, if taken by an entity subject to the FCPA, (ii) would violate the U.K. Bribery Act, if taken by an entity subject to the U.K. Bribery Act, or (iii) could reasonably be expected to constitute a violation of any applicable Compliance Law; (c) the making of any false or fictitious entries in the books or records of any Group Company by any Person; or (d) the using of any assets of any Group Company for the establishment of any unlawful or unrecorded fund of monies or other assets, or the making of any unlawful or undisclosed payment.

3.18.2 No Group Company or any of its Representatives has ever been found by a Governmental Authority to have violated any criminal or securities Law or is subject to any indictment or any government investigation for bribery. None of the beneficial owners of any Equity Securities or other interest in any Group Company or the current or former representatives of any Group Company are or were Public Officials.

3.18.3 No Group Company or any of its Representatives is a Prohibited Person, and no Prohibited Person will be given an offer to become an employee, officer, consultant or director of any Group Company. No Group Company has conducted or agreed to conduct any business, or entered into or agreed to enter into any transaction with a Prohibited Person, directly or indirectly.

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3.18.4 If the Group Companies have beneficial owners or representatives who are known by any Group Company or Principal Holding Company to be Public Officials, no such Public Official has been involved on behalf of a Governmental Authority in decisions as to whether any Group Company or the Investors would be awarded business or that otherwise could benefit any Group Company or the Investors, or in the appointment, promotion, or compensation of persons who will make such decisions.

3.18.5 The Group Companies are and have been in compliance with (a) all Laws concerning the exportation or re-exportation of items (including technology, services, and software), including but not limited to those administered by the U.S. Department of Commerce (including the Export Administration Regulations, "EAR") or the U.S. Department of State (including the International Traffic in Arms Regulations, "ITAR"), (b) the Laws concerning economic sanctions administered by the U.S. Department of Treasury's OFAC, the U.S. Department of State, U.K. Her Majesty's Treasury, Canada, the European Union, or the United Nations (collectively, "Sanctions"), (c) any Laws concerning the importation of merchandise, or items (including goods, technology, services, and software), including but not limited to those administered by U.S. Customs and Border Protection; and (d) the U.S. anti- boycott compliance regulations administered by the U.S. Department of Commerce (collectively, "International Trade Laws").

3.18.6 There is no pending or, to the Group Companies' Knowledge, threatened investigation or other proceeding relating to a Group Company, nor has any voluntary disclosure been submitted to a Governmental Authority regarding a Group Company, in each case, in connection with a possible or actual violation of International Trade Laws or Compliance Laws.

3.18.7 None of the goods, software or technology that any of the Group Companies produces, designs, tests, manufactures, fabricates, or develops in the United States is a critical technology as defined in CFIUS regulations.

3.18.8 No good, service, software, technology or technical information that a Group Company produces, designs, tests, manufactures, fabricates, develops, sells, exports, possesses, uses, or works with (i) in the United States is on the U.S. Munitions List of the ITAR; or (ii) in connection with the Business is on the List of Technologies Prohibited or Restricted from Export issued by the Ministry of Commerce and the Ministry of Science and Technology of the People's Republic of China. No Group Company has engaged or is engaging in activities that are subject to the ITAR.

3.18.9 Compliance programs that are reasonably designed and implemented to ensure compliance with International Trade Laws and Compliance Laws are in place with respect to all Group Companies in all material respects.

3.18.10 None of (a) any Group Company or (b) any officer, employee, director, agent, Affiliate or Person acting on behalf of any Group Company, is owned or Controlled by a Prohibited Person.

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3.18.11 The operations of each Group Company are and have been conducted at all times in compliance with applicable anti-money laundering statutes of all jurisdictions, including, without limitation, all United States anti-money laundering laws, the rule and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental or regulatory agency (collectively, the "Money Laundering Laws"); and no Action, suit or proceeding by or before any court or Governmental Authority or body or any arbitrator involving any Group Company or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, threatened.

3.19 Title; Properties.

3.19.1 Each of the Group Companies has good and valid title to all of its respective assets, whether tangible or intangible (including those reflected in the Financial Statements, together with all assets acquired thereby since the Statement Date, but excluding those that have been disposed of since the Statement Date), in each case free and clear of all Liens, other than Permitted Liens. The foregoing assets collectively represent in all material respects all assets (including all rights and properties) necessary for the conduct of the business of each Group Company as presently conducted. Except for leased or licensed assets, no Person other than a Group Company owns any interest in any such assets. All leases of real or personal property to which a Group Company is a party are fully effective and afford the Group Company valid leasehold possession of the real or personal property that is the subject of the lease. All machinery, vehicles, equipment and other tangible personal property owned or leased by a Group Company are (a) in good condition and repair in all material respects (reasonable wear and tear excepted) and (b) not obsolete or in need in any material respect of renewal or replacement, except for renewal or replacement in the ordinary course of business. There are no facilities, services, assets or properties which are used in connection with the business of the Group and which are shared with any other Person that is not a Group Company.

3.19.2 No Group Company owns or has legal or equitable title or other right or interest in any real property other than as held pursuant to Leases. Section 3.19.2 of the Disclosure Schedule sets forth each leasehold interest pursuant to which any Group Company holds any real property (a "Lease"), indicating the parties to such Lease, the address of the property demised under the Lease, the rent payable under the Lease and the term of the Lease. The particulars of the Leases as set forth in Section 3.19.2 of the Disclosure Schedule are true and complete. To the Group Companies' Knowledge, the lessor under each Lease is qualified and has obtained all Consents necessary to enter into such Lease in all material respects, including without limitation any Consent required from the owner of the property demised pursuant to the Lease if the lessor is not such owner. There is no material claim asserted or, to the Group Companies' Knowledge, threatened by any Person regarding any Lease or the lessor's ownership of the property demised pursuant to each Lease. Each Lease is in compliance in all material respects with applicable Laws, including with respect to the ownership and operation of property and conduct of business as now conducted by the applicable Group Company which is a party to such Lease. Each Group Company which is party to a Lease has accepted possession of the property demised pursuant to the Lease and is in actual possession thereof and has not sublet, assigned or hypothecated its leasehold interest. No Group Company uses any real property in the conduct of its business except insofar as it has secured a Lease with respect thereto. The leasehold interests under the Leases held by each Group Company are adequate for the conduct of the business of such Group Company as currently conducted.

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3.20 Related Party Transactions. Except for the employment or consulting agreements with a Group Company, no Related Party or member of such Related Party's immediate family, or any corporation, partnership or other entity in which such Related Party is an officer, director or partner, or in which such Related Party has significant ownership interests or otherwise Controls, is indebted to any Group Company, nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any of them. To the Group Companies' Knowledge, none of such Persons has any direct or indirect ownership interest in any firm or corporation with which any Group Company is affiliated or with which any Group Company has a business relationship, or any firm or corporation that competes with any Group Company, except that employees, officers, or directors of a Group Company and members of such Related Party's immediate families may own stock in publicly traded companies that may compete with the Group Companies in an amount not to exceed one percent (1%) of such publicly traded company's outstanding capitalization. No Related Party or member of his or her immediate family is directly or indirectly interested in any Contract with a Group Company.

3.21 Intellectual Property Rights.

3.21.1 Company IP. Each Group Company owns or otherwise has sufficient rights (including but not limited to the rights of development, maintenance, licensing and sale) to all Intellectual Property necessary and sufficient to conduct its business as currently conducted by such Group Company and as contemplated to be conducted ("Company IP") without any conflict with or infringement of the rights of any other Person. Section 3.21.1 of the Disclosure Schedule sets forth a complete and accurate list of all Company Registered IP for each Group Company, including for each the relevant name or description, registration/certification or application number, and filing, registration or issue date.

3.21.2 IP Ownership. All Company Registered IP is owned by and registered or applied for solely in the name of a Group Company, is valid and subsisting and has not been abandoned, and all necessary registration, maintenance and renewal fees with respect thereto and currently due have been satisfied. No Group Company or any of its employees, officers or directors has taken any actions or failed to take any actions that would cause any Company Owned IP to be invalid, unenforceable or not subsisting. No funding or facilities of a Governmental Authority or a university, college, other educational institution or research center was used in the development of any Company Owned IP. No Company Owned IP is the subject of any Lien, license or other Contract granting rights therein to any other Person. No Group Company is or has been a member or promoter of, or contributor to, any industry standards bodies, patent pooling organizations or similar organizations that could require or obligate a Group Company to grant or offer to any Person any license or right to any Company Owned IP. No Company Owned IP is subject to any proceeding or outstanding Governmental Order or settlement agreement or stipulation that (a) restricts in any manner the use, transfer or licensing thereof, or the making, using, sale, or offering for sale of any Group Company's products or services, by any Group Company, or (b) may affect the validity, use or enforceability of such Company Owned IP. Each of the Key Employees and the Principals has assigned and transferred to a Group Company, to the extent permitted by Law, any and all of his/her Intellectual Property related to the Business that he/she developed, conceived or reduced to practice in the course of performing services for the Group Company. No Group Company has (i) transferred or assigned any Company IP; (ii) authorized the joint ownership of, any Company IP; or (iii) permitted the rights of any Group Company in any Company IP to lapse or enter the public domain.

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3.21.3 Infringement, Misappropriation and Claims. No Group Company has violated, infringed or misappropriated any Intellectual Property of any other Person, nor has any Group Company received any written notice alleging any of the foregoing. To the Group Companies' Knowledge, no Person has violated, infringed or misappropriated any Company IP of any Group Company, and no Group Company has given any written notice to any other Person alleging any of the foregoing. The Group has not received any written notices from any Person challenging the ownership or use of any Company Owned IP by a Group Company. No Group Company has agreed to indemnify any Person for any infringement, violation or misappropriation of any Intellectual Property by such Person.

3.21.4 Assignments and Prior IP. All inventions and know-how conceived by employees of a Group Company related to the business of such Group Company, which he/she developed, conceived or reduced to practice in the course of performing services for such Group Company, are currently owned exclusively by a Group Company, to the extent permitted by applicable Law. All employees, contractors, agents and consultants of a Group Company who are or were involved in the creation of any Intellectual Property for such Group Company have executed an assignment of inventions agreement that (to the extent permitted by applicable Law) vests in a Group Company exclusive ownership of all right, title and interest in and to such Intellectual Property, to the extent not already provided by applicable Laws. All employee inventors of Company Owned IP have received reasonable reward and remuneration from a Group Company for his/her service inventions or service technology achievements in accordance with the applicable PRC Laws. To the Group Companies' Knowledge, it will not be necessary to utilize any Intellectual Property of any such Persons made prior to their employment by a Group Company, except for those that are exclusively owned by a Group Company, and none of such Intellectual Property has been utilized by any Group Company. To the Group Companies' Knowledge, none of the employees, consultants or independent contractors (including without limitation the Principals and the Key Employees), currently or previously employed or otherwise engaged by any Group Company, (a) is in violation of any current or prior confidentiality, non-competition or non-solicitation obligations to such Group Company or to any other Person, including former employers, or (b) is obligated under any Contract, or subject to any Governmental Order, that would interfere with the use of his or her best efforts to promote the interests of the Group Companies or that would conflict with the business of such Group Company as presently conducted.

3.21.5 Licenses. Section 3.21.5 of the Disclosure Schedule contains a complete and accurate list of the Licenses. The "Licenses" means, collectively, (a) all licenses, sublicenses, and other Contracts to which any Group Company is a party and pursuant to which any third party is authorized to use, exercise or receive any benefit from any material Company Owned IP, and (b) all licenses, sublicenses and other Contracts to which any Group Company is a party and pursuant to which such Group Company is authorized to use, exercise, or receive any benefit from any material Intellectual Property of another Person, in each case except for (i) agreements involving "off-the-shelf" commercially available Software, products, or services, and (ii) non-exclusive licenses granted by a Group Company in the ordinary course of business consistent with past practice. The Group Companies have paid all undisputed license and royalty fees required to be paid under the Licenses, if applicable.

3.21.6 Protection of IP. Each Group Company has taken reasonable and appropriate steps to protect, maintain and safeguard all material Company Owned IP and made all applicable filings, registrations and payments of fees in connection with the foregoing. Without limiting the foregoing, all current and former officers, employees, consultants and independent contractors of any Group Company and all suppliers, customers, distributors, and other third parties having access to any Company IP have executed and delivered to such Group Company an agreement requiring the protection of such Company IP. To the extent that any Company IP has been developed or created independently or jointly by an independent contractor or other third party for any Group Company, or is incorporated into any products or services of any Group Company, such Group Company has a written agreement with such independent contractor or third party and has thereby obtained ownership of, and is the exclusive owner of all such independent contractor's or third party's Intellectual Property in such work, material or invention.

[Seal]

3.21.7 Processing and Protection of Personal Data. The Group Companies have all sufficient rights, licenses, permissions, and consents required by all applicable data protection Laws to process personal data necessary for the conduct of the business of any Group Company as presently conducted. The transactions contemplated by this Agreement will not violate any privacy policy, terms of use, applicable data protection Laws or contractual obligations relating to the collection, use, sharing, transfer, export, or dissemination of any data or information in any material respect.

3.21.8 No Public Software. No Software included in any Group Company's software, services, and products has been, is being, or will be distributed, in whole or in part, or was used, is being used or will be used in conjunction with any Public Software in a manner which would require that such Software be disclosed or distributed in source code form or made available at no charge.

3.21.9 Information Technology. Each Group Company owns or possesses appropriate licenses to use all information technology used in the conduct of the Business, which comprises all information technology required for the effective conduct of the Business as presently conducted. Such information technology is in good working order, and to the Group Companies' Knowledge, there are, and have been, no material performance reductions or breakdowns of, or intrusions to, any information technology or loss of data. Each Group Company has in place adequate procedures reasonably designed to ensure the Business can continue without material disruption in the event of breakdown, performance reduction or loss of data relating to information technology and has, in accordance with industry practice, taken precautions reasonably designed to preserve the availability, security and integrity of its information technology and the data and information stored thereon.

3.22 Labor and Employment Matters.

3.22.1 Each Group Company has complied with all applicable Laws related to labor or employment, including provisions thereof relating to wages, hours, overtime payments, working conditions, benefits, termination, retirement, social welfare, equal opportunity and collective bargaining. There is not pending or, to the Group Companies' Knowledge, threatened, and there has not been since the incorporation of each Group Company, any Action relating to the material violation or alleged material violation of any applicable Laws by such Group Company related to labor or employment, including any charge or complaint filed by an employee with any Governmental Authority or any Group Company. The Group Companies have caused all of their present officers and employees to enter into standard offer letters or employment agreements with the respective Group Companies.

3.22.2 Each of the Benefit Plans of the Group Companies is and has at all times been in compliance in material respects with all applicable Laws (including without limitation, SAFE Rules and Regulations), and all contributions to, and payments for each such Benefit Plan have been timely made. Each Group Company is in compliance in all material respects with all Laws and Contracts relating to its provision of any form of Social Insurance, and has paid, or made provision for the payment of, all Social Insurance contributions required under applicable Laws and Contracts.

[Seal]

3.22.3 There has not been, and there is not now pending or, to the Group Companies' Knowledge, threatened, any strike, union organization activity, lockout, slowdown, picketing, or work stoppage or any unfair labor practice charge against any Group Company. No Group Company is bound by or subject to (and none of their assets or properties is bound by or subject to) any written or oral Contract, commitment or arrangement with any labor union or any collective bargaining agreements.

3.22.4 Schedule F sets forth each Key Employee, along with each such individual's title. Each such individual has properly terminated his/her labor Contract with previous employer in accordance with applicable Laws and labor Contract and is currently devoting all of his or her business time to the conduct of the business of the applicable Group Company. To the Group Companies' Knowledge, no such individual is subject to any covenant or non-compete obligation restricting him/her from working for any Group Company. No such individual is obligated under, or in violation of any term of, any Contract or any Governmental Order relating to the right of any such individual to be employed by, or to contract with, such Group Company. No Group Company has received any notice alleging that any such violation has occurred. No such individual is currently working or, to the Group Companies' Knowledge, plans to work for any other Person that competes with any Group Company, whether or not such individual is or will be compensated by such Person. No such individual or any group of employees of any Group Company has given any notice of an intent to terminate their employment with any Group Company, nor does any Group Company have a present intention to terminate the employment of any such individual or any group of employees.

3.23 Insurance. The Company has in full force and effect products liability and errors and omissions insurance in amounts customary for companies similarly situated. Each Group Company has in full force and effect all insurance policies and bonds, with extended coverage, required under applicable Laws for the conduct of the business of such Group Company as presently conducted. There is no material claim pending thereunder as to which coverage has been questioned, denied or disputed. All premiums due and payable under all such policies and bonds have been timely paid, and each Group Company is otherwise in compliance in all material respects with the terms of such policies and bonds.

3.24 Internal Controls. Each Group Company maintains a system of internal controls sufficient for the stage of its business to provide reasonable assurance that (a) transactions by it are executed in accordance with management's general or specific authorization, (b) transactions by it are recorded as necessary to permit preparation of appropriate financial statements and to maintain asset accountability, (c) access to assets of it is permitted only in accordance with management's general or specific authorization, (d) segregating duties for cash deposits, cash reconciliation, cash payment and proper approval is established, and (e) no personal assets or bank accounts of the employees, directors or officers are mingled with the corporate assets or corporate bank account, and no Group Company uses any personal bank accounts of any employees, directors, or officers thereof during the operation of its business.

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3.25 CFIUS.

3.25.1 The U.S. Company does not produce, design, test, manufacture, fabricate, or develop any "critical technologies," as defined by 31 C.F.R. § 800.215.

3.25.2 The U.S. Company does not perform functions as set forth in column 2 of appendix A to Part 800 with respect to "covered investment critical infrastructure," as defined by 31 C.F.R. § 800.212.

3.25.3 The U.S. Company maintains or collects, directly or indirectly, "sensitive personal data" of U.S. citizens, as defined by 31 C.F.R. § 800.241, and is therefore considered a "TID U.S. business," as defined in 31 C.F.R. § 800.248, for CFIUS purposes.

3.26 No Request for Redemption. None of the holders of Preferred Shares has delivered a request for redemption under the Company's memorandum and articles of association. None of the grounds on the basis of which a holder of Preferred Shares may request redemption under the Company's memorandum and articles of association has occurred, nor, to the best of the Company's knowledge, no circumstance exists as would reasonably be expected to give rise to any such ground.

3.27 No Brokers. Neither (a) any Group Company nor (b) any of its Affiliates or any Related Party (on behalf of any Group Company and other than the Investors) has any Contract with any broker, finder or similar agent with respect to the transactions contemplated by this Agreement or by any of the Transaction Documents, or has incurred any Liability for any brokerage fees, agents' fees, commissions or finders' fees in connection with any of the Transaction Documents or the consummation of the transactions contemplated therein.

3.28 No Immunity. Each of the Group Companies is generally subject to civil and commercial Laws with respect to its obligations under each of this Agreement and the Ancillary Agreements to which it is a party; the execution, delivery and performance of the this Agreement and the Ancillary Agreements by it constitutes private and commercial acts and neither it nor any of its assets enjoy any right of immunity from set-off, suit or execution in respect of its obligations under each of these agreements to which it is a party.

3.29 No General Solicitation. Neither any Group Company, nor, to the Group Companies' Knowledge, any of its officers, directors, employees, agents, stockholders or partners has either directly or indirectly, including through a broker or finder, (a) engaged in any general solicitation, or (b) published any advertisement in connection with the offer and sale of the Purchased Shares or the Warrant Shares.

3.30 Disclosure. Each of the Group Companies has fully provided the Investors with (a) all the information that the Investors have reasonably requested for deciding whether the Investors shall purchase the applicable Purchased Shares and the Warrant, and (b) all the agreements and documents in connection with implementing the transactions contemplated by any Transaction Document. No representation or warranty by any Group Company in this Agreement and no information or materials provided by any Group Company to the Investors in connection with the negotiation or execution of this Agreement or any agreement contemplated hereby contains any untrue statement of a material fact, or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading.

4. Representations and Warranties of the Principals and the Principal Holding Companies. Subject to such exceptions as may be specifically set forth in the Disclosure Schedule, each of the Principals and the Principal Holding Companies, jointly and severally, represents and warrants to the Investors that each of the statements contained in this Section 4 is true, accurate and complete as of the date of this Agreement, and that each of such statements shall be true, accurate and complete on and as of the date of the applicable Closing, with the same effect as if made on and as of the date of the applicable Closing.

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4.1 Authorization. Each of the Principal Holding Companies and the Principals has all requisite power and authority to execute and deliver the Transaction Documents to which it is a party and to carry out and perform its obligations thereunder. All corporate actions on the part of the Principal Holding Companies to the Transaction Documents (and as applicable, its officers, directors and shareholders) necessary for the authorization, execution and delivery of the Transaction Documents, and the performance of all obligations of each of the Principals and the Principal Holding Companies, have been taken or will be taken prior to the applicable Closing. Each Transaction Document shall have been or will be on or prior to the applicable Closing, duly executed and delivered by the Principals and the Principal Holding Companies and, when executed and delivered, constitutes valid and legally binding obligations of such parties, enforceable against such parties in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other Laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

4.2 Consents; No Conflicts. All Consents from or with any Governmental Authority or any other Person required in connection with the valid execution, delivery and performance of the Transaction Documents, and the consummation of the transactions contemplated by the Transaction Documents, in any case on the part of the Principals and the Principal Holding Companies, have been duly obtained or completed (as applicable) and are in full force and effect. The execution, delivery and performance of each Transaction Document by each Principal or Principal Holding Company do not, and the consummation by each such party of the transactions contemplated thereby will not, with or without notice or lapse of time or both, (a) result in any violation of, be in conflict with, or constitute a default under, require any Consent under, or give any Person rights of termination, amendment, acceleration or cancellation under, with or without the passage of time or the giving of notice, any Governmental Order, any provision of the Charter Documents of any Principal Holding Company or Group Company, any applicable Laws (including without limitation, Order No. 10 and the SAFE Rules and Regulations), or any Material Contract, (b) result in any violation of, be in conflict with, or constitute a default under, or give rise to any right of any termination, modification, or cancellation, or give rise to any augmentation or acceleration of any material obligation or liability of any Group Company (including without limitation, any Indebtedness of such Group Company), or (c) result in the creation of any Lien upon any of the material properties or assets of any Group Company other than Permitted Liens.

4.3 Compliance with Laws. Each Principal has not been (a) subject to voluntary or involuntary petition under any applicable bankruptcy Laws or any applicable insolvency Laws or the appointment of a manager, receiver, or similar officer by a court for his business or property; (b) convicted in a criminal proceeding or named as a subject of a pending criminal proceeding (excluding traffic violations and other minor offences); (c) subject to any order, judgment, or decree of any court of competent jurisdiction permanently or temporarily enjoining him from engaging, or otherwise imposing limits or conditions on his engagement in any securities, investment advisory, banking, insurance, or other type of business or acting as an officer or director of a public company; or (d) found by a court of competent jurisdiction in a civil action or by any Governmental Authority to have violated any securities, commodities or unfair trade practices law, which such judgment or finding has not been subsequently reversed, suspended, or vacated.

[Seal]

4.4 Non-Compete. Each Principal does not, either on his own account or through any of his Associates or Affiliates, or in conjunction with or on behalf of any other Person, carry on or are engaged, concerned or interested in directly or indirectly any business that competes with the business of any Group Company.

4.5 Holding for Own Account. Each Principal holds and has been holding, indirectly through the relevant Principal Holding Company, his or her Equity Securities in the Company solely for his or her own account, and the Equity Securities of each Principal Holding Company is held by the equity holders registered or filed on the Charter Documents of such Principal Holding Company. None of the Principals and the Principal Holding Companies is or has been holding the Equity Securities in the Company or in the Principal Holding Company (as the case may be), directly or indirectly, as a nominee or agent, or with a view to the resale or distribution of any part thereof, and the Principals do not have any present intention of selling, granting any participation in, or otherwise distributing the same.

4.6 Intellectual Property Rights. Each Principal have assigned and transferred to a Group Company any and all of his/her Intellectual Property related to the business of the Group Companies as now conducted, which such Principal developed, conceived or reduced to practice in the course of performing services for such Group Company.

4.7 Prior Employment. Each Principal is not in violation of any current or prior confidentiality, non-competition or non-solicitation obligations to any other Persons, including his/her former employers.

5. Representations and Warranties of the Investors. Each Investor hereby represents and warrants to the Company, severally and not jointly and with respect to itself only, that:

5.1 Authorization. Such Investor has all requisite power and authority to execute and deliver the Transaction Documents to which it is a party and to carry out and perform its obligations thereunder. All actions on the part of such Investor necessary for the authorization, execution and delivery of the Transaction Documents to which it is a party, has been taken or will be taken prior to the applicable Closing. Each Transaction Document will be duly executed and delivered by such Investor (to the extent such Investor is a party) on or prior to the applicable Closing, enforceable against such Investor in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other Laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

5.2 Purchase for Own Account. The Purchased Shares and the Warrant being purchased by such Investor and the Conversion Shares thereof will be acquired for such Investor's own account, not as a nominee or agent, and not with a view to or in connection with the sale or distribution of any part thereof.

5.3 Status of Investor. Such Investor is either (a) an "accredited investor" within the meaning of the U.S. Securities and Exchange Commission ("SEC") Rule 501 of Regulation D, as presently in effect, under the Securities Act, or (b) not a "U.S. person" as defined in Rule 902 of Regulation S of the Securities Act. Such Investor has the knowledge, sophistication and experience necessary to make an investment decision like that involved in the purchase of the Purchased Shares and the Warrant and can bear the economic risk of its investment in the Purchased Shares and the Warrant.

[Seal]

5.4 Restricted Securities. Such Investor understands that the Purchased Shares and the Warrant being purchased by such Investor and the Conversion Shares thereof are restricted securities within the meaning of Rule 144 under the Securities Act; that the Purchased Shares, the Warrant and the Conversion Shares are not registered or listed publicly and must be held indefinitely unless they are subsequently registered or listed publicly or an exemption from such registration or listing is available.

5.5 No Brokers. Neither such Investor nor any of its Affiliates has any Contract with any broker, finder or similar agent with respect to the transactions contemplated by this Agreement or by any of the Transaction Documents, and none of them has incurred any Liability for any brokerage fees, agents' fees, commissions or finders' fees in connection with any of the Transaction Documents or the consummation of the transactions contemplated therein.

5.6 Sufficiency of Funds. Each Investor shall have all funds necessary to consummate the transactions contemplated hereby and pay its portion of the Purchase Price. Such funds will be readily available in United States dollars for immediate payment without further approval required by any corporate body, third party or Governmental Authority on the date of payment of such Purchase Price. Such Investor is not required to obtain debt financing in order to pay its portion of the Purchase Price or otherwise perform any of its obligation under this Agreement.

6. Conditions of the Investors' Obligations at the applicable Closing. The obligations of each Investor to consummate the applicable Closing under Section 2 of this Agreement are subject to the fulfillment, to the satisfaction of such Investor on or prior to the applicable Closing, or waiver by such Investor in writing, of the following conditions:

6.1 Representations and Warranties. Each of the representations and warranties of the Group Companies contained in Section 3 and each of the representations and warranties of the Principals and Principal Holding Companies contained in Section 4 shall have been true, accurate and complete in all respects when made and (other than the representations and warranties contained in Sections 3.1 through 3.6 and 4, which shall be true, accurate and complete in all respects on and as of the applicable Closing with the same effect as though such representations and warranties had been made on and as of the date of the applicable Closing) shall be true, accurate and complete in all material respects on and as of the applicable Closing with the same effect as though such representations and warranties had been made on and as of the date of the applicable Closing, except in either case: (a) for those representations and warranties that address matters only as of a particular date, which representations will have been true, accurate and complete in all respect as of such particular date; and (b) for those representations and warranties that have already been subject to any materiality qualifier, such representations and warranties shall have been true, accurate and complete in all respect when made and on and as of the applicable Closing.

6.2 Performance. Each of the Group Companies, Principals, and Principal Holding Companies shall have performed and complied with all obligations and conditions in all material aspects contained in the Transaction Documents that are required to be performed or complied with by it, on or before the applicable Closing.

[Seal]

6.3 No Prohibition; Authorizations. All Consents of any competent Governmental Authority or of any other Person that are required to be obtained by any Group Company, Principal and Principal Holding Company in connection with the execution of the Transaction Documents and the consummation of the transactions that are required to be consummated on or prior to the applicable Closing as contemplated by the Transaction Documents shall have been duly obtained and effective as of the applicable Closing, and evidence thereof shall have been delivered to the Investors.

6.4 Proceedings and Documents. All corporate and other proceedings in connection with the execution of the Transaction Documents by all parties thereto other than the Investors and the transactions to be completed at or before the applicable Closing and all documents incident thereto, including without limitation written approval from all of the then current holders of equity interests of each Group Company, as applicable, with respect to this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby, shall have been completed in form and substance satisfactory to such Investor, and such Investor shall have received all such counterpart copies of such documents as it may reasonably request.

6.5 Memorandum and Articles. The Memorandum and Articles, in the forms attached together hereto as Exhibit A, shall have been duly adopted by all necessary actions of the Board of Directors and the members of the Company, and such adoption shall have become effective prior to the Closing with no alternation or amendment as of the Closing, and reasonable evidence thereof shall have been delivered to the Investors.

6.6 Transaction Documents. Each of the parties to the Transaction Documents, other than the Investors, shall have executed and delivered such Transaction Documents to the Investors.

6.7 No Material Adverse Effect. There shall have been no Material Adverse Effect since the date of this Agreement.

6.8 Closing Certificate. The chief executive officer of the Company shall have executed and delivered to each Investor at the applicable Closing a certificate dated as of the applicable Closing stating that the conditions specified in Sections 6.1 to 6.3 and Section 6.7 have been fulfilled as of the applicable Closing.

6.9 Simultaneous Closing. Unless otherwise agreed by China-UAE in writing, it shall be a condition to China-UAE's obligation to consummate the applicable Closing that the closing of the investment of at least US$50 million of the Series D Preferred Shares and/or Series D Warrants at a per share purchase price of US$25.0446 (including investment from at least one (1) reputable investor who is not an existing shareholder of the Company or any of its Affiliates immediately prior to the Closing) shall occur prior to or simultaneously with the Closing with respect to China-UAE.

7. Conditions of the Company's Obligations at Closing. The obligations of the Company to issue and sell the relevant Purchased Shares to an Investor at the applicable Closing under Section 2 of this Agreement, unless otherwise waived in writing by the Company, are subject to the fulfillment on or before the applicable Closing of each of the following conditions:

[Seal]

7.1 Representations and Warranties. The representations and warranties of such Investor contained in Section 5 shall have been true and complete in all material aspects as of the date hereof and as of the applicable Closing with the same effect as though such representations and warranties had been made on and as of the date of the applicable Closing, except in either case for those representations and warranties that address matters only as of a particular date, which representations and warranties will have been true and complete as of such particular date.

7.2 Performance. Such Investor shall have performed and complied with all covenants, obligations and conditions in all material aspects contained in this Agreement that are required to be performed or complied with by such Investor on or before the applicable Closing.

7.3 Transaction Documents. Such Investor shall have executed and delivered to the Company the Transaction Documents that are required to be executed by it on or prior to the applicable Closing.

8. Other Agreements.

8.1 Compliance with US Laws. Each of the Group Companies shall, and the Principal Holding Companies and the Principals shall procure each of the Group Companies to, maintain practices and policies designed to ensure compliance with all applicable Laws, including the California Vehicle Code and the California Adopted Regulations for Testing of Autonomous Vehicles by Manufacturers.

8.2 Adoption of Memorandum and Articles. The Memorandum and Articles and the special resolution of the members of the Company approving the adoption of the Memorandum and Articles shall be duly filed with the Registrar of Companies of the Cayman Islands within fifteen (15) days after the Closing.

8.3 Intellectual Property Protection. The Group Companies shall take all reasonable steps to protect their respective material Intellectual Property rights and refrain from intentionally violating, infringing or misappropriating the Intellectual Property of others, including without limitation (a) registering their respective material patents, trademarks, brand names, domain names and copyrights and obtaining the Intellectual Property rights granted by the competent authorities, and use reasonable best efforts to prosecute, maintain, and defend the validity of all such material IPs, (b) requiring each employee and consultant of each Group Company to enter into an employment agreement, a confidential information and intellectual property assignment agreement and a non-competition and non-solicitation agreement requiring such Persons to protect and keep confidential such Group Company's confidential information, Intellectual Property and trade secrets, prohibiting such Persons from competing with such Group Company for a reasonable time after their termination of employment with any Group Company, and requiring such Persons to assign all ownership rights in their work product to such Group Company, (c) requiring service providers of the Group Companies to delete or return all materials when their services to the Group are finished or terminated. Notwithstanding the foregoing, each Principal shall waive his rights to any reward or remuneration for his service inventions or service technology achievements voluntarily under PRC Laws or the Group Companies' policies.

8.4 FCPA and U.K. Bribery Act. Each of the Group Companies shall not and shall not permit any of its Subsidiaries or Affiliates or any of its or their Representatives to promise, at any time authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any Public Official, in each case, in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption Laws. Each of the Group Companies shall and shall cause each of its Subsidiaries, Affiliates and Representatives to cease all of its or their respective activities, as well as remediate any actions taken by each of the Group Companies and any of its Subsidiaries, Affiliates or Representatives that may be considered to be in violation of the FCPA, the U.K. Bribery Act or any other applicable anti-bribery or anti-corruption Laws. Further, each of the Group Companies shall and shall cause each of its Subsidiaries and Affiliates to maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the U.K. Bribery Act, and any other applicable anti-bribery or anti-corruption Laws.

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8.5 Compliance with Laws and Performance of Contracts. Each of the Group Companies shall, and the Principal Holding Companies and the Principals shall cause each of the Group Companies to, comply with all applicable Laws in all material aspects, including but not limited to Data Security Laws, the California Vehicle Code, the California Adopted Regulations for Testing of Autonomous Vehicles by Manufacturers, any requirements for filing, renewal or keeping validity of Required Governmental Consents, applicable PRC and U.S. Laws relating to corporate governance, surveying and mapping, road testing, telecommunication business, software, advertisement, Intellectual Property, anti-monopoly and competition, taxation, employment, social welfare and benefits, cybersecurity and data protection, foreign investment, foreign exchange control and International Trade Laws, etc. The Group Companies shall duly and promptly obtain all the necessary permits and licenses in a proper way required by Laws in the event that such permits and licenses are required during their conduct of Business.

8.6 Data Security Laws.

8.6.1 The Group Companies shall maintain policies, procedures, and controls that are consistent with the reasonable industry practices and designed to ensure compliance with Data Security Laws in all material respects. The Group Companies shall use reasonable best efforts to prevent unauthorized access to, exfiltration, disclosure, loss, or leak of any data in their possession and/or control.

8.6.2 Within thirty (30) calendar days of the Closing, the Company shall have established a formal governance committee with respect to each Group Company's compliance with Data Security Laws. The committee shall meet regularly and shall be composed of competent, qualified, management-level employees, including the Company's Data Security Officer, General Counsel, and Chief Technology Officer, and shall operate under a written charter setting forth the committee's mission, authority, responsibilities, composition, meeting frequency, and such other items as are appropriate for a committee charter. The committee shall report to the Company's Board of Directors on a regular basis.

8.6.3 Within sixty (60) calendar days of Closing, the Company shall have (a) conducted one or more in-depth employee training sessions on the topic of compliance with Data Security Laws, which is mandatory for all employees who may handle or otherwise come into possession of sensitive or potentially sensitive data; and (b) developed a formal compliance training program for recurring, effective compliance training on the topic of compliance with Data Security Laws. Employee attendance shall be recorded and retained for all training sessions.

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8.6.4 The Company shall promptly notify and disclose to the Investors, to the extent that it relates to Data Security Law and such disclosure is not otherwise prohibited by applicable Law (including but not limited to the confidentiality requirements on state secrets and certain investigations, and the restrictions on the cross-border provision or access of personal information, important data and other protected data), (i) any material legal proceeding commenced (including, but not limited to, litigation, mediation, or arbitration); (ii) any allegation of material noncompliance or material breach of Data Security Laws; and (iii) any finding of an actual material breach of Data Security Laws. The Group Companies shall retain, and maintain retention of, the services of one or more qualified and reputable PRC law firm and U.S. law firm with sufficient expertise and experience to advise and assist with respect to compliance with Data Security Laws.

8.7 Sanctions Compliance. Each of the Group Companies shall, and the Principal Holding Companies and the Principals shall procure each of the Group Companies to, thoroughly assess its risks relating to Sanctions on a periodic basis and, as soon as practicable within six (6) months after the Closing, adopt and implement measures to ensure its compliance with Sanctions and other related Laws, including written internal policies consistent with the expectations of the relevant Governmental Authorities and industry standards and internal procedures, controls and protocols with respect to the screening of prospective business partners, employees and other counterparties for Prohibited Persons, and provide documentary evidence thereof to the Investors.

8.8 Business Realignment. To the extent permitted by applicable Laws, the Group Companies, the Principals and the Principal Holding Companies shall use commercially reasonable efforts to timely cause the Beijing WFOE and the Guangzhou WFOE to apply for and obtain all Consents necessary for the operation of the Group's Business in the PRC currently operated by the Beijing Company and the Guangzhou Company, and cause all Intellectual Property, assets (whether tangible or intangible), employees and Contracts held, owned, employed or entered into, as the case may be, by the Beijing Company or the Guangzhou Company that were not practicable to be transferred prior to the Closing to be transferred to the Beijing WFOE and the Guangzhou WFOE, respectively. Other than the Non- transferrable Items, the Beijing Company and the Guangzhou Company shall only hold, own, employ or enter into, as the case may be, the minimum amount or number of Intellectual Property, assets (whether tangible or intangible), employees and Contracts in order to meet requirements under applicable Laws. In the event that the Company reasonably believes that it is in the best interest of the Group Companies to have the Beijing Company or the Guangzhou Company hold, own, employ or enter into, as the case may be, any additional Intellectual Property, assets (whether tangible or intangible), employees or Contracts that are material to the operations of any Group Company, then the internal reorganization to transfer such ownership to the Beijing Company or the Guangzhou Company shall be approved by the Board prior thereto.

8.9 Export Regulation. Each Group Company agrees that it will not: (a) export or re- export, directly or indirectly, any technology (as defined by the EAR) or technologies (as defined in the List of Technologies Prohibited or Restricted from Export issued by the Ministry of Commerce and the Ministry of Science and Technology of the People's Republic of China) or (b) disclose such technology for use in, or export or re-export directly or indirectly, any direct product of such technology, including Software, to any destination to which such export or re-export is prohibited by any applicable law, without obtaining prior authorization from relevant authorities and other competent Governmental Authorities to the extent required by applicable Laws. The Company shall (i) stay abreast of changes in export regulation laws; (ii) maintain a plan for responding to potential future restrictions on the export of its technology from the United States or the PRC; and (iii) use commercially reasonable endeavors to obtain any action by a Governmental Authority necessary to minimize the effect on its business and take action and make arrangements to, as appropriate, preserve the Company's interests in the event that stricter export regulations are imposed on items used in the Group's Business in accordance with such plan in (ii) above.

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8.10 Retention of Key Employees. Each Group Company shall, and the Principal Holding Companies and the Principals shall cause each of the Group Companies to, use commercially reasonable efforts to retain Key Employees, including performing the review of Benefit Plan annually to provide competitive employee benefits compared to market standard.

8.11 Conversion. The Company covenants to at all times reserve sufficient Class A Ordinary Shares or, if the reservation is insufficient, the Group Companies shall take all actions necessary to authorize such additional Class A Ordinary Shares, for issuance upon conversion of all Purchased Shares and the Warrant Shares under the Transaction Documents.

8.12 Subsidies and Incentives. Each of the Beijing WFOE, the Beijing Company, the Guangzhou WFOE and the Guangzhou Company shall use its commercially reasonable efforts to maintain its eligibility for the subsidies and incentives for which it is currently eligible.

8.13 Equity Holders of the Beijing Company and the Guangzhou Company. If an equity holder of, or beneficial owner of equity interests in, the Beijing Company or the Guangzhou Company ceases to be an employee of the Group, each of the Principal Holding Companies, the Principals and the Group Companies shall procure such equity holder or such equity holder holding the equity interests of such beneficial owner to transfer, as soon as practicable and in any event within sixty (60) days thereafter, all of his equity interests in the Beijing Company or the Guangzhou Company, as applicable, to an employee of the Group designated by the Beijing WFOE or the Guangzhou WFOE, as applicable, who is a PRC citizen.

8.14 Notification to and Consultation with China-UAE.

8.14.1 The Company agrees to (a) promptly notify China-UAE of any investigation from any competent Governmental Authorities on the Company or its Subsidiaries with respect to data security, cybersecurity, an inquiry from CFIUS about the indirect investment of China-UAE in the U.S. Company, sanctions and export controls (other than routine and other non-material inspections, enquiries or similar actions by any Governmental Authorities which are not reasonably expected to cause any material adverse change in the condition or business of the Company and its Subsidiaries, taken as a whole), and consult with China-UAE in good faith with respect to its formal responses in writing to such competent Governmental Authorities for such investigation, and provide China-UAE with any documents reasonably requested by China-UAE and relating to such investigation and responses and (b) provide China-UAE (and any of its limited partners) with (i) any information and any tax form of the Group Companies as is reasonably available and necessary to enable China-UAE (and any of its limited partners) to prepare any tax return and (ii) reasonable access to each Group Company's tax advisors in connection with the preparation by China-UAE (and any of its limited partners) of any such tax return. Notwithstanding the foregoing or anything else contained herein to the contrary, (A) the Company shall not be required to comply with this Section 8.13 to the extent such compliance would not be permitted by the applicable Laws then in effect (including but not limited to the applicable Laws relating to confidentiality requirements on state secrets and certain investigations, and the restrictions on the cross-border provision or access of personal information, important data and other data), and (B) China- UAE shall not be entitled to, and the Company will not provide China-UAE with any "material nonpublic technical information," as defined in 31 C.F.R. § 800.232, or "sensitive personal data," as defined in 31 C.F.R. § 800.241.

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8.14.2 In the event the Company becomes subject to Laws of the U.S. and the PRC which conflict with each other in any material respect, and the compliance by the Company of the Laws of one of such jurisdictions will result in any material breach by the Company of the Laws of the other jurisdiction, the Company shall notify China-UAE about such situation in a timely manner, and shall consult China-UAE in good faith prior to the Company takes the relevant action as specified by such Laws.

8.15 Further Assurances. Upon the terms and subject to the conditions herein, each Party hereto agrees to use its reasonable best efforts to take or cause to be taken all action, to do or cause to be done all things, to execute such further instruments, and to assist and cooperate with the other Parties hereto in doing all things necessary, proper or advisable under applicable Laws or otherwise to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the other Transaction Documents; provided that except as expressly provided herein, no Party shall be obligated to grant any waiver of any condition or other waiver hereunder.

9. Executory Period Covenants.

9.1 Access. Between the date hereof and the applicable Closing, the Group Companies shall, and the Principals and the Principal Holding Companies shall cause the Group Companies to, permit each Investor, or any representative thereof, to (a) visit and inspect the properties of the Group Companies, (b) inspect the Contracts, books of account, records, ledgers, and other documents and data of the Group Companies, (c) discuss the business, affairs, finances and accounts of the Group Companies with officers and employees of the Group Companies, and (d) review such other information as such Investor reasonably request, in such a manner so as not to unreasonably interfere with their normal operations.

9.2 Covenants. Between the date hereof and the applicable Closing, except as the Investors otherwise agree in writing or the transactions contemplated under the Transaction Documents, each of the Group Companies shall (and the Principals and the Principal Holding Companies shall cause each Group Company to) (a) conduct its business in the ordinary course consistent with past practice, as a going concern and in compliance with all applicable Laws and Contracts, (b) pay or perform its debts, Taxes, and other obligations when due, (c) maintain its assets in a condition comparable to its current condition, reasonable wear, tear and depreciation excepted, (d) use best efforts to preserve intact its current business organizations and keep available the services of its current officers and employees and preserve its relationships with customers, suppliers and others having business dealings with it, (e) otherwise periodically report to each Investor concerning the status of its business, operations and finance, and (f) take all actions reasonably necessary, to consummate the transactions contemplated by the Transaction Documents promptly, including the taking of all reasonable acts necessary to cause all of the conditions precedent of each Investor to be satisfied.

9.3 Negative Covenants. Between the date hereof and the Closing, except as the Investors otherwise agree in writing or the transactions contemplated under the Transaction Documents, none of the Group Companies shall (and the Principals or the Principal Holding Companies shall not permit any of the Group Companies to) (a) take any action that would make any representation and warranty of the Group Companies, the Principals or the Principal Holding Companies untrue, inaccurate or incomplete prior to or at the Closing, (b) waive, release or assign any material right or claim, (c) take any action that would reasonably be expected to materially impair the value of the Group Companies, (d) sell, purchase, assign, lease, transfer, pledge, encumber or otherwise dispose of any material asset, (e) issue, sell, or grant any Equity Securities unless otherwise pursuant to the Transaction Documents, (f) declare, issue, make, or pay any dividend or other distribution with respect to any Equity Securities, (g) incur any Indebtedness for borrowed money or capital lease commitments or assume or guarantee any Indebtedness of any Person, (h) enter into any Contract or other transaction with any Related Party unless otherwise pursuant to the Transaction Documents, or (i) authorize, approve or agree to any of the foregoing.

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9.4 Information. Between the date hereof and the Closing, the Group Companies, the Principals and the Principal Holding Companies shall promptly notify the Investors of (a) any Action commenced or threatened in writing against any Group Company; (b) any fact or event which comes to the Group Companies' Knowledge, or the Principals' or the Principal Holding Companies' knowledge, and is in any way inconsistent with any of the representations and warranties in this Agreement; and (c) any fact or event which comes to the Group Companies' Knowledge, or to the Principals' and the Principal Holding Companies' knowledge, and might affect the willingness of a prudent investor to subscribe the Purchased Shares on the terms contained in this Agreement or the amount of the consideration a prudent investor would be prepared to pay for the Purchased Shares.

10. Termination. This Agreement may be terminated by the Company or any Investor on or after the later of (a) ninety (90) days after the date of execution of this Agreement, and (b) another date mutually agreed upon by the Parties hereto by written notice to the other Parties, if the Closing has not occurred on or prior to such date; provided that (i) the Company's termination right under this Section 10 shall be conditional upon the fact that the Group Companies, the Principals and the Principal Holding Companies have not materially breached their respective representations, warranties or covenants hereunder and the failure of the Closing is not due to the fault of any Group Company, Principal or Principal Holding Company; (ii) each Investor's termination rights under this Section 10 shall be conditional upon the fact that such Investor has not materially breached its representations, warranties or covenants hereunder and the failure of the Closing is not due to the fault of such Investor. The termination of this Agreement by any Investor pursuant to this Section 10 shall not impact the rights and obligations of any other Investor under this Agreement until the termination of this Agreement by such other Investor. Upon termination of this Agreement under this Section 10, this Agreement shall forthwith become wholly void and of no effect and the Parties shall be released from all future obligations hereunder, except as otherwise expressly provided herein; provided that (x) nothing herein shall relieve any Party from liability for any breach of this Agreement occurring prior to such termination and (y) Sections 1 and 12 (other than Sections 12.5 and 12.8) shall survive such termination.

11. Indemnity.

11.1 Scope of Indemnity.

11.1.1 The Group Companies covenant and agree jointly and severally to indemnify and hold harmless each Indemnitees, from and against any and all Indemnifiable Losses, as incurred, insofar as such Indemnifiable Losses arise out of or are based upon: (a) any inaccuracy in or breach of any representation, warranty, covenant or agreement made by any Group Company in any Transaction Documents, or (b) the failure of any Group Company to perform or observe fully any covenant, agreement or other provision to be performed or observed by it pursuant to any Transaction Documents.

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11.1.2 The Principals and the Principal Holding Companies covenant and agree jointly and severally to indemnify and hold harmless each Indemnitees, from and against any and all Indemnifiable Losses, as incurred, insofar as such Indemnifiable Losses arise out of or are based upon: (a) any inaccuracy in or breach of any representation, warranty, covenant or agreement made by any Principal or Principal Holding Company in any Transaction Documents, or (b) the failure of any Principal or Principal Holding Company to perform or observe fully any covenant, agreement or other provision to be performed or observed by it pursuant to any Transaction Documents.

11.1.3 Subject to Sections 11.1.4 and 11.4, (a) no Group Company, Principal or Principal Holding Company shall be liable for any Indemnifiable Losses unless the aggregate amount of accumulated Indemnifiable Losses exceeds US$200,000, whether such accumulated Indemnifiable Losses are attributed to single claim or series of claims; provided, that once the aggregate amount of accumulated Indemnifiable Losses exceeds US$200,000, the Indemnitees shall be indemnified from the first dollar of their Indemnifiable Losses, (b) the maximum liability for the Group Companies, the Principals and the Principal Holding Companies owed to any Investor hereunder shall not exceed an amount equal to 100% of the Purchase Price paid by such Investor, and (c) each Principal's liability shall be limited to the equity interest in the Company directly and indirectly held or Controlled by such Principal as of the enforcement of such claim.

11.1.4 In case of fraud, intentional misrepresentation or willful misconduct by any Group Company, Principal or Principal Holding Company, the indemnification limitations as provided under Section 11.1.3 shall no longer apply with respect to such Group Company, Principal or Principal Holding Company. In case of fraud, intentional misrepresentation or willful misconduct by any Principal or Principal Holding Company, such Principal and his Principal Holding Company covenant and agree jointly and severally to indemnify with the Group Companies Indemnifiable Losses mentioned in Section 11.1.1 that arise out of or are based upon the fraud, intentional misrepresentation or willful misconduct by Principal or Principal Holding Company.

11.2 For the avoidance of doubt, the rights of any Indemnitee to indemnification or any other remedy under this Agreement shall not be impacted or limited by any knowledge that the Indemnitee may have acquired, or could have acquired, whether before or after the Closing, nor by any investigation or diligence by the Indemnitee other than the knowledge acquired by disclosures in the Disclosure Schedule. The Group Companies, Principals and Principal Holding Companies hereby acknowledge that, regardless of any investigation made (or not made) by or on behalf of the Investor, and regardless of the results of any such investigation, the Investor has entered into this transaction in express reliance upon the representations and warranties of the Group Companies, Principals and Principal Holding Companies made in this Agreement.

11.3 Specific Indemnity. Without limiting the generality of the foregoing, the Group Companies shall, jointly and severally, indemnify and hold harmless China-UAE, from and against any and all Indemnifiable Losses, as incurred by China-UAE, insofar as such Indemnifiable Losses arise out of or otherwise in connection with (i) the complaint filed by Li Li (the form Chief Scientist of the Company) in the California Superior Court on August 28, 2019 against the U.S. Company, or (ii) legal proceeding from former employees Nengxiu Deng, Cheng Jin, and Jinjun Zhang of the U.S. Company against the U.S. Company for violation of Cal. Gov't Code section 12940(A).

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11.4 Exception. For the avoidance of doubt, (a) the liabilities of the Group Companies under Section 11.3, and (b) the liabilities of the Group Companies in case of any breach of any representation or warranty under Section 3.9, 3.18 or 3.25 shall not be subject to the indemnification limitations under Section 11.1.3.

11.5 Exclusive Remedy. Other than each Indemnitee's remedy of specific performance and injunctive and other equitable relief it may be entitled in accordance with applicable Laws, from and after the applicable Closing, Section 11 shall provide the exclusive monetary remedy for any misrepresentation or breach of warranty resulting from or arising out of this Agreement and other Transaction Documents for such Indemnitee.

12. Miscellaneous.

12.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties hereto whose rights or obligations hereunder are affected by such terms and conditions. This Agreement and the rights and obligations therein may be assigned or transferred by any Investor to any Affiliate without the consent of any Party but may not be assigned or transferred by any Group Company, Principal or Principal Holding Company without the prior written consent of the Investors. Nothing in this Agreement, express or implied, is intended to confer upon any Party other than the Parties hereto or their respective successors and assigns any rights, remedies, obligations, or Liabilities under or by reason of this Agreement, except as expressly provided in this Agreement (including with respect to indemnification of Indemnitees pursuant to Section 11.1.1 to 11.2).

12.2 Governing Law. This Agreement shall be governed by and construed under the Laws of Hong Kong, without regard to principles of conflict of Laws thereunder.

12.3 Dispute Resolution.

12.3.1 Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of any party to the dispute with notice (the "Arbitration Notice") to the other parties thereto.

12.3.2 The Dispute shall be settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre (the "HKIAC") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the "HKIAC Rules") in force when the Arbitration Notice is submitted in accordance with the HKIAC Rules. There shall be three (3) arbitrators, all of whom shall be qualified to practice law in Hong Kong.

12.3.3 The arbitral proceedings shall be conducted in both Chinese and English and all information and documents can be provided to the arbitral tribunal in English or Chinese with equal legal validity. To the extent that the HKIAC Rules are in conflict with the provisions of this Section 12.3, including the provisions concerning the appointment of the arbitrators, the provisions of this Section 12.3 shall prevail.

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12.3.4 Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents reasonably requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party receiving the request and except for any information and documents subject to legal professional privilege.

12.3.5 The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award.

12.3.6 The arbitral tribunal shall decide any Dispute submitted by the parties to the arbitration strictly in accordance with the substantive Laws of Hong Kong (without regard to principles of conflict of Laws thereunder) and shall not apply any other substantive Law.

12.3.7 Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal.

12.3.8 During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

12.4 Notices. Any notice, request, consent or other communication required or permitted pursuant to this Agreement shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, fax, electronic mail or similar means to the address of the relevant Party as shown on Schedule G (or at such other address or number as such Party may designate by fifteen (15) days' advance written notice to the other Parties to this Agreement given in accordance with this Section). Where a notice, request, consent or other communication is sent by next-day or second-day courier service, service of the notice, request, consent or other communication shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, request, consent or other communication, with a written confirmation of delivery, and to have been effected at the earlier of (a) delivery (or when delivery is refused) and (b) expiration of two (2) Business Days after the letter containing the same is sent as aforesaid. Where a notice, request, consent or other communication is sent by fax or electronic mail, service of the notice, request, consent or other communication shall be deemed to be effected by properly addressing, and sending such notice, request, consent or other communication through a transmitting organization, with a written confirmation of delivery, and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day. Notwithstanding the foregoing, to the extent a "with a copy to" address is designated, notice must also be given to such address in the manner above for such notice, request, consent or other communication hereunder to be effective.

12.5 Survival of Representations, Warranties and Covenants. The representations and warranties of the Group Companies contained in this Agreement shall survive for a period of twenty-four (24) months after the Closing; provided, however, that the representations and warranties made pursuant to Section 3.1 to Section 3.6 shall survive indefinitely and the representations and warranties made pursuant to Sections 3.9, 3.11, 3.18 and 3.25 shall survive for the applicable statutory limitation period. The representations and warranties of the Principal Holding Companies and Principals contained in this Agreement shall survive indefinitely. Notwithstanding the foregoing, in case of fraud, intentional misrepresentation or willful misconduct of any of the Group Companies in connection with any of the representations and warranties made by it under Section 2.4.5 hereof, such representations and warranties shall survive the Closings indefinitely. The covenants of the Group Companies, the Principals and the Principal Holding Companies contained in this Agreement shall survive any investigation made by any Party hereto, and the consummation of the transactions contemplated hereby.

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12.6 Rights Cumulative; Specific Performance. Each and all of the various rights, powers and remedies of a Party hereto will be considered to be cumulative with and in addition to any other rights, powers and remedies which such Party may have at laws or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power or remedy will neither constitute the exclusive election thereof nor the waiver of any other right, power or remedy available to such Party. Without limiting the foregoing, the Parties hereto acknowledge and agree irreparable harm may occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement.

12.7 Fees and Expenses. Each Party shall be responsible for and pay its own fees, costs and expenses incurred in connection with the negotiation, execution, delivery and performance of this Agreement and other Transaction Documents and the transactions contemplated hereby and thereby, including the fees, costs and expenses of its financial advisors, accountants and counsel; provided, that the Company shall pay or reimburse at the Closing all reasonable costs and expenses incurred or to be incurred by China-UAE with sufficient supporting documents in writing up to a maximum of US$300,000, which shall include all expenses and costs, including out-of-pocket expenses and third party consulting or advisory expenses incurred in connection with the preparation, negotiation, execution and delivery of the Transaction Documents and China-UAE's due diligence investigation, if the Closing contemplated by this Agreement is consummated. If any Action at Law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such Party may be entitled.

12.8 Finder's Fee. Each party represents that it neither is nor will be obligated for any finders' fee or commission in connection with this transaction. The Company agrees to indemnify and to hold harmless the Investors from any liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees, or representatives is responsible. Each Investor agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such liability or asserted liability) for which such Investor or any of its officers, employees, or representatives is responsible.

12.9 Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. If, however, any provision of this Agreement shall be invalid, illegal, or unenforceable under any such applicable Law in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such Law, or, if for any reason it is not deemed so modified, it shall be invalid, illegal, or unenforceable only to the extent of such invalidity, illegality, or limitation on enforceability without affecting the remaining provisions of this Agreement, or the validity, legality, or enforceability of such provision in any other jurisdiction.

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12.10 Amendments and Waivers. Any term of this Agreement may be amended, only with the written consent of each of (a) the Company and (b) China-UAE, provided that, no amendment shall be effective or enforceable in respect of an Investor if such amendment affects such Investor materially and adversely, unless such Investor consents in writing to such amendment in advance. Any amendment effected in accordance with this paragraph shall be binding upon each of the Parties hereto. Notwithstanding the foregoing, the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Party against whom such waiver is sought.

12.11 No Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right, power or remedy power hereunder at any one or more times be deemed a waiver or relinquishment of such right, power or remedy at any other time or times.

12.12 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power or remedy of such non- breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any breach or default under this Agreement, and any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

12.13 No Presumption. The Parties acknowledge that any applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

12.14 Headings and Subtitles; Interpretation. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. Unless a provision hereof expressly provides otherwise: (a) the term "or" is not exclusive; (b) words in the singular include the plural, and words in the plural include the singular; (c) the terms "herein," "hereof," and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (d) the term "including" will be deemed to be followed by, "but not limited to," (e) the masculine, feminine, and neuter genders will each be deemed to include the others; (f) the terms "shall," "will," and "agrees" are mandatory, and the term "may" is permissive; (g) the term "day" means "calendar day," and "month" means calendar month, (h) all references in this Agreement to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, (i) all references in this Agreement to designated Schedules, Exhibits and Appendices are to the Schedules, Exhibits and Appendices attached to this Agreement, (j) the phrase "directly or indirectly" means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and "direct or indirect" has the correlative meaning, (k) references to laws include any such law modifying, re-enacting, extending or made pursuant to the same or which is modified, re-enacted, or extended by the same or pursuant to which the same is made, (xii) each representation, warranty, agreement, and covenant contained herein will have independent significance, regardless of whether also addressed by a different or more specific representation, warranty, agreement, or covenant, (l) all accounting terms not otherwise defined herein have the meanings assigned under the Accounting Standards, (m) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms, (n) references to this Agreement, any other Transaction Documents and any other document shall be construed as references to such document as the same may be amended, supplemented, superseded, replaced or novated from time to time, and (n) all references to dollars or to "US$" are to currency of the United States of America and all references to RMB are to currency of the PRC (and each shall be deemed to include reference to the equivalent amount in other currencies).

[Seal]

12.15 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mailed copies of signatures shall be deemed to be originals for purposes of the effectiveness of this Agreement.

12.16 Entire Agreement. This Agreement and the other Transaction Documents, together with all schedules and exhibits hereto and thereto, constitute the full and entire understanding and agreement among the Parties with regard to the subjects hereof and thereof, and supersede all other agreements between or among any of the Parties with respect to the subject matters hereof and thereof.

12.17 Aggregation of Stock. All Preferred Shares held or acquired by affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

12.18 Use of English Language. This Agreement has been executed and delivered in the English language. Any translation of this Agreement into another language shall have no interpretive effect. All documents or notices to be delivered pursuant to or in connection with this Agreement shall be in the English language or, if any such document or notice is not in the English language, accompanied by an English translation thereof, and the English language version of any such document or notice shall control for purposes thereof.

12.19 Independent Nature of Investors' Obligations and Rights. The purchase and sale of the Purchased Shares and the Warrant by each of the Investors as set forth in this Agreement shall be a separate and independent transaction, and may be consummated or terminated separately and severally in accordance with the terms of this Agreement. The obligations of each Investor under this Agreement and the other Transaction Documents are several and not joint, and no Investor is responsible in any way for the performance or conduct of any other Investor in connection with the transactions contemplated hereby. Nothing contained herein or in any other Transaction Document, and no action taken by any Investor pursuant hereto or thereto, shall be or shall be deemed to constitute a partnership, association, joint venture, or joint group with respect to the Investors. Each Investor agrees that no other Investor has acted as an agent for such Investor in connection with the transactions contemplated hereby.

12.20 Confidentiality. Section 12.6 (*Confidentiality*) of the Shareholders Agreement shall apply to this Agreement *mutatis mutandis*.

[*The remainder of this page has been left intentionally blank*]

[Seal]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

PONY AI INC.

By: /s/ Jun Peng
Name: Jun Peng
Title: Director

PONY.AI, INC.

By: /s/ Jun Peng
Name: Jun Peng
Title: Director

HONGKONG PONY AI LIMITED

By: /s/ Jun Peng
Name: Jun Peng
Title: Director

[Seal]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

GUANGZHOU PONY AI TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY AI TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

GUANGZHOU PONY HUIXING TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY HUIXING TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

GUANGZHOU BIBI TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU BIBI TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

GUANGZHOU PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

[Seal]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

BEIJING PONY HUIXING TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY HUIXING TECHNOLOGY CO., LTD.

By: /s/ Hengyu Li
Name: Hengyu Li
Title: Legal Representative

BEIJING PONY AI TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY AI TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

BEIJING PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

JIANGSU HEIMAI DATA TECHNOLOGY CO., LTD.
Company seal: /s/ JIANGSU HEIMAI DATA TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

SHANGHAI PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ SHANGHAI PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Haojun Wang
Name: Haojun Wang
Title: Legal Representative

[Seal]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

BEIJING PONY ZHIKA TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY ZHIKA TECHNOLOGY CO., LTD.

By: /s/ Hengyu Li
Name: Hengyu Li
Title: Legal Representative

BEIJING PONY RUIXING TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY RUIXING TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

GUANGZHOU PONY ZHIKA TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY ZHIKA TECHNOLOGY CO., LTD.

By: /s/ Hengyu Li
Name: Hengyu Li
Title: Legal Representative

GUANGZHOU PONY ZHIHUI LOGISTICS TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY ZHIHUI LOGISTICS TECHNOLOGY CO., LTD.

By: /s/ Xing He
Name: Xing He
Title: Legal Representative

SHENZHEN PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ SHENZHEN PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

[Seal]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

PRINCIPALS AND PRINCIPAL HOLDING COMPNIES:

JUN PENG

/s/ JUN PENG

TIANCHENG LOU

/s/ TIANCHENG LOU

IWAYLLC

By: /s/ TIANCHENG LOU
Name: TIANCHENG LOU
Title: Director

[Seal]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

PRINCIPALS AND PRINCIPAL HOLDING COMPNIES:

HENGYU LI

/s/ HENGYU LI

FREE PONY LIMITED

By: /s/ HENGYU LI
Name: HENGYU LI
Title: Director

[Signature Page to Series D Preferred Share Purchase Agreement – Pony AI Inc.]

[Seal]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

China-UAE Investment Cooperation Fund, L.P.

By: /s/ Khaled Al SHAMLAN
Khaled Al SHAMLAN
Director of China-UAE Investment Cooperation
General Partner Ltd, general partner of China-UAE Investment Cooperation Fund, L.P.

By: /s/ LI Yixuan
LI Yixuan
Director of China-UAE Investment Cooperation
General Partner Ltd, general partner of China-UAE Investment Cooperation Fund, L.P.

[Seal]

SCHEDULE A

[**********]

[Seal]

SCHEDULE B

[**********]

[Seal]

SCHEDULE C

[**********]

[Seal]

SCHEDULE D

[**********]

[Seal]

SCHEDULE E

[**********]

[Seal]

SCHEDULE F

[**********]

[Seal]

SCHEDULE G

[**********]

[Seal]

EXHIBIT A

FORM OF SEVENTH AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION AND SEVENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

[separately attached]

[Seal]

EXHIBIT B

FORM OF SIXTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT
[separately attached]

[Seal]

EXHIBIT C

FORM OF SIXTH AMENDED AND RESTATED RIGHT OF FIRST REFUSAL & CO-SALE AGREEMENT
[separately attached]

[Seal]

EXHIBIT D

FORM OF WARRANT TO PURCHASE SHARES
[separately attached]

[Seal]

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY BRACKETS [****], HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

Exhibit 10.16

Execution Version

SERIES D PREFERRED SHARE PURCHASE AGREEMENT

THIS SERIES D PREFERRED SHARE PURCHASE AGREEMENT (together with all schedules and exhibits attached hereto, this "Agreement") is made and entered into on January 25, 2022 (the "Effective Date"), by and among:

1. Pony AI Inc., an exempted company organized under the Laws of the Cayman Islands (the "Company"),

2. Pony.AI, Inc., a company incorporated under the Laws of the State of Delaware, the United States (the "U.S. Company"),

3. Hongkong Pony AI Limited (香港小馬智行有限公司), a company incorporated under the Laws of Hong Kong (the "HK Company"),

4. Beijing Pony Huixing Technology Co., Ltd. (北京小马慧行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Beijing WFOE"),

5. Beijing Pony AI Technology Co., Ltd. (北京小马智行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Beijing Company"),

6. Guangzhou Pony Huixing Technology Co., Ltd. (广州小马慧行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Guangzhou WFOE"),

7. Shenzhen Pony Yixing Technology Co., Ltd. (深圳小马易行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Shenzhen WFOE"),

8. Guangzhou Pony AI Technology Co., Ltd. (广州小马智行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Guangzhou Company"),

9. Beijing Pony Yixing Technology Co., Ltd. (北京小马易行科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Beijing Yixing"),

10. Jiangsu Heimai Data Technology Co., Ltd. (江苏黑麦数据科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Jiangsu Heimai"),

11. Guangzhou Bibi Technology Co., Ltd. (广州哔哔出行科技服务有限公司) a limited liability company incorporated under the Laws of the PRC ("Guangzhou Bibi"),

12. Shanghai Pony Yixing Technology Co., Ltd. (小马易行科技(上海)有限公司), a limited liability company incorporated under the Laws of the PRC ("Shanghai Yixing"),

13. Guangzhou Pony Yixing Technology Co., Ltd. (广州小马易行科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Guangzhou Yixing"),

14. Beijing Pony Zhika Technology Co., Ltd. (北京小马智卡科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Beijing Zhika"),

15. Beijing Pony Ruixing Technology Co., Ltd. (北京小马睿行科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Beijing Ruixing"),

16. Guangzhou Pony Zhika Technology Co., Ltd. (广州小马智卡科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Guangzhou Zhika"),

17. Guangzhou Pony Zhihui Logistics Technology Co., Ltd. (广州小马智慧物流科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Guangzhou Zhihui"),

18. each individual listed on Schedule A hereto (each, a "Principal," and collectively, the "Principals"),

19. each entity listed on Schedule A attached hereto (each, a "Principal Holding Company," and collectively, the "Principal Holding Companies"), and

20. each Person listed on Schedule B hereto (each, together with its successors, transferees and permitted assigns, an "Investor," and collectively, the "Investors").

Each of the parties listed above is referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. The Company seeks expansion capital to grow the Business and, correspondingly, seeks to secure an investment from the Investors, on the terms and conditions set forth herein.

B. Each Investor wishes to, severally and not jointly, invest in the Company by subscribing for such number of Series D Preferred Shares to be issued by the Company to such Investor at the Closing pursuant to the terms and subject to the conditions of this Agreement.

C. The Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and conditions set forth herein.

WITNESSETH

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound hereto hereby agree as follows:

1. Definitions.

1.1 Certain Defined Terms. The following terms shall have the meanings ascribed to them below:

"Accounting Standards" means generally accepted accounting principles in the United States, applied on a consistent basis.

"Action" means any charge, claim, action, complaint, petition, investigation, appeal, suit, litigation, grievance, inquiry or other proceeding, whether administrative, civil, regulatory or criminal, whether at law or in equity, or otherwise under any applicable Law, and whether or not before or made by any mediator, arbitrator, other tribunal or Governmental Authority.

"Affiliate" means, with respect to a Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person. In the case of an Investor, the term "Affiliate" also includes (a) any shareholder of such Investor, (b) any of such shareholder's or such Investor's general partners or limited partners, (c) the fund manager managing or advising such shareholder or such Investor (and general partners, limited partners and officers thereof) and other funds managed or advised by such fund manager, and (d) trusts Controlled by or for the benefit of any such Person referred to in (a), (b) or (c), and (e) any fund or holding company formed for investment purposes that is promoted , sponsored, managed, advised or serviced by such Investor of any of its Affiliates, but excludes, for the avoidance of doubt, any portfolio companies of such Investor and portfolio companies of any affiliated investment fund or investment vehicle of such Investor. For the avoidance of doubt, unless the context requires otherwise, Affiliates of a Group Company shall not include any Investor and vice versa.

"Ancillary Agreements" means, collectively, the Shareholders Agreement and the Right of First Refusal & Co-Sale Agreement, each as defined herein.

"Associate" means, with respect to any Person, (a) a corporation or organization (other than the Group Companies) of which such Person is an officer or partner or is, directly or indirectly, the record or beneficial owner of five percent (5%) or more of any class of Equity Securities of such corporation or organization, (b) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity, or (c) any relative or spouse of such Person, or any relative of such spouse.

"Beijing Control Documents" means the agreements entered into from time to time that provide to the Beijing WFOE exclusive contractual control over the Beijing Company and its Subsidiaries and allow the Company to consolidate 100% of the financial statements of the Beijing Company and its Subsidiaries with those of the Company for financial reporting purposes under IFRS or the Accounting Standards, including the following contracts and documents (each as amended, supplemented, restated or replaced from time to time) collectively: (a) an Exclusive Business Cooperation Agreement (《独家业务合作协议》) entered into by and among the Beijing WFOE, the Beijing Company and the HK Company as of June 1, 2020, (b) an Exclusive Call Option Agreement 《(独家购买权合同》) entered into by and among the Beijing WFOE, the Beijing Company, the HK Company and the equity holders of the Beijing Company, as of June 1, 2020 (c) Power of Attorney (《授权委托书》) executed and issued by Suping Xu (许素萍), Hengyu Li (李衡宇), Jun Zhou (周筠) and Tiancheng Lou (楼天城) as of June 1, 2020, by Haojun Wang (王皓俊) as of February 26, 2021, and by Fengheng Tang (唐丰珩) as of July 22, 2021, as the equity holders of the Beijing Company to the Beijing WFOE, (d) an Equity Pledge Contract (《股权质押合同》) entered into by and among the Beijing WFOE, the Beijing Company, the HK Company and the equity holders of the Beijing Company as of June 1, 2020, and (e) the Commitment Letters (《承诺函》) executed and issued by the spouse of each applicable equity holders of the Beijing Company as of December 27, 2017.

"Benefit Plan" means any employment Contract, deferred compensation Contract, bonus plan, incentive plan, profit sharing plan, mandatory provident scheme, occupational retirement scheme, retirement Contract or other employment compensation Contract or any other plan which provides or provided benefits for any past or present employee, officer, consultant, and/or director of a Person or with respect to which contributions are or have been made on account of any past or present employee, officer, consultant, and/or director of such a Person.

"Board" or "Board of Directors" means the board of directors of the Company. "Business" means the development of artificial intelligence solutions for autonomous driving.

"Business Day" means any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorized by law to be closed in the Cayman Islands, British Virgin Islands, the United States, Hong Kong, Toronto, the United Arab Emirates or the PRC.

"CFC" means a controlled foreign corporation as defined in the Code.

"Charter Documents" means, with respect to a particular legal entity, the articles of incorporation, certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.

"China Company Registration Authority" means (a) the State Administration for Industry and Commerce of China or the State Administration for Market Regulation as the successor of the foregoing, as the case may be, or (b) its competent local counterparts.

"China-UAE" means China-UAE Investment Cooperation Fund, L.P. and its successors, transferees and permitted assigns.

"China-UAE Closing" means the "Closing" as defined in the China-UAE SPA.

"China-UAE SPA" means the Series D Preferred Share Purchase Agreement entered into by and among the Company, China-UAE and certain other parties dated December 23, 2021.

"China-UAE Warrant" means the Warrant to Purchase Shares substantially in the form attached hereto as Exhibit D to be entered into by and between China-UAE and the Company as of the China-UAE Closing.

"Circular 37" means the Notice on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents to Engage in Overseas Investment and Financing and Round-Trip Investment via Overseas Special Purpose Companies (《关于境内居民通过境外特殊目的公司境外投融资及返程投资外汇管理有关问题的通知》) issued by the SAFE on July 4, 2014, as amended from time to time, and any implementation or successor rule or regulation under the PRC Laws.

"Class A Ordinary Shares" means the Company's class A ordinary shares, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Class B Ordinary Shares" means the Company's class B ordinary shares, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles, the ownership of which shall be limited to Jun Peng and Tiancheng Lou.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Company Owned IP" means all Intellectual Property owned by, purported to be owned by or exclusively licensed to any Group Company.

"Company Registered IP" means all patents, trademarks, software registrations, domain names and any other registrable Intellectual Property owned by or held in the name of, and for which applications or registrations have been made in the name of, any Group Company.

"Consent" means any consent, approval, authorization, release, waiver, permit, grant, franchise, concession, agreement, license, exemption or order of, registration, qualification, designation certificate, declaration or filing with, or report or notice to, any Person, including any Governmental Authority or any other applicable Person.

"Contract" means, a contract, agreement, understanding, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, or other legally binding arrangement, whether written or oral.

"Control" of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by Contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person. The terms "Controlled" and "Controlling" have meanings correlative to the foregoing.

"Control Documents" means, collectively, the Beijing Control Documents and the Guangzhou Control Documents.

"Conversion Shares" means the Class A Ordinary Shares issuable upon conversion of the Preferred Shares (including without limitation the Purchased Shares).

"Domestic Companies" means, collectively, Beijing Company, Guangzhou Company, Jiangsu Heimai and Guangzhou Bibi.

"Equity Securities" means, with respect to any Person that is a legal entity, (a) any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person; (b) any equity appreciation, phantom equity, equity plans or similar rights with respect to such Person; (c) any security convertible into, exchangeable or exercisable for, or any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire, subscribe for or purchase any of the Equity Securities referred to in (a) and (b); or (d) any Contract providing for the acquisition of any of the foregoing, either directly or indirectly.

"FCPA" means Foreign Corrupt Practices Act of the United States, as amended from time to time.

"Governmental Authority" means any government of any nation, federation, province or state or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any governmental authority, agency, department, board, commission or instrumentality of the PRC, Hong Kong or any other country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization.

"Governmental Order" means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.

"Group" or "Group Companies" means, collectively, the Company, the U.S. Company, the HK Company, the Domestic Companies, the Beijing WFOE, the Guangzhou WFOE, the Shenzhen WFOE, Beijing Yixing, Shanghai Yixing, Guangzhou Yixing, Beijing Zhika, Beijing Ruixing, Guangzhou Zhika, and Guangzhou Zhihui, together with each Subsidiary of any of the foregoing, and "Group Company" refers to any of the Group Companies.

"Guangzhou Control Documents" means the agreements entered into from time to time that provide to the Guangzhou WFOE exclusive contractual control over the Guangzhou Company and its Subsidiaries and allow the Company to consolidate 100% of the financial statements of the Guangzhou Company and its Subsidiaries with those of the Company for financial reporting purposes under IFRS or the Accounting Standards, including the following contracts and documents (each as amended, supplemented, restated or replaced from time to time) collectively: (a) an Exclusive Business Cooperation Agreement (《独家业务合作协议》) by and among the Guangzhou WFOE, the Guangzhou Company and the HK Company as of June 1, 2020,(b) an Exclusive Call Option Agreement (《独家购买权合同》) by and among the Guangzhou WFOE, the Guangzhou Company, the HK Company and the equity holders of the Guangzhou Company as of September 14, 2020, (c) Power of Attorney (《授权委托书》) by the equity holders of the Guangzhou Company to the Guangzhou WFOE as of September 14, 2020, (d) an Equity Pledge Contract (《股权质押合同》) by and among the Guangzhou WFOE, the Guangzhou Company, the HK Company and the equity holders of the Guangzhou Company as of September 14, 2020, and (e) the Commitment Letters (《承诺函》) executed and issued by the spouse of each applicable equity holders of the Guangzhou Company as of September 14, 2020, respectively.

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC.

"IFRS" means the International Financial Reporting Standards.

"Indebtedness" of any Person means, without duplication, each of the following of such Person: (a) all indebtedness for borrowed money, (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business), (c) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced that are incurred in connection with the acquisition of properties, assets or businesses, (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (f) all obligations that are capitalized (including capitalized lease obligations), (g) all obligations under banker's acceptance, letter of credit or similar facilities, (h) all obligations to purchase, redeem, retire, defease or otherwise acquire for value any Equity Securities of such Person, (i) all obligations in respect of any interest rate swap, hedge or cap agreement, and (j) all guarantees issued in respect of the Indebtedness referred to in clauses (a) through (i) above of any other Person, but only to the extent of the Indebtedness guaranteed.

"Indemnifiable Loss" means, with respect to any Person, any action, claim, cost, damage, deficiency, diminution in value, disbursement, expense, liability, loss, obligation, penalty or settlement of any kind or nature or Taxes imposed on or otherwise incurred or suffered by such Person, including without limitation, reasonable legal, accounting and other professional fees and expenses incurred in the investigation, collection, prosecution and defense of claims and amounts paid in settlement and Taxes payable by such Person by reason of the indemnification, in each case with sufficient supporting records in writing.

"Indemnitee(s)" means the Investors and their respective Affiliates, officers, directors, employees, agents, successors and assigns.

"Intellectual Property" or "IP" means any and all (a) patents, patent rights and applications therefor and reissues, reexaminations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (b) inventions (whether patentable or not), discoveries, improvements, concepts, innovations and industrial models, (c) registered and unregistered copyrights, copyright registrations and applications, mask works and registrations and applications therefor, author's rights and works of authorship (including artwork, software, computer programs, source code, object code and executable code, firmware, development tools, files, records and data, and related documentation), (d) URLs, web sites, web pages and any part thereof, (e) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary processes, technology, formulae, and algorithms and other intellectual property, (f) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefor, and (g) the goodwill symbolized or represented by the foregoing.

"Key Employees" means the individuals listed on Schedule F hereto, which includes all employees of the Group Companies with positions of president, chief executive officer, chief financial officer, chief operating officer, chief technical officer, chief sales and marketing officer, general manager, any other managers reporting directly to any Group Company's Board of Directors, president or chief executive officer, and any other employee with the title of "vice president" or higher, or with responsibilities similar to any of the foregoing, and any key technical personnel and any employee with access to proprietary technology of a Group Company.

"Law" or "Laws" means any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, concession, grant, franchise, license, agreement, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as amended, and any and all applicable Governmental Orders.

"Liabilities" means, with respect to any Person, all liabilities, obligations and commitments of such Person of any nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due.

"Lien" means any claim, charge, easement, encumbrance, lease, covenant, security interest, lien, option, pledge, rights of others, or restriction (whether on voting, sale, transfer, disposition or otherwise), whether imposed by Contract, understanding, law, equity or otherwise.

"Material Adverse Effect" means any (a) event, occurrence, fact, condition, change or development that has had, has, or could reasonably be expected to have individually or together with other events, occurrences, facts, conditions, changes or developments a material adverse effect on the business, employees, operations, results of operations, condition or affairs (financially or otherwise), properties, assets or liabilities of the Group taken as a whole, (b) material impairment of the ability of any Party (other than the Investors) to perform the material obligations of such party under any Transaction Documents, or (c) material impairment of the validity or enforceability of this Agreement or any other Transaction Document against any Party hereto and thereto (other than the Investors).

"Memorandum and Articles" means the Seventh Amended and Restated Memorandum of Association of the Company and the Seventh Amended and Restated Articles of Association of the Company attached together hereto as Exhibit A, to be adopted in accordance with applicable Laws on or before the China-UAE Closing.

"MOFCOM" means the Ministry of Commerce of the PRC or, with respect to any matter to be submitted for examination and approval by the Ministry of Commerce, any Governmental Authority which is similarly competent to examine and approve such matter under the Laws of the PRC.

"OEM" means any original equipment manufacturer of vehicles.

"OFAC" means the office of Foreign Assets Control of the United States Department of Treasury.

"Order No. 10" means the Rules for Mergers with and Acquisitions of Domestic Enterprises by Foreign Investors (《关于外国投资者并购境内企业的规定》) jointly issued by the MOFCOM, the State-owned Assets Supervision and Administration Commission, the State Administration of Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission and the SAFE on August 8, 2006, as amended from time to time.

"Ordinary Shares" means the Class A Ordinary Shares and/or the Class B Ordinary Shares.

"OTPP" means 2774719 Ontario Limited and its successors, transferees and permitted assigns.

"Outbound Investment Approvals" means necessary filings and/or registrations, with respect to the transaction contemplated under the Transaction Documents regarding the RMB Investor(s), with the competent local branch of the Ministry of Commerce of the PRC and the competent branch of the National Development and Reform Commission of the PRC, as well as necessary filing and/or registration with the competent branch of the SAFE (or a bank competent to accept or effect such filing and/or registration under the Laws of the PRC).

"Permitted Liens" means (a) Liens for Taxes not yet delinquent or the validity of which are being contested in good faith and for which there are adequate reserves on the applicable financial statements; and (b) Liens incurred in the ordinary course of business, which (i) do not individually or in the aggregate materially detract from the value, use, or transferability of the assets that are subject to such Liens, and (ii) were not incurred in connection with the borrowing of money.

"Person" means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.

"PFIC" means a passive foreign investment company as defined in the Code. "PRC" means the People's Republic of China, but solely for the purposes of this Agreement and the other Transaction Documents, excluding Hong Kong, the Macau Special Administrative Region and the islands of Taiwan.

"Preferred Shares" means Series A Preferred Shares, Series B Preferred Shares, Series B+ Preferred Shares, Series B2 Preferred Shares, Series C Preferred Shares, Series C+ Preferred Shares and Series D Preferred Shares.

"Prohibited Person" means any Person that is (a) in or a national, domicile or resident of any United States embargoed or restricted country or region, presently, Crimea, Cuba, Iran, North Korea, Syria and Venezuela (a "Sanctioned Jurisdiction"), (b) included on, or Affiliated with any Person on, the United States Commerce Department's Denied Parties List, Entity List or Unverified List; the United States Department of Treasury's Specially Designated Nationals and Blocked Persons List, Specially Designated Narcotics Traffickers or Specially Designated Terrorists, the Annex to Executive Order No. 13224 or any other list of sanctioned Persons maintained by OFAC or the United States Department of State; or any sanctions list administered by the United Kingdom, Canada, the European Union, or the United Nations; or the United States Department of State's Debarred List, or (c) any other Person with whom business transactions or dealings, including exports and re-exports, are restricted by a United States Governmental Authority, including, in each clause above, any updates or revisions to the foregoing and any newly published rules and any Person that is owned or Controlled by any one or more Persons described in clause (a) or (b) above.

"Public Official" means any executive, official, or employee of a Governmental Authority, political party or member of a political party, or political candidate; executive, employee or officer of a public international organization; or director, officer or employee or agent of a wholly owned or partially state-owned or Controlled enterprise, including a PRC state-owned or Controlled enterprise.

"Public Software" means any Software that contains, or is derived in any manner (in whole or in part) from software that is distributed as free software, open source software (*e.g.*, Linux) or similar licensing or distribution models, including, without limitation, software licensed or distributed under any of the following licenses or distribution models, or licenses or distribution models similar to any of the following: (a) GNU's General Public License (GPL) or Lesser/Library GPL (LGPL), (b) the Artistic License (e.g., PERL), (c) the Mozilla Public License, (d) the Netscape Public License, (e) the Sun Community Source License (SCSL), (f) the Sun Industry Standards License (SISL), (g) the BSD License, and (h) the Apache License.

"Related Party" means any Affiliate, officer, director, supervisory board member, employee, or holder of any Equity Security of any Group Company, and any Affiliate of any of the foregoing.

"Right of First Refusal & Co-Sale Agreement" means the Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement to be entered into by and among the parties named therein on or prior to the China-UAE Closing, which shall be in substantially the form and substance attached hereto as Exhibit C.

"RMB Investor" means a Person who will, on or after the date hereof, enter into (a) a loan agreement (or an equivalent agreement) with a Subsidiary of the Company incorporated in the PRC, pursuant to which such investor will provide a loan to such Subsidiary and (b) a warrant with the Company, pursuant to which (i) such investor shall have the right to subscribe for a number of Series D Preferred Shares at a per share purchase price of US$25.0446 for an aggregate purchase price equal to the total principal amount of the loan described under foregoing (a), and (ii) the right to exercise shall expire upon the six (6) month anniversary of the issuance date of such warrant or such earlier time as provided in such warrant (if any), provided that, such exercise period shall be automatically extended to nine (9) months after the issuance date of such warrant if the application for Outbound Investment Approvals has been submitted within the initial six (6) month period and such extension will not have any negative impact on the timetable of any plans for the Company's IPO (as defined in the Shareholders Agreement) (each such warrant, a "Series D Warrant").

"SAFE" means the State Administration of Foreign Exchange of the PRC or, with respect to any reporting, filing or registration to be accepted or effected by or with the State Administration of Foreign Exchange, any of its branches which is competent to accept or effect such reporting, filing or registration under the Laws of the PRC.

"SAFE Rules and Regulations" means collectively, the Circular 37 and any other applicable SAFE rules and regulations.

"Securities Act" means the U.S. Securities Act of 1933, as amended and interpreted from time to time.

"Series A Preferred Shares" means, collectively, the Series A Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B Preferred Shares" means, collectively, the Series B Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B+ Preferred Shares" means, collectively, the Series B+ Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B2 Preferred Shares" means, collectively, the Series B2 Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series C Preferred Shares" means, collectively, the Series C Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series C+ Preferred Shares" means, collectively, the Series C+ Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series D Preferred Shares" means, collectively, the Series D Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Shareholders Agreement" means the Sixth Amended and Restated Shareholders Agreement to be entered into by and among the parties named therein on or prior to the China-UAE Closing, which shall be in substantially the form and substance attached hereto as Exhibit B.

"Social Insurance" means any form of social insurance required under applicable Laws, including without limitation, the PRC national and local contributions for pensions, medical insurance, unemployment insurance, work-related injury insurance, pregnancy benefits, and housing accumulation funds.

"Software" means any and all (a) computer programs, including any and all software implementations of algorithms, models and methodologies, including all source code and executable code, whether embodied in software, firmware or otherwise, documentation, development tools, designs, files, verilog files, RTL files, HDL, VHDL, net lists, records, data and mask works; and (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, and all rights therein.

"Statement Date" means September 30, 2021.

"Subsidiary" means, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person. For the avoidance of doubt, a branch of any Group Company shall be deemed a Subsidiary of such Group Company.

"Tax" or "Taxation" means (a) in the PRC: (i) any national, provincial, municipal, or local taxes, charges, fees, levies, duties or other assessments, including, without limitation, all net income (including enterprise income tax and individual income withholding tax), turnover (including value-added tax, business tax, and consumption tax), resource (including urban and township land use tax), special purpose (including land value-added tax, urban maintenance and construction tax, and additional education fees), property (including urban real estate tax and land use fees), documentation (including stamp duty and deed tax), sales and use, transfer, excise, capital gains, environmental, filing, recording, Social Insurance (including pension, medical, unemployment, housing, and other Social Insurance withholding), tariffs (including import duty and import value-added tax), and estimated and provisional taxes, charges, fees, levies, duties or other assessments of any kind whatsoever, (ii) all interest, penalties (administrative, civil or criminal), or additional amounts imposed by any Governmental Authority in connection with any item described in clause (i) above, and (iii) any form of transferee or successor liability imposed by any Governmental Authority, by contract or otherwise in connection with any item described in clauses (i) and (ii) above, and (b) in any jurisdiction other than the PRC: all similar liabilities as described in clauses (i), (ii) and (iii) above.

"Tax Return" means any return, declaration, form, election, report, filing, claim for refund or information return or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.

"Transaction Documents" means this Agreement, the Ancillary Agreements, the Memorandum and Articles, the exhibits attached to any of the foregoing and any other document, each of such agreements and documents as contemplated by, and/or annexed and exhibited to any of the foregoing, and each of the other agreements and documents entered into and executed concurrently or around the date hereof by the parties thereto (or any of them) or otherwise required in connection with implementing the transactions contemplated by any of the foregoing.

"U.K. Bribery Act" means the U.K. Bribery Act 2010, as amended from time to time.

"U.S. Treasury Regulations" means the Tax regulations issued by the United States Internal Revenue Service.

"US," "U.S." or "United States" means the United States of America. "United States Person" means United States person as defined in Section 7701(a)(30) of the Code.

1.2 Other Defined Terms. The following terms shall have the meanings defined for such terms in the Sections set forth below:

Agreement	Preamble
Arbitration Notice	Section 12.3.1
Beijing Company	Preamble
Beijing WFOE	Preamble
Beijing Yixing	Preamble
Beijing Zhika	Preamble
CFIUS	Section 3.25
Closing	Section 2.2.1
Company	Preamble
Company IP	Section 3.21.1
Compliance Laws	Section 3.18.1
Data Security Laws	Section 3.9.1
Disclosure Schedule	Section 3
Dispute	Section 12.3.1
EAR	Section 3.18.5
Effective Date	Preamble
ESOP	Section 3.2.1
Financial Statements	Section 3.14
Guangzhou Bibi	Preamble
Guangzhou Company	Preamble
Guangzhou WFOE	Preamble
Guangzhou Yixing	Preamble
Guangzhou Zhihui	Preamble
Guangzhou Zhika	Preamble
HK Company	Preamble
HKIAC	Section 12.3.2
HKIAC Rules	Section 12.3.2
International Trade Laws	Section 3.18.5
Investor/Investors	Preamble
ITAR	Section 3.18.5
Jiangsu Heimai	Preamble
Lease	Section 3.19.2
Licenses	Section 3.21.5
Mapping Service Provider	Section 3.17.2
Material Contracts	Section 3.17.2
Non-transferrable Items	Section 3.3.3
Money Laundering Laws	Section 3.18.11

Party/Parties	Preamble
Principal/Principals	Preamble
Principal Holding Company/Principal Holding Companies	Preamble
Proceeds	Section 2.2.4
Purchase Price	Section 2.1
Purchased Shares	Section 2.1
Representatives	Section 3.18.1
Required Governmental Consents	Section 3.8.2
Sanctions	Section 3.18.5
SEC	Section 5.3
Security Holder	Section 3.8.4
Shenzhen WFOE	Preamble
U.S. Company	Preamble

2. Purchase and Sale of Shares.

2.1 Sale and Issuance of the Purchased Shares. Subject to the terms and conditions of this Agreement, at the Closing, each Investor agrees to, severally and not jointly, subscribe for and purchase, and the Company agrees to issue and sell to each Investor, that number of Series D Preferred Shares set forth opposite such Investor's name on Schedule C attached hereto (the "Purchased Shares"), for such amount of consideration as set forth opposite such Investor's name on Schedule C attached hereto (the "Purchase Price"). The Purchase Price payable by the Investors reflects a per share purchase price of US$25.0446 for each Series D Preferred Share.

2.2 Closing.

2.2.1 Closing. The consummation of the sale and issuance of the Purchased Shares to each Investor pursuant to Section 2.1 (the "Closing") shall take place remotely via the exchange of documents and signatures on the tenth (10th) Business Day after all closing conditions specified in Section 6 and Section 7 hereof have been satisfied or otherwise waived by such Investor or the Company (as applicable), or at such other time and place as the Company and such Investor shall mutually agree in writing.

2.2.2 Deliveries by the Company at the Closing. At the Closing, subject to the satisfaction or waiver of all the conditions set forth in Section 7 below, in addition to any items the delivery of which is made an express condition to each Investor's obligations at the Closing pursuant to Section 6, the Company shall deliver to each Investor (a) a scanned copy of the updated register of members of the Company, certified by the registered agent of the Company, reflecting the issuance to each Investor of the Purchased Shares being purchased by such Investor at the Closing pursuant to Section 2.1, (b) a scanned copy of the duly executed share certificate or certificates issued in the name of the Investor representing the Purchased Shares purchased by such Investor, certified as true by a director or the registered agent of the Company (the original of which shall be delivered to such Investor within fifteen (15) days after the Closing), and (c) if applicable, a copy of the Memorandum and Articles certified by the registered agent of the Company via email confirmation that it is the same copy which will be duly filed with the Registrar of Companies of the Cayman Islands.

2.2.3 Deliveries by the Investors at the Closing. At the Closing, subject to the satisfaction or waiver of all the conditions set forth in Section 6 below at the Closing, each Investor shall, severally and not jointly, by wire transfer, remit immediately available funds in U.S. dollars in an amount equal to its Purchase Price to an account designated by the Company in the form of transfer instructions delivered to such Investor at least five (5) Business Days prior to the Closing.

2.2.4 Use of Proceeds. Subject to the terms of this Agreement, the Company shall use the proceeds from the issuance and sale of the Purchased Shares (the "Proceeds") for purpose of business expansion, capital expenditures and general working capital needs of the Group Companies in accordance with the budgets and business plans of the Company duly approved in accordance with the Shareholders Agreement and the Memorandum and Articles. The Group Companies shall use the Proceeds without violating any applicable PRC Law, including without limitation SAFE Rules and Regulations. The Company shall provide the necessary information relating to the use of Proceeds as reasonably requested by the Investors to facilitate their requisite tax reporting obligations.

3. Representations and Warranties of the Group Companies. Subject to such exceptions as may be specifically set forth in the disclosure schedule delivered by the Group Companies to each Investor as of the date hereof (the "Disclosure Schedule"), attached as Schedule D hereto, each of the Group Companies, jointly and severally, represents and warrants to the Investors that each of the statements contained in this Section 3 is true, accurate and complete as of the date of this Agreement, and that each of such statements shall be true, accurate and complete on and as of the date of the Closing, with the same effect as if made on and as of the date of the Closing. "To the Group Companies' Knowledge" or words of similar effect shall mean the actual knowledge of the Principals and the Key Employees, and that knowledge which should have been acquired by each such individual after making such due inquiry and exercising such due diligence as a prudent business person would have made or exercised in the management of his or her business affairs.

3.1 Organization, Good Standing and Qualification. Each Group Company is duly organized, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, and by virtue of, the Laws of the place of its incorporation or establishment and has all requisite power and authority to own its properties and assets and to carry on its business as now conducted and as currently proposed to be conducted, and to perform each of its obligations under the Transaction Documents to which it is a party. Each Group Company is qualified to do business and is in good standing (or equivalent status in the relevant jurisdiction) in each jurisdiction where failure to be so qualified would be a Material Adverse Effect. Each Group Company that is a PRC entity has a valid business license issued by the China Company Registration Authority or other relevant Governmental Authorities (a true, complete and most up-to-date copy of which has been delivered to the Investors), and has, since its establishment, carried on its business in compliance with the business scope set forth in its business license.

3.2 Capitalization and Voting Rights.

3.2.1 Company. Assuming the issuance of the Series D Preferred Shares (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants) at a Purchase Price of US$500,000,000 in the aggregate, with a per share purchase price of US$25.0446, the fully-diluted capitalization table of the Company prior to and immediately after the Closing is set forth in Schedule E hereto. Assuming the issuance of the Series D Preferred Shares (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants) at a Purchase Price of US$500,000,000 in the aggregate, with a per share purchase price of US$25.0446, the authorized share capital of the Company immediately prior to the Closing shall be US$300,000.00 divided into (a) a total of 307,505,707 authorized Class A Ordinary Shares, 10,635,221 of which are issued and outstanding, and 56,230,176 of which have been reserved for issuance to officers, directors, employees, consultants or service providers of the Company pursuant to the employee and advisor equity incentive plan of the Company (the "ESOP"), (b) a total of 81,088,770 authorized Class B Ordinary Shares, all of which are issued and outstanding, (c) a total of 34,717,760 authorized Series A Preferred Shares, all of which are issued and outstanding, (d) a total of 44,758,365 authorized Series B Preferred Shares, all of which are issued and outstanding, (e) a total of 27,428,047 authorized Series B+ Preferred Shares, all of which are issued and outstanding, (f) a total of 10,478,885 authorized Series B2 Preferred Shares, all of which are issued and outstanding, (g) a total of 57,896,414 authorized Series C Preferred Shares, all of which are issued and outstanding, (h) a total of 16,161,668 authorized Series C+ Preferred Shares, 16,161,021 of which are issued and outstanding, and (i) a total of 19,964,384 authorized Series D Preferred Shares (including the Series D Preferred Shares issuable under the Series D Warrants), none of which are issued and outstanding immediately prior to the Closing (assuming no Series D Preferred Shares have been issued immediately prior to the Closing).

3.2.2 Group Companies and Principal Holding Companies. Section 3.2.2 of the Disclosure Schedule sets forth the capitalization table of each Group Company and Principal Holding Company as of immediately prior to the Closing, and immediately after the Closing (for the capitalization table of the Company, assuming the issuance of the Series D Preferred Shares (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants) at a Purchase Price of US$500,000,000 in the aggregate, with a per share purchase price of US$25.0446), in each case reflecting all then outstanding and authorized Equity Securities of such Group Company or Principal Holding Company, and the record and beneficial holders thereof. Each Group Company and Principal Holding Company is the sole record and beneficial holder of the Equity Securities as set forth opposite its name on Section 3.2.2 of the Disclosure Schedule, free and clear of all Liens of any kind other than those arising under applicable Laws.

3.2.3 No Other Securities. Except for (a) the conversion privileges of the Preferred Shares, (b) certain rights provided in the China-UAE SPA, the Memorandum and Articles, the Shareholders Agreement, the Right of First Refusal & Co-Sale Agreement and the China-UAE Warrant from and after the China-UAE Closing, (c) currently outstanding options to purchase Ordinary Shares granted to employees and other service providers pursuant to the ESOP, and (d) the outstanding Equity Securities set forth in Section 3.2.3 of the Disclosure Schedule, (x) there are no and at the Closing there shall be no other authorized or outstanding Equity Securities of any Group Company, (y) no Equity Securities of any Group Company are subject to any preemptive rights, rights of first refusal (except to the extent provided by applicable PRC Laws) or other rights to purchase such Equity Securities or any other rights with respect to such Equity Securities, and (z) except as contemplated under the Transaction Documents, no Group Company is a party or subject to any Contract that affects or relates to the voting or giving of written consents with respect to, or the right to cause the redemption, or repurchase of, any Equity Security of such Group Company. Except as set forth in the Shareholders Agreement (from and after the Closing), the Company has not granted any registration rights or information rights to any other Person, nor is the Company obliged to list any of the Equity Securities of any Group Companies on any securities exchange. Except as contemplated under the Transaction Documents, there are no voting or similar agreements which relate to the share capital or registered capital of any Group Company.

3.2.4 Issuance and Status. All presently outstanding Equity Securities of each Group Company and Principal Holding Company were duly and validly issued (or subscribed for) in compliance with all applicable Laws, preemptive rights of any Person, and applicable Contracts. All Equity Securities, as the case may be, of each Group Company have been duly and validly issued, are fully paid (or subscribed for) and non-assessable, and as of the Closing shall be free of any and all Liens (except for any restrictions on transfer under the Transaction Documents and applicable Laws). Except as contemplated under the Transaction Documents in the case of (a), (d) and (e), there are no (a) resolutions pending to increase the share capital or registered capital of any Group Company, (b) resolutions pending to cause the liquidation, winding up, or dissolution of any Group Company, nor has any distress, execution or other process been levied against any Group Company, (c) dividends which have accrued or been declared but are unpaid by any Group Company, or (d) obligations, contingent or otherwise, of any Group Company to repurchase, redeem, or otherwise acquire any Equity Securities, or (e) outstanding or authorized equity appreciation, phantom equity, equity plans or similar rights with respect to any Group Company. All dividends (if any) or distributions (if any) declared, made or paid by each Group Company, and all repurchases and redemptions of Equity Securities of each Group Company (if any), have been declared, made, paid, repurchased or redeemed, as applicable, in accordance with its Charter Documents and all applicable Laws.

3.2.5 Title. Each Group Company is the sole record and beneficial holder of all of the Equity Securities set forth opposite its name on Section 3.2.2 of the Disclosure Schedule, free and clear of all Liens of any kind other than those arising under the Control Documents.

3.3 Corporate Structure; Subsidiaries.

3.3.1 The Company does not presently have any Subsidiaries, other than those listed in Section 3.3.1 of the Disclosure Schedule. Section 3.3.1 of the Disclosure Schedule sets forth the name, jurisdiction of incorporation or organization, and security holders of each Subsidiary. No Group Company owns or Controls, or has ever owned or Controlled, directly or indirectly, any Equity Securities, interest or share in any other Person or is or was a participant in any joint venture, partnership or similar arrangement. No Group Company or Principal Holding Company is obligated to make any investment in or capital contribution in or on behalf of any other Person. The Principal Holding Companies were formed solely to acquire and hold the equity interests in the Company. The Company was formed solely to acquire and hold the equity interests in the HK Company and the U.S. Company. The HK Company was formed solely to acquire and hold the equity interests in the Guangzhou WFOE, the Beijing WFOE, the Shenzhen WFOE and Beijing Yixing. None of the Principal Holding Companies, the Company nor the HK Company has engaged in any other business and has not incurred any Liability since its formation other than any Liabilities relating to the transactions contemplated by the Transaction Documents. The Group Companies which are incorporated in the PRC and the U.S. Company are engaged in the Business and have no other business. Neither any Principal nor any other entity owned or Controlled by such Principal (other than a Group Company), is engaged in the Business or has any assets in relation to the Business (other than through an advisory, employment or consulting relationship with a Group Company).

3.3.2 All the Control Documents have been duly executed and delivered and constitute legally binding obligations of the parties thereto in accordance with their respective terms. As a result, each of the Beijing WFOE and the Guangzhou WFOE has established effective Control over the Beijing Company and the Guangzhou Company through the Control Documents. The equity pledge by the equity holders of each of the Beijing Company and the Guangzhou Company in favor of the Beijing WFOE and the Guangzhou WFOE pursuant to the Control Documents has been registered with the China Company Registration Authority (the "Equity Pledge Registration"). The Equity Pledge Registration remains effective and valid, and there is no Lien held by any Person on the Equity Securities in the Beijing Company or the Guangzhou Company other than the Equity Pledge Registration.

3.3.3 To the extent permitted by applicable Laws, all Consents, Intellectual Property, assets (whether tangible or intangible), employees and Contracts material to the operation of the Group's Business in the PRC are held, owned, employed or entered into, as the case may be, by the Beijing WFOE or the Guangzhou WFOE, except for the following, which are held, owned, employed or entered into, as the case may be, by the Beijing Company or the Guangzhou Company: (a) road test licenses; (b) vehicles that are required for maintaining road test licenses; (c) safety drivers and engineers who mainly focus on developing map related technologies; (d) Intellectual Properties that were developed by the then existing employees of the Beijing Company or the Guangzhou Company; and (e) certain Contracts with OEMs and the Mapping Service Provider (as defined below) ((a), (b), (c), (d) and (e) collectively, "Non-transferrable Items"). Other than the Non-transferrable Items above, and the items listed in Section 3.3.3 of the Disclosure Schedule, no material Consents, Intellectual Property, assets (whether tangible or intangible), employees or Material Contracts are held, owned, employed or entered into, as the case may be, by the Beijing Company or the Guangzhou Company.

3.3.4 Each Subsidiary is duly organized, validly existing and in good standing (where such concept is applicable) under the Laws of its respective jurisdiction of formation and has all requisite power and authority to carry on its business as now conducted and as proposed to be conducted. Each Subsidiary is duly qualified to transact business and is in good standing (where such concept is applicable) in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect on the assets, condition, business or affairs of the Group Companies, financial or otherwise.

3.3.5 There are not any outstanding options, warrants, rights (including conversion or preemptive rights), or agreements for the purchase or acquisition from the Subsidiaries of any of the Subsidiaries' share capital or other Equity Securities.

3.4 Authorization. Each of the Group Companies has all requisite power and authority to execute and deliver the Transaction Documents to which it is a party and to carry out and perform its obligations thereunder. All corporate actions on the part of each party (other than the Investors) to the Transaction Documents (and as applicable, its officers, directors and shareholders) necessary for the authorization, execution and delivery of the Transaction Documents, the performance of all obligations of each such party, and, in the case of the Company, the authorization, issuance (or reservation for issuance), sale and delivery of the Purchased Shares and the Conversion Shares, have been taken or will be taken prior to the Closing. Each Transaction Document shall have been or will be on or prior to the Closing, duly executed and delivered by each party thereto (other than the Investors) and, when executed and delivered, constitutes valid and legally binding obligations of such party, enforceable against such party in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other Laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

3.5 Valid Issuance of Purchased Shares. The Purchased Shares, when issued, delivered and paid for in accordance with the terms of this Agreement for the consideration expressed herein, and registered in the register of members of the Company, will be duly and validly issued, fully paid and non-assessable, free from any Liens (except for any restrictions on transfer under applicable Laws and under the Transaction Documents). The Conversion Shares have been reserved for issuance and, upon issuance in accordance with the terms of the Memorandum and Articles, will be duly and validly issued, fully paid and non-assessable, free from any Liens (except for any restrictions on transfer under applicable securities Laws and under the Transaction Documents). The issuance of the Purchased Shares and the Conversion Shares is not subject to any preemptive rights, rights of first refusal or similar rights.

3.6 Consents; No Conflicts. All Consents from or with any Governmental Authority or any other Person required in connection with the valid execution, delivery and performance of the Transaction Documents, and the consummation of the transactions contemplated by the Transaction Documents, in any case on the part of any party thereto (other than the Investors) have been duly obtained or completed (as applicable) and are in full force and effect. The execution, delivery and performance of each Transaction Document by each party thereto (other than the Investors) do not, and the consummation by each such party of the transactions contemplated thereby will not, with or without notice or lapse of time or both, (a) result in any violation of, be in conflict with, or constitute a default under, require any Consent under, or give any Person rights of termination, amendment, acceleration or cancellation under, with or without the passage of time or the giving of notice, any Governmental Order, any provision of the Charter Documents of any Group Company, any applicable Laws (including without limitation, Order No. 10 and the SAFE Rules and Regulations), or any Material Contract, (b) result in any violation of, be in conflict with, or constitute a default under, or give rise to any right of any termination, modification, or cancellation, or give rise to any augmentation or acceleration of any material obligation or liability of any Group Company (including without limitation, any Indebtedness of such Group Company), or (c) result in the creation of any Lien upon any of the material properties or assets of any Group Company other than Permitted Liens.

3.7 Offering. Subject in part to the accuracy of the Investors' representations set forth in Section 5 of this Agreement, the offer, sale and issuance of the Purchased Shares are, and the issuance of the Conversion Shares will be, exempt from the qualification, registration and prospectus delivery requirements of the Securities Act and any other applicable securities Laws.

3.8 Compliance with Laws; Consents.

3.8.1 Each Group Company is, and has been, in material compliance with all applicable Laws, including all SAFE Rules and Regulations. To the Group Companies' Knowledge, no event has occurred and no circumstance exists that (with or without notice or lapse of time) (a) constitutes or may constitute or result in a violation by any Group Company of, or a failure on the part of such Group Company to comply with, any applicable Laws, or (b) may give rise to any obligation on the part of any Group Company to undertake, or to bear all or any portion of the cost of, any remedial action of any nature. None of the Group Companies has received any written notice from any Governmental Authority regarding any of the foregoing. None of the Group Companies has received any Governmental Order, is subject to any Action or, to the Group Companies' Knowledge, is under investigation with respect to a material violation of any Law.

3.8.2 All Consents and registrations from or with the relevant Governmental Authority required in respect of the due and proper establishment and operations of each Group Company as now conducted, including but not limited to the Consents and registrations from or with MOFCOM, China Company Registration Authority, SAFE, the Ministry of Industry and Information Technology, the Ministry of Culture and Tourism, the Ministry of Transport, the State Radio and Television Administration, any Tax bureau, customs authorities, the Department of Motor Vehicles of the State of California, the Public Utilities Commission of the State of California, the U.S. Department of Commerce's Bureau of Industry and Security and the local counterparts thereof, as applicable (or any predecessors thereof, as applicable) (collectively, the "Required Governmental Consents"), have been duly obtained or completed in accordance with all applicable Laws.

3.8.3 No Required Governmental Consent contains any materially burdensome restrictions or conditions, and each Required Governmental Consent is in full force and effect and will remain in full force and effect upon the consummation of the transactions contemplated hereby. None of the Group Companies is in default under any Required Governmental Consent. There is no reason to believe that any Required Governmental Consent which is subject to periodic renewal will not be granted or renewed. No Group Company has received any letter or other communication from any Governmental Authority threatening or providing notice of revocation of any Required Governmental Consent issued to such Group Company or the need for compliance or remedial actions in respect of the activities carried out directly or indirectly by such Group Company.

3.8.4 Each holder or beneficial owner of an Equity Security of a Group Company (each, a "Security Holder"), who is a "Domestic Resident (境内居民)" as defined in Circular 37 and is subject to any of the registration or reporting requirements of Circular 37 or any other applicable SAFE Rules and Regulations, has complied with all reporting and/or registration requirements (including filings of amendments to existing registrations) under the SAFE Rules and Regulations, and has made all oral or written filings, registrations, reporting and any other communications required by SAFE or any of its local branches. To the Group Companies' Knowledge, no Group Company has, nor has any Security Holder, received any oral or written inquiries, notifications, orders or any other form of official correspondence from SAFE or any of its local branches with respect to any actual or alleged non-compliance with SAFE Rules and Regulations.

3.8.5 The receipt of all subsidies and incentives by each Group Company is in material compliance with applicable Law.

3.9 Data Security Laws.

3.9.1 Each Group Company is, and has been, in material compliance with (a) all applicable PRC and U.S. federal and state laws and regulations relating to data security, cybersecurity, and personal privacy, including, but not limited to, the PRC Cybersecurity Law (中华人民共和国网络安全法), the PRC National Security Law (中华人民共和国国家安全法), the PRC Data Security Law (中华人民共和国数据安全法), the PRC Personal Information Protection Law (中华人民共和国个人信息保护法), the Chinese Cyber Security Review Measures (网络安全审查办法), the Chinese Several Provisions on the Management of Automobile Data Security (Trial Implementation) (汽车数据安全管理若干规定(试行)), California Consumer Privacy Act, California Online Privacy Protection Act, California Civil Code, California Vehicle Code, California Financial Information Privacy Act, U.S. Children's Online Privacy Protection Act, and regulatory guidelines relating thereto issued by any unit of the PRC government or U.S. federal or state government (collectively, "Data Security Laws"); and (b) all applicable PRC and U.S. Laws and regulations relating to autonomous driving.

3.9.2 To the Group Companies' Knowledge, no event has occurred and no circumstance exists that (with or without notice or lapse of time) (a) may constitute or result in a material violation by any Group Company of, or a material failure on the part of such entity to comply with, Data Security Laws, or (b) may give rise to any material obligation on the part of any Group Company to undertake, or to bear all or any portion of the cost of, any remedial action of any nature with respect to Data Security Laws.

3.9.3 The Group Companies possess the licenses and permits to the extent applicable and necessary to comply with Data Security Laws relating to the collection, processing, use, storage, sharing, transferring, disclosing, and/or dissemination of data by the Group Companies in the conduct of the Business in all material respects.

3.9.4 The Group Companies have adopted policies, procedures, and controls that are consistent with reasonable industry practices and designed to ensure the compliance with Data Security Laws in all material respects.

3.9.5 To the Group Companies' Knowledge, no Group Company, nor any director or employee of any Group Company, (a) has been, or is the subject of any current, pending, or threatened investigation, fine, injunction, rectification order, or other penalty or enforcement action by any unit of the PRC government or U.S. federal or state government with respect to material noncompliance with Data Security Laws; or (b) has received any written notice from any unit of the PRC government or U.S. federal or state government alleging any material noncompliance by any Group Company with Data Security Laws.

3.9.6 To the Group Companies' Knowledge, no Group Company, nor any director or employee of any Group Company, has initiated any internal investigation, nor made any voluntary, directed, or involuntary disclosure in writing to any unit of the PRC government or U.S. federal or state government with respect to any alleged noncompliance by any Group Company with Data Security Laws.

3.9.7 To the Group Companies' Knowledge, no Group Company has experienced or suspected an incident of unauthorized access to, exfiltration, disclosure, loss, or leak of any data in such Group Company's possession and/or control.

3.10 Litigation. There is no Action, suit, proceeding or investigation pending or, to the Group Companies' Knowledge, currently threatened against any Group Company, or any Principal or Principal Holding Company, or that questions the validity of this Agreement or any Transaction Document, or the right of the Company to enter into such agreements, or to consummate the transactions contemplated hereby or thereby, or that is likely to result, either individually or in the aggregate, in any Material Adverse Effect. To the Group Companies' Knowledge, no Group Company is a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no material Action, suit, proceeding or investigation by any Group Company currently pending or that any Group Company intends to initiate.

3.11 Tax Matters.

3.11.1 All Tax Returns required to be filed on or prior to the date hereof with respect to each Group Company have been duly and timely filed by such Group Company within the requisite period (taking into account for this purpose any valid extensions) and such Tax Returns are true, correct and complete in all material respects. All Taxes owed by each Group Company (whether or not shown on any Tax Return) have been paid in full or provision for the payment thereof have been made, except for Taxes that are Permitted Liens. No deficiencies for any material Taxes have been asserted in writing by, and no written notice of any pending Action with respect to any material Taxes have been received from, any Tax authority, and no dispute relating to any Tax Returns with any such Tax authority is outstanding. Each Group Company (a) has timely paid all Taxes owed by it which are due and payable (whether or not shown on any Tax Return) and withheld and remitted to the appropriate Governmental Authority all Taxes which it is obligated to withhold and remit from amounts owing to any employee, creditor, contractor, customer or third party and (b) has not waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency other than, in the case of clause (a), unpaid Taxes that are in contest with Tax authorities by Group Company in good faith or nonmaterial in amount.

3.11.2 No audit of any Tax Return of each Group Company and no formal investigation or Action with respect to any such Tax Return by any Tax authority is currently in progress or pending, and no Group Company has waived any statute of limitation with respect to any Taxes, or agreed to any extension of time with respect to an assessment or deficiency for such Taxes. Each filed Tax Return was properly prepared in compliance with applicable Law and was (and will be) true, correct and complete in all material aspects.

3.11.3 No claim or Action has been made by any Governmental Authority in a jurisdiction where the Group Companies does not file Tax Returns that any Group Company is or may be subject to taxation by that jurisdiction, and no Group Company is currently the subject of any examination or investigation. Each Group Company has, in accordance with applicable Laws and within the time limits prescribed thereby, duly registered with the relevant Tax authority for or in respect of all material Taxes and have complied in all material respects with all requirements imposed thereby.

3.11.4 No Group Company is treated for any Taxation purpose as resident in a country other than the country of its incorporation and no Group Company has, or has had within the relevant statutory limitation period a branch, agency or permanent establishment in a country other than the country of its incorporation. Each Group Company is subject to Taxation only in the country of its incorporation.

3.11.5 No Group Company has incurred any liability for Taxes outside the ordinary course of business, and each Group Company has made adequate provisions on its books of account for all Taxes, assessments and governmental charges with respect to its business, properties and operations for such period, whether or not assessed or disputed as of the date of the applicable balance sheet. There is no pending dispute with, or written notice from, any Tax authority relating to any of the Tax Returns filed by any Group Company, and there is no proposed Liability for a deficiency in any Tax to be imposed upon the properties or assets of any Group Company.

3.11.6 No Group Company is responsible for the Taxes of any other Person by reason of Contract, successor or transferee liability or otherwise (other than Taxes incurred in the ordinary course of business of such Group Company).

3.11.7 All Tax credits and Tax holidays enjoyed by each of the Group Companies established under the Laws of the PRC or otherwise under applicable Laws since its establishment have been in compliance with all applicable Laws and is not and will not be subject to reduction, revocation, cancellation or any other changes (including retroactive changes) in the future, except through change in applicable Laws published by relevant Governmental Authority.

3.11.8 Unless otherwise provided in the Section 3.11.8 of the Disclosure Schedule, no Group Company is or has ever been a PFIC or CFC. No Group Company anticipates that it will become a PFIC or CFC for the current taxable year.

3.11.9 The Company is treated as a corporation for U.S. federal income tax purposes.

3.11.10 No Group Company has consummated or participated in, nor is it currently participating in, any transaction which was or is a "reportable transaction" as defined in Section 6707A(c) of the Code or the U.S. Treasury Regulations promulgated thereunder.

3.11.11 All related party transactions involving the Group Companies are at arm's length in compliance with Section 482 of the Code, the U.S. Treasury Regulations promulgated thereunder, and any similar provision of state, local and non-U.S. law. Each Group Company has maintained in all material respects all necessary documentation in connection with such related party transactions in accordance with Sections 482 and 6662 of the Code and the U.S. Treasury Regulations promulgated thereunder or comparable provisions under applicable non-U.S. law.

3.11.12 Section 3.11.12 of the Disclosure Schedule lists all "nonqualified deferred compensation plans" (within the meaning of Section 409A of the Code) to which the Company is a party. Each such nonqualified deferred compensation plan to which the Company is a party complies with the requirements of paragraphs (2), (3) and (4) of Section 409A(a) of the Code by its terms and has been operated in accordance with such requirements. No event has occurred that would be treated by Section 409A(b) of the Code as a transfer of property for purposes of Section 83 of the Code. The Company is under no obligation to gross up any Taxes under Section 409A of the Code.

3.11.13 The exercise price of all stock options to purchase Ordinary Shares is at least equal to the fair market value of the Ordinary Shares on the date such stock options were granted or repriced, and the Company has not incurred nor will it incur any liability or obligation to withhold or report taxes under Section 409A of the Code upon the vesting of any such stock options. All stock options to purchase Ordinary Shares are with respect to "service recipient stock" (as defined under U.S. Treasury Regulations Section 1.409A-1(b)(5)(iii)) of the grantor thereof.

3.12 Minute Books. The minute books of the Group Companies provided to the Investors contain a complete summary of all meetings of directors and shareholders since the time of incorporation and reflect all transactions referred to in such minutes accurately in all respects.

3.13 Charter Documents; Books and Records. The Charter Documents of each Group Company are in the form provided to the Investors. Each Group Company has been in compliance with its Charter Documents, and none of the Group Companies has violated or breached any of their respective Charter Documents. Each Group Company maintains its books of accounts and records in the usual, regular and ordinary manner, on a basis consistent with prior practice, and which permits its Financial Statements to be prepared in accordance with the Accounting Standards. The register of members and directors (if applicable) of each Group Company is correct, there has been no notice of any proceedings to rectify any such register, and to the Group Companies' Knowledge, there are no circumstances which might lead to any application for its rectification. All documents requiring to be filed by each Group Company with the applicable Governmental Authority in respect of the relevant jurisdiction in which the relevant Group Companies is being incorporated have been properly made up and filed.

3.14 Financial Statements. The audited balance sheet, profit statement and cash flows statement for the Group Companies for the years ended December 31, 2020 and December 31, 2019 and the unaudited balance sheet, profit statement and cash flows statement for the Group Companies for the year ended December 31, 2018 and for the nine-month period ending on the Statement Date (the financial statements referred to above, collectively, the "Financial Statements") have been provided to the Investors. The Financial Statements (a) have been prepared in accordance with the books and records of the Group Companies, (b) fairly present in all material respects the financial condition and position of the Group Companies as of the dates indicated therein and the results of operations and cash flows of the Group Companies for the periods indicated therein, except in the case of unaudited financial statements for the omission of notes thereto and normal year-end audit adjustments that are not expected to be material, and (c) were prepared in accordance with the Accounting Standards applied on a consistent basis throughout the periods involved. There is no material contingent or asserted claims, refusals to pay, or other rights of set-off with respect to any accounts receivable of the Group Companies.

3.15 Material Liabilities. The Group Companies have no Liability or obligation, absolute or contingent (individually or in the aggregate) in excess of US$1,000,000, except (a) obligations and Liabilities incurred after the date of incorporation in the ordinary course of business that are not material, individually or in the aggregate, and (b) obligations under Contracts made in the ordinary course of business that would not be required to be reflected in the Financial Statements. None of the Group Companies is a guarantor or indemnitor of any Liabilities of any other Person (other than a Group Company).

3.16 Changes. Since the Statement Date, there has not been any Material Adverse Effect or any material change in the way the Group conducts its business, and there has not been by or with respect to any Group Company:

3.16.1 any change in the assets, Liabilities, financial condition or operating results of the Group Companies, except changes in the ordinary course of business that have not been, in the aggregate, materially adverse;

3.16.2 any damage, destruction or loss, whether or not covered by insurance, materially and adversely affecting the assets, properties, financial condition, operating results, prospects or business of the Group Companies (as such business is presently conducted and as it is proposed to be conducted);

3.16.3 any change to any Consent from Governmental Authorities held by such Group Company except for the purpose of performing any obligation under the Transaction Documents;

3.16.4 any waiver by a Group Company of a valuable right or of a material debt owed to it;

3.16.5 any satisfaction or discharge of any Lien, claim or encumbrance or payment of any obligation by a Group Company, except in the ordinary course of business and that is not material to the assets, properties, financial condition, operating results or business of the Group Companies (as such business is presently conducted and as it is proposed to be conducted);

3.16.6 any amendment to or waiver under any Charter Document except for the purpose of performing any obligations under the Transaction Documents;

3.16.7 any material change in any compensation arrangement or agreement with any employee, officer, director or shareholder, or adoption of any new Benefit Plan, or made any change to any existing Benefit Plan;

3.16.8 any sale, assignment, transfer, or license of any patents, trademarks, copyrights, trade secrets, Intellectual Property or other intangible assets;

3.16.9 any acquisition (by merger, consolidation or other combination, or acquisition of stock or assets, or otherwise) of any business or other Person or division thereof, or any sale or disposition of any business or division thereof;

3.16.10 any resignation or termination of employment of any officer or Key Employee, or any group of employees of any Group Company, and to the Group Companies' Knowledge, any impending resignation or termination of employment of any such officer, Key Employee or group of employees;

3.16.11 any mortgage, pledge, transfer of a security interest in, or Lien, created, assumed or discharged by a Group Company, with respect to any of its properties or assets, except Liens for Taxes not yet due or payable and Liens that arise in the ordinary course of business and do not materially impair the Group Company's ownership or use of such property or assets;

3.16.12 any loans or guarantees made by a Group Company to or for the benefit of its employees, officers or directors, or any members of their immediate families, other than reasonable and normal travel advances and other advances made in the ordinary course of its business;

3.16.13 any change in accounting methods or practices or any revaluation of any of its assets;

3.16.14 except in the ordinary course of business consistent with its past practice, entry into any closing agreement in respect of material Taxes, settlement of any claim or assessment in respect of any material Taxes, or consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of any material Taxes, entry or change of any material Tax election, change of any method of accounting resulting in a material amount of additional Tax or filing of any material amended Tax Return;

3.16.15 any commencement or settlement of any Action;

3.16.16 any transaction with any Related Party;

3.16.17 any declaration, setting aside, dividend payment or other distribution in respect of any Group Company's share capital or other Equity Securities, or any direct or indirect redemption, purchase or other acquisition of any of such share capital or Equity Securities by such Group Company;

3.16.18 any authorization, sale, issuance, transfer, pledge or other disposition of any Equity Securities of any Group Company except for the purpose of performing any obligation under the Transaction Documents; or

3.16.19 any agreement or commitment by a Group Company to do any of the things described in this Section 3.16.

3.17 Agreements; Action.

3.17.1 Except for agreements explicitly contemplated hereby and by the Transaction Documents, there are no agreements, understandings or proposed transactions between any Group Company and any of its officers, directors and Affiliates.

3.17.2 Section 3.17.2 of the Disclosure Schedule contains a complete and accurate list of all Material Contracts. "Material Contracts" mean, collectively, each Contract to which a Group Company, or any of their properties or assets is bound or subject to that (a) involves obligations (contingent or otherwise) or payments in excess of US$1,000,000 in the aggregate, (b) involves Intellectual Property that is material to a Group Company (other than generally-available "off-the-shelf" shrink-wrap software licenses obtained by the Group on non-exclusive and non-negotiated terms), including without limitation, the Licenses, (c) contains exclusivity, non-competition, or similar clauses that impair, restrict or impose conditions on any Group Company's right to offer or sell products or services in specified areas, during specified periods, or otherwise, (d) relates to the sale, issuance, grant, exercise, award, purchase, repurchase or redemption of any Equity Securities other than the Transaction Documents, (e) involves any provisions providing for exclusivity, "change in control," "most favored nations," rights of first refusal or first negotiation or similar rights, or grants a power of attorney, agency or similar authority, (f) involves Indebtedness, an extension of credit, a guaranty, surety or assumption of any obligation or any secondary or contingent Liabilities, deed of trust, or the grant of a Lien, (g) involves the lease, license, sale, use, disposition or acquisition of a material amount of assets or of a business, (h) involves the establishment of, contribution to, or operation of a partnership, joint venture, alliance or similar entity, or involves a sharing of profits or losses (including joint development and joint marketing Contracts), (i) is with a Governmental Authority, state-owned enterprise, OEM, sole-source supplier of any material product or service (other than utilities) or the holder of the navigation digital map production and survey license providing mapping service ("Mapping Service Provider") to the Company, (j) is the collaboration agreement entered into by and between Toyota Motor Corporation and the Group Companies on February 5, 2020, or (k) is a Control Document.

3.17.3 Each Material Contract is a valid and binding agreement of the Group Company that is a party thereto, and is in full force and effect and enforceable against the parties thereto, except (a) as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other Laws of general application affecting enforcement of creditors' rights generally, and (b) as may be limited by Laws relating to the availability of specific performance, injunctive relief or other remedies in the nature of equitable remedies. No Group Company, and, to the Group Companies' Knowledge, no other party to any Material Contract, has breached, violated or defaulted under any Material Contract in any material respect or that any other party thereto intends to terminate such Material Contract.

3.17.4 There are no agreements, understandings, instruments, Contracts, proposed transactions, judgments, orders, writs or decrees to which any Group Company is a party or by which it is bound that may involve any material license of any Intellectual Property right to or from such Group Company (other than (a) non-exclusive licenses of any Group Company's software, services, and products in the ordinary course of business, and (b) licenses to a Group Company of commercially available, "off-the-shelf" third party software, products or services).

3.17.5 No Group Company has (a) declared or paid any dividends or authorized or made any distribution upon or with respect to any class or series of its Equity Securities other than dividends or distributions paid to another Group Company, (b) incurred any Indebtedness for money borrowed or any other Liabilities with any Person other than another Group Company individually in excess of US$1,000,000 or, in the case of Indebtedness and/or Liabilities individually less than US$1,000,000, in excess of US$2,000,000 in the aggregate, (c) made any loans or advances to any Person other than another Group Company, other than ordinary course advances for travel expenses to its employees, or (d) sold, exchanged or otherwise disposed of any of its assets or rights, other than the sale of its inventory in the ordinary course of business.

3.17.6 For the purposes of Section 3.17.2 and Section 3.17.5, all Indebtedness, Liabilities, agreements, understandings, instruments, Contracts and proposed transactions involving the same person or entity (including persons or entities the Company has reason to believe are affiliated therewith) shall be aggregated for the purpose of meeting the individual minimum dollar amounts of such subsections.

3.17.7 There is no Action pending or threatened against or affecting any Group Company or any of its officers, directors or employees with respect to its businesses or proposed business activities, or, to the Group Companies' Knowledge, any officers, directors or employees of any Group Company in connection with such Person's respective relationship with such Group Company, nor to the Group Companies' Knowledge is there any basis for any of the foregoing. By way of example, but not by way of limitation, there are no Action pending against any of the Group Companies or threatened against any of the Group Companies, relating to the use by any employee of any Group Company of any information, technology or techniques allegedly proprietary to any of their former employers, clients or other parties. There is no judgment or award unsatisfied against any Group Company, nor is there any Governmental Order in effect and binding on any Group Company or their respective assets or properties. There is no Action pending by any Group Company against any third party nor does any Group Company intend to commence any such Action. No Governmental Authority has at any time challenged or questioned in writing the legal right of any Group Company to conduct in any material respect its business as presently being conducted.

3.17.8 There is no side letter or similar agreement between the Company and any of its shareholders which grants any special right or privilege with respect to the Equity Securities of the Company held by such shareholder other than those granted in the Transaction Documents that has not been provided to the Investors.

3.18 Anti-Bribery, Anti-Corruption, Anti-Money Laundering and Sanctions; Absence of Government Interests.

3.18.1 Each of the Group Companies and their Affiliates, respective directors, officers, managers, employees, independent contractors, representatives, agents and other Persons acting on their behalf (collectively, "Representatives") are and have been in compliance with all applicable Laws relating to anti-bribery, anti-corruption, anti-money laundering, record keeping and internal control laws (collectively, the "Compliance Laws") including the FCPA as if it were a United States Person and the U.K. Bribery Act. Furthermore, no Public Official (i) holds an ownership or other economic interest, direct or indirect, in any of the Group Companies or in the contractual relationship formed by this Agreement, or (ii) serves as an officer, director or employee of any Group Company. Without limiting the foregoing, neither any Group Company nor any Representative has, directly or indirectly, offered, authorized, promised, condoned, participated in, consummated, or received notice of any allegation of, (a) the making of any gift or payment of anything of value to any Public Official by any Person to obtain any improper advantage, affect or influence any act or decision of any such Public Official, or assist any Group Company in obtaining or retaining business for, or with, or directing business to, any Person; (b) the taking of any Action by any Person which (i) would violate the FCPA, if taken by an entity subject to the FCPA, (ii) would violate the U.K. Bribery Act, if taken by an entity subject to the U.K. Bribery Act, or (iii) could reasonably be expected to constitute a violation of any applicable Compliance Law; (c) the making of any false or fictitious entries in the books or records of any Group Company by any Person; or (d) the using of any assets of any Group Company for the establishment of any unlawful or unrecorded fund of monies or other assets, or the making of any unlawful or undisclosed payment.

3.18.2 No Group Company or any of its Representatives has ever been found by a Governmental Authority to have violated any criminal or securities Law or is subject to any indictment or any government investigation for bribery. None of the beneficial owners of any Equity Securities or other interest in any Group Company or the current or former representatives of any Group Company are or were Public Officials.

3.18.3 No Group Company or any of its Representatives is a Prohibited Person, and no Prohibited Person will be given an offer to become an employee, officer, consultant or director of any Group Company. No Group Company has conducted or agreed to conduct any business, or entered into or agreed to enter into any transaction with a Prohibited Person, directly or indirectly.

3.18.4 If the Group Companies have beneficial owners or representatives who are known by any Group Company or Principal Holding Company to be Public Officials, no such Public Official has been involved on behalf of a Governmental Authority in decisions as to whether any Group Company or the Investors would be awarded business or that otherwise could benefit any Group Company or the Investors, or in the appointment, promotion, or compensation of persons who will make such decisions.

3.18.5 The Group Companies are and have been in compliance with (a) all Laws concerning the exportation or re-exportation of items (including technology, services, and software), including but not limited to those administered by the U.S. Department of Commerce (including the Export Administration Regulations, "EAR") or the U.S. Department of State (including the International Traffic in Arms Regulations, "ITAR"), (b) the Laws concerning economic sanctions administered by the U.S. Department of Treasury's OFAC, the U.S. Department of State, U.K. Her Majesty's Treasury, Canada, the European Union, or the United Nations (collectively, "Sanctions"), (c) any Laws concerning the importation of merchandise, or items (including goods, technology, services, and software), including but not limited to those administered by U.S. Customs and Border Protection; and (d) the U.S. anti-boycott compliance regulations administered by the U.S. Department of Commerce (collectively, "International Trade Laws").

3.18.6 There is no pending or, to the Group Companies' Knowledge, threatened investigation or other proceeding relating to a Group Company, nor has any voluntary disclosure been submitted to a Governmental Authority regarding a Group Company, in each case, in connection with a possible or actual violation of International Trade Laws or Compliance Laws.

3.18.7 All goods, software and technology that each Group Company produces, designs, tests, manufactures, fabricates, develops, uses or possesses in the United States currently are classified as "EAR99" under the EAR.

3.18.8 No good, service, software, technology or technical information that a Group Company produces, designs, tests, manufactures, fabricates, develops, sells, exports, possesses, uses, or works with (i) in the United States is on the U.S. Munitions List of the ITAR; or (ii) in connection with the Business is on the List of Technologies Prohibited or Restricted from Export issued by the Ministry of Commerce and the Ministry of Science and Technology of the People's Republic of China. No Group Company has engaged or is engaging in activities that are subject to the ITAR.

3.18.9 Compliance programs that are reasonably designed and implemented to ensure compliance with International Trade Laws and Compliance Laws are in place with respect to all Group Companies in all material respects.

3.18.10 None of (a) any Group Company or (b) any officer, employee, director, agent, Affiliate or Person acting on behalf of any Group Company, is owned or Controlled by a Prohibited Person.

3.18.11 The operations of each Group Company are and have been conducted at all times in compliance with applicable anti-money laundering statutes of all jurisdictions, including, without limitation, all United States anti-money laundering laws, the rule and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental or regulatory agency (collectively, the "Money Laundering Laws"); and no Action, suit or proceeding by or before any court or Governmental Authority or body or any arbitrator involving any Group Company or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, threatened.

3.19 Title; Properties.

3.19.1 Each of the Group Companies has good and valid title to all of its respective assets, whether tangible or intangible (including those reflected in the Financial Statements, together with all assets acquired thereby since the Statement Date, but excluding those that have been disposed of since the Statement Date), in each case free and clear of all Liens, other than Permitted Liens. The foregoing assets collectively represent in all material respects all assets (including all rights and properties) necessary for the conduct of the business of each Group Company as presently conducted. Except for leased or licensed assets, no Person other than a Group Company owns any interest in any such assets. All leases of real or personal property to which a Group Company is a party are fully effective and afford the Group Company valid leasehold possession of the real or personal property that is the subject of the lease. All machinery, vehicles, equipment and other tangible personal property owned or leased by a Group Company are (a) in good condition and repair in all material respects (reasonable wear and tear excepted) and (b) not obsolete or in need in any material respect of renewal or replacement, except for renewal or replacement in the ordinary course of business. There are no facilities, services, assets or properties which are used in connection with the business of the Group and which are shared with any other Person that is not a Group Company.

3.19.2 No Group Company owns or has legal or equitable title or other right or interest in any real property other than as held pursuant to Leases. Section 3.19.2 of the Disclosure Schedule sets forth each leasehold interest pursuant to which any Group Company holds any real property (a "Lease"), indicating the parties to such Lease, the address of the property demised under the Lease, the rent payable under the Lease and the term of the Lease. The particulars of the Leases as set forth in Section 3.19.2 of the Disclosure Schedule are true and complete. To the Group Companies' Knowledge, the lessor under each Lease is qualified and has obtained all Consents necessary to enter into such Lease in all material respects, including without limitation any Consent required from the owner of the property demised pursuant to the Lease if the lessor is not such owner. There is no material claim asserted or, to the Group Companies' Knowledge, threatened by any Person regarding any Lease or the lessor's ownership of the property demised pursuant to each Lease. Each Lease is in compliance in all material respects with applicable Laws, including with respect to the ownership and operation of property and conduct of business as now conducted by the applicable Group Company which is a party to such Lease. Each Group Company which is party to a Lease has accepted possession of the property demised pursuant to the Lease and is in actual possession thereof and has not sublet, assigned or hypothecated its leasehold interest. No Group Company uses any real property in the conduct of its business except insofar as it has secured a Lease with respect thereto. The leasehold interests under the Leases held by each Group Company are adequate for the conduct of the business of such Group Company as currently conducted.

3.20 Related Party Transactions. Except for the employment or consulting agreements with a Group Company, no Related Party or member of such Related Party's immediate family, or any corporation, partnership or other entity in which such Related Party is an officer, director or partner, or in which such Related Party has significant ownership interests or otherwise Controls, is indebted to any Group Company, nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any of them. To the Group Companies' Knowledge, none of such Persons has any direct or indirect ownership interest in any firm or corporation with which any Group Company is affiliated or with which any Group Company has a business relationship, or any firm or corporation that competes with any Group Company, except that employees, officers, or directors of a Group Company and members of such Related Party's immediate families may own stock in publicly traded companies that may compete with the Group Companies in an amount not to exceed one percent (1%) of such publicly traded company's outstanding capitalization. No Related Party or member of his or her immediate family is directly or indirectly interested in any Contract with a Group Company.

3.21 Intellectual Property Rights.

3.21.1 Company IP. Each Group Company owns or otherwise has sufficient rights (including but not limited to the rights of development, maintenance, licensing and sale) to all Intellectual Property necessary and sufficient to conduct its business as currently conducted by such Group Company and as contemplated to be conducted ("Company IP") without any conflict with or infringement of the rights of any other Person. Section 3.21.1 of the Disclosure Schedule sets forth a complete and accurate list of all Company Registered IP for each Group Company, including for each the relevant name or description, registration/certification or application number, and filing, registration or issue date.

3.21.2 IP Ownership. All Company Registered IP is owned by and registered or applied for solely in the name of a Group Company, is valid and subsisting and has not been abandoned, and all necessary registration, maintenance and renewal fees with respect thereto and currently due have been satisfied. No Group Company or any of its employees, officers or directors has taken any actions or failed to take any actions that would cause any Company Owned IP to be invalid, unenforceable or not subsisting. No funding or facilities of a Governmental Authority or a university, college, other educational institution or research center was used in the development of any Company Owned IP. No Company Owned IP is the subject of any Lien, license or other Contract granting rights therein to any other Person. No Group Company is or has been a member or promoter of, or contributor to, any industry standards bodies, patent pooling organizations or similar organizations that could require or obligate a Group Company to grant or offer to any Person any license or right to any Company Owned IP. No Company Owned IP is subject to any proceeding or outstanding Governmental Order or settlement agreement or stipulation that (a) restricts in any manner the use, transfer or licensing thereof, or the making, using, sale, or offering for sale of any Group Company's products or services, by any Group Company, or (b) may affect the validity, use or enforceability of such Company Owned IP. Each of the Key Employees and the Principals has assigned and transferred to a Group Company, to the extent permitted by Law, any and all of his/her Intellectual Property related to the Business that he/she developed, conceived or reduced to practice in the course of performing services for the Group Company. No Group Company has (i) transferred or assigned any Company IP; (ii) authorized the joint ownership of, any Company IP; or (iii) permitted the rights of any Group Company in any Company IP to lapse or enter the public domain.

3.21.3 Infringement, Misappropriation and Claims. No Group Company has violated, infringed or misappropriated any Intellectual Property of any other Person, nor has any Group Company received any written notice alleging any of the foregoing. To the Group Companies' Knowledge, no Person has violated, infringed or misappropriated any Company IP of any Group Company, and no Group Company has given any written notice to any other Person alleging any of the foregoing. The Group has not received any written notices from any Person challenging the ownership or use of any Company Owned IP by a Group Company. No Group Company has agreed to indemnify any Person for any infringement, violation or misappropriation of any Intellectual Property by such Person.

3.21.4 Assignments and Prior IP. All inventions and know-how conceived by employees of a Group Company related to the business of such Group Company, which he/she developed, conceived or reduced to practice in the course of performing services for such Group Company, are currently owned exclusively by a Group Company, to the extent permitted by applicable Law. All employees, contractors, agents and consultants of a Group Company who are or were involved in the creation of any Intellectual Property for such Group Company have executed an assignment of inventions agreement that (to the extent permitted by applicable Law) vests in a Group Company exclusive ownership of all right, title and interest in and to such Intellectual Property, to the extent not already provided by applicable Laws. All employee inventors of Company Owned IP have received reasonable reward and remuneration from a Group Company for his/her service inventions or service technology achievements in accordance with the applicable PRC Laws. To the Group Companies' Knowledge, it will not be necessary to utilize any Intellectual Property of any such Persons made prior to their employment by a Group Company, except for those that are exclusively owned by a Group Company, and none of such Intellectual Property has been utilized by any Group Company. To the Group Companies' Knowledge, none of the employees, consultants or independent contractors (including without limitation the Principals and the Key Employees), currently or previously employed or otherwise engaged by any Group Company, (a) is in violation of any current or prior confidentiality, non-competition or non-solicitation obligations to such Group Company or to any other Person, including former employers, or (b) is obligated under any Contract, or subject to any Governmental Order, that would interfere with the use of his or her best efforts to promote the interests of the Group Companies or that would conflict with the business of such Group Company as presently conducted.

3.21.5 Licenses. Section 3.21.5 of the Disclosure Schedule contains a complete and accurate list of the Licenses. The "Licenses" means, collectively, (a) all licenses, sublicenses, and other Contracts to which any Group Company is a party and pursuant to which any third party is authorized to use, exercise or receive any benefit from any material Company Owned IP, and (b) all licenses, sublicenses and other Contracts to which any Group Company is a party and pursuant to which such Group Company is authorized to use, exercise, or receive any benefit from any material Intellectual Property of another Person, in each case except for (i) agreements involving "off-the-shelf" commercially available Software, products, or services, and (ii) non-exclusive licenses granted by a Group Company in the ordinary course of business consistent with past practice. The Group Companies have paid all undisputed license and royalty fees required to be paid under the Licenses, if applicable.

3.21.6 Protection of IP. Each Group Company has taken reasonable and appropriate steps to protect, maintain and safeguard all material Company Owned IP and made all applicable filings, registrations and payments of fees in connection with the foregoing. Without limiting the foregoing, all current and former officers, employees, consultants and independent contractors of any Group Company and all suppliers, customers, distributors, and other third parties having access to any Company IP have executed and delivered to such Group Company an agreement requiring the protection of such Company IP. To the extent that any Company IP has been developed or created independently or jointly by an independent contractor or other third party for any Group Company, or is incorporated into any products or services of any Group Company, such Group Company has a written agreement with such independent contractor or third party and has thereby obtained ownership of, and is the exclusive owner of all such independent contractor's or third party's Intellectual Property in such work, material or invention.

3.21.7 Processing and Protection of Personal Data. The Group Companies have all sufficient rights, licenses, permissions, and consents required by all applicable data protection Laws to process personal data necessary for the conduct of the business of any Group Company as presently conducted. The transactions contemplated by this Agreement will not violate any privacy policy, terms of use, applicable data protection Laws or contractual obligations relating to the collection, use, sharing, transfer, export, or dissemination of any data or information in any material respect.

3.21.8 No Public Software. No Software included in any Group Company's software, services, and products has been, is being, or will be distributed, in whole or in part, or was used, is being used or will be used in conjunction with any Public Software in a manner which would require that such Software be disclosed or distributed in source code form or made available at no charge.

3.21.9 Information Technology. Each Group Company owns or possesses appropriate licenses to use all information technology used in the conduct of the Business, which comprises all information technology required for the effective conduct of the Business as presently conducted. Such information technology is in good working order, and to the Group Companies' Knowledge, there are, and have been, no material performance reductions or breakdowns of, or intrusions to, any information technology or loss of data. Each Group Company has in place adequate procedures reasonably designed to ensure the Business can continue without material disruption in the event of breakdown, performance reduction or loss of data relating to information technology and has, in accordance with industry practice, taken precautions reasonably designed to preserve the availability, security and integrity of its information technology and the data and information stored thereon.

3.22 Labor and Employment Matters.

3.22.1 Each Group Company has complied with all applicable Laws related to labor or employment, including provisions thereof relating to wages, hours, overtime payments, working conditions, benefits, termination, retirement, social welfare, equal opportunity and collective bargaining. There is not pending or, to the Group Companies' Knowledge, threatened, and there has not been since the incorporation of each Group Company, any Action relating to the material violation or alleged material violation of any applicable Laws by such Group Company related to labor or employment, including any charge or complaint filed by an employee with any Governmental Authority or any Group Company. The Group Companies have caused all of their present officers and employees to enter into standard offer letters or employment agreements with the respective Group Companies.

3.22.2 Each of the Benefit Plans of the Group Companies is and has at all times been in compliance in material respects with all applicable Laws (including without limitation, SAFE Rules and Regulations), and all contributions to, and payments for each such Benefit Plan have been timely made. Each Group Company is in compliance in all material respects with all Laws and Contracts relating to its provision of any form of Social Insurance, and has paid, or made provision for the payment of, all Social Insurance contributions required under applicable Laws and Contracts.

3.22.3 There has not been, and there is not now pending or, to the Group Companies' Knowledge, threatened, any strike, union organization activity, lockout, slowdown, picketing, or work stoppage or any unfair labor practice charge against any Group Company. No Group Company is bound by or subject to (and none of their assets or properties is bound by or subject to) any written or oral Contract, commitment or arrangement with any labor union or any collective bargaining agreements.

3.22.4 Schedule F sets forth each Key Employee, along with each such individual's title. Each such individual has properly terminated his/her labor Contract with previous employer in accordance with applicable Laws and labor Contract and is currently devoting all of his or her business time to the conduct of the business of the applicable Group Company. To the Group Companies' Knowledge, no such individual is subject to any covenant or non-compete obligation restricting him/her from working for any Group Company. No such individual is obligated under, or in violation of any term of, any Contract or any Governmental Order relating to the right of any such individual to be employed by, or to contract with, such Group Company. No Group Company has received any notice alleging that any such violation has occurred. No such individual is currently working or, to the Group Companies' Knowledge, plans to work for any other Person that competes with any Group Company, whether or not such individual is or will be compensated by such Person. No such individual or any group of employees of any Group Company has given any notice of an intent to terminate their employment with any Group Company, nor does any Group Company have a present intention to terminate the employment of any such individual or any group of employees.

3.23 Insurance. The Company has in full force and effect products liability and errors and omissions insurance in amounts customary for companies similarly situated. Each Group Company has in full force and effect all insurance policies and bonds, with extended coverage, required under applicable Laws for the conduct of the business of such Group Company as presently conducted. There is no material claim pending thereunder as to which coverage has been questioned, denied or disputed. All premiums due and payable under all such policies and bonds have been timely paid, and each Group Company is otherwise in compliance in all material respects with the terms of such policies and bonds.

3.24 Internal Controls. Each Group Company maintains a system of internal controls sufficient for the stage of its business to provide reasonable assurance that (a) transactions by it are executed in accordance with management's general or specific authorization, (b) transactions by it are recorded as necessary to permit preparation of appropriate financial statements and to maintain asset accountability, (c) access to assets of it is permitted only in accordance with management's general or specific authorization, (d) segregating duties for cash deposits, cash reconciliation, cash payment and proper approval is established, and (e) no personal assets or bank accounts of the employees, directors or officers are mingled with the corporate assets or corporate bank account, and no Group Company uses any personal bank accounts of any employees, directors, or officers thereof during the operation of its business.

3.25 CFIUS.

3.25.1 The U.S. Company does not produce, design, test, manufacture, fabricate, or develop any "critical technologies," as defined by 31 C.F.R. § 800.215.

3.25.2 The U.S. Company does not perform functions as set forth in column 2 of appendix A to Part 800 with respect to "covered investment critical infrastructure," as defined by 31 C.F.R. § 800.212.

3.25.3 The U.S. Company maintains or collects, directly or indirectly, "sensitive personal data" of U.S. citizens, as defined by 31 C.F.R. § 800.241, and is therefore considered a "TID U.S. business," as defined in 31 C.F.R. § 800.248, for CFIUS purposes.

3.26 No Request for Redemption. None of the holders of Preferred Shares has delivered a request for redemption under the Company's memorandum and articles of association. None of the grounds on the basis of which a holder of Preferred Shares may request redemption under the Company's memorandum and articles of association has occurred, nor, to the best of the Company's knowledge, no circumstance exists as would reasonably be expected to give rise to any such ground.

3.27 No Brokers. Neither (a) any Group Company nor (b) any of its Affiliates or any Related Party (on behalf of any Group Company and other than the Investors) has any Contract with any broker, finder or similar agent with respect to the transactions contemplated by this Agreement or by any of the Transaction Documents, or has incurred any Liability for any brokerage fees, agents' fees, commissions or finders' fees in connection with any of the Transaction Documents or the consummation of the transactions contemplated therein.

3.28 No Immunity. Each of the Group Companies is generally subject to civil and commercial Laws with respect to its obligations under each of this Agreement and the Ancillary Agreements to which it is a party; the execution, delivery and performance of the this Agreement and the Ancillary Agreements by it constitutes private and commercial acts and neither it nor any of its assets enjoy any right of immunity from set-off, suit or execution in respect of its obligations under each of these agreements to which it is a party.

3.29 No General Solicitation. Neither any Group Company, nor, to the Group Companies' Knowledge, any of its officers, directors, employees, agents, stockholders or partners has either directly or indirectly, including through a broker or finder, (a) engaged in any general solicitation, or (b) published any advertisement in connection with the offer and sale of the Purchased Shares.

3.30 Disclosure. Each of the Group Companies has fully provided the Investors with

(a) all the information that the Investors have reasonably requested for deciding whether the Investors shall purchase the applicable Purchased Shares, and (b) all the agreements and documents in connection with implementing the transactions contemplated by any Transaction Document. No representation or warranty by any Group Company in this Agreement and no information or materials provided by any Group Company to the Investors in connection with the negotiation or execution of this Agreement or any agreement contemplated hereby contains any untrue statement of a material fact, or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading.

4. Representations and Warranties of the Principals and the Principal Holding Companies. Subject to such exceptions as may be specifically set forth in the Disclosure Schedule, each of the Principals and the Principal Holding Companies, jointly and severally, represents and warrants to the Investors that each of the statements contained in this Section 4 is true, accurate and complete as of the date of this Agreement, and that each of such statements shall be true, accurate and complete on and as of the date of the Closing, with the same effect as if made on and as of the date of the Closing.

4.1 Authorization. Each of the Principal Holding Companies and the Principals has all requisite power and authority to execute and deliver the Transaction Documents to which it is a party and to carry out and perform its obligations thereunder. All corporate actions on the part of the Principal Holding Companies to the Transaction Documents (and as applicable, its officers, directors and shareholders) necessary for the authorization, execution and delivery of the Transaction Documents, and the performance of all obligations of each of the Principals and the Principal Holding Companies, have been taken or will be taken prior to the Closing. Each Transaction Document shall have been or will be on or prior to the Closing, duly executed and delivered by the Principals and the Principal Holding Companies and, when executed and delivered, constitutes valid and legally binding obligations of such parties, enforceable against such parties in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other Laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

4.2 Consents; No Conflicts. All Consents from or with any Governmental Authority or any other Person required in connection with the valid execution, delivery and performance of the Transaction Documents, and the consummation of the transactions contemplated by the Transaction Documents, in any case on the part of the Principals and the Principal Holding Companies, have been duly obtained or completed (as applicable) and are in full force and effect. The execution, delivery and performance of each Transaction Document by each Principal or Principal Holding Company do not, and the consummation by each such party of the transactions contemplated thereby will not, with or without notice or lapse of time or both, (a) result in any violation of, be in conflict with, or constitute a default under, require any Consent under, or give any Person rights of termination, amendment, acceleration or cancellation under, with or without the passage of time or the giving of notice, any Governmental Order, any provision of the Charter Documents of any Principal Holding Company or Group Company, any applicable Laws (including without limitation, Order No. 10 and the SAFE Rules and Regulations), or any Material Contract, (b) result in any violation of, be in conflict with, or constitute a default under, or give rise to any right of any termination, modification, or cancellation, or give rise to any augmentation or acceleration of any material obligation or liability of any Group Company (including without limitation, any Indebtedness of such Group Company), or (c) result in the creation of any Lien upon any of the material properties or assets of any Group Company other than Permitted Liens.

4.3 Compliance with Laws. Each Principal has not been (a) subject to voluntary or involuntary petition under any applicable bankruptcy Laws or any applicable insolvency Laws or the appointment of a manager, receiver, or similar officer by a court for his business or property; (b) convicted in a criminal proceeding or named as a subject of a pending criminal proceeding (excluding traffic violations and other minor offences); (c) subject to any order, judgment, or decree of any court of competent jurisdiction permanently or temporarily enjoining him from engaging, or otherwise imposing limits or conditions on his engagement in any securities, investment advisory, banking, insurance, or other type of business or acting as an officer or director of a public company; or (d) found by a court of competent jurisdiction in a civil action or by any Governmental Authority to have violated any securities, commodities or unfair trade practices law, which such judgment or finding has not been subsequently reversed, suspended, or vacated.

4.4 Non-Compete. Each Principal does not, either on his own account or through any of his Associates or Affiliates, or in conjunction with or on behalf of any other Person, carry on or are engaged, concerned or interested in directly or indirectly any business that competes with the business of any Group Company.

4.5 Holding for Own Account. Each Principal holds and has been holding, indirectly through the relevant Principal Holding Company, his or her Equity Securities in the Company solely for his or her own account, and the Equity Securities of each Principal Holding Company is held by the equity holders registered or filed on the Charter Documents of such Principal Holding Company. None of the Principals and the Principal Holding Companies is or has been holding the Equity Securities in the Company or in the Principal Holding Company (as the case may be), directly or indirectly, as a nominee or agent, or with a view to the resale or distribution of any part thereof, and the Principals do not have any present intention of selling, granting any participation in, or otherwise distributing the same.

4.6 Intellectual Property Rights. Each Principal have assigned and transferred to a Group Company any and all of his/her Intellectual Property related to the business of the Group Companies as now conducted, which such Principal developed, conceived or reduced to practice in the course of performing services for such Group Company.

4.7 Prior Employment. Each Principal is not in violation of any current or prior confidentiality, non-competition or non-solicitation obligations to any other Persons, including his/her former employers.

5. Representations and Warranties of the Investors. Each Investor hereby represents and warrants to the Company, severally and not jointly and with respect to itself only, that:

5.1 Authorization. Such Investor has all requisite power and authority to execute and deliver the Transaction Documents to which it is a party and to carry out and perform its obligations thereunder. All actions on the part of such Investor necessary for the authorization, execution and delivery of the Transaction Documents to which it is a party, has been taken or will be taken prior to the Closing. Each Transaction Document will be duly executed and delivered by such Investor (to the extent such Investor is a party) on or prior to the Closing, enforceable against such Investor in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other Laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

5.2 Purchase for Own Account. The Purchased Shares being purchased by such Investor and the Conversion Shares thereof will be acquired for such Investor's own account, not as a nominee or agent, and not with a view to or in connection with the sale or distribution of any part thereof.

5.3 Status of Investor. Such Investor is either (a) an "accredited investor" within the meaning of the U.S. Securities and Exchange Commission ("SEC") Rule 501 of Regulation D, as presently in effect, under the Securities Act, or (b) not a "U.S. person" as defined in Rule 902 of Regulation S of the Securities Act. Such Investor has the knowledge, sophistication and experience necessary to make an investment decision like that involved in the purchase of the Purchased Shares and can bear the economic risk of its investment in the Purchased Shares.

5.4 Restricted Securities. Such Investor understands that the Purchased Shares being purchased by such Investor and the Conversion Shares thereof are restricted securities within the meaning of Rule 144 under the Securities Act; that the Purchased Shares and the Conversion Shares are not registered or listed publicly and must be held indefinitely unless they are subsequently registered or listed publicly or an exemption from such registration or listing is available.

5.5 No Brokers. Neither such Investor nor any of its Affiliates has any Contract with any broker, finder or similar agent with respect to the transactions contemplated by this Agreement or by any of the Transaction Documents, and none of them has incurred any Liability for any brokerage fees, agents' fees, commissions or finders' fees in connection with any of the Transaction Documents or the consummation of the transactions contemplated therein.

5.6 Sufficiency of Funds. Each Investor shall have all funds necessary to consummate the transactions contemplated hereby and pay its portion of the Purchase Price. Such funds will be readily available in United States dollars for immediate payment without further approval required by any corporate body, third party or Governmental Authority on the date of payment of such Purchase Price. Such Investor is not required to obtain debt financing in order to pay its portion of the Purchase Price or otherwise perform any of its obligation under this Agreement.

6. Conditions of the Investors' Obligations at the Closing. The obligations of each Investor to consummate the Closing under Section 2 of this Agreement are subject to the fulfillment, to the satisfaction of such Investor on or prior to the Closing, or waiver by such Investor in writing, of the following conditions:

6.1 Representations and Warranties. Each of the representations and warranties of the Group Companies contained in Section 3 and each of the representations and warranties of the Principals and Principal Holding Companies contained in Section 4 shall have been true, accurate and complete in all respects when made and (other than the representations and warranties contained in Sections 3.1 through 3.6 and 4, which shall be true, accurate and complete in all respects on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the date of the Closing) shall be true, accurate and complete in all material respects on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the date of the Closing, except in either case: (a) for those representations and warranties that address matters only as of a particular date, which representations will have been true, accurate and complete in all respect as of such particular date; and (b) for those representations and warranties that have already been subject to any materiality qualifier, such representations and warranties shall have been true, accurate and complete in all respect when made and on and as of the Closing.

6.2 Performance. Each of the Group Companies, Principals, and Principal Holding Companies shall have performed and complied with all obligations and conditions in all material aspects contained in the Transaction Documents that are required to be performed or complied with by it, on or before the Closing.

6.3 No Prohibition; Authorizations. All Consents of any competent Governmental Authority or of any other Person that are required to be obtained by any Group Company, Principal and Principal Holding Company in connection with the execution of the Transaction Documents and the consummation of the transactions that are required to be consummated on or prior to the Closing as contemplated by the Transaction Documents shall have been duly obtained and effective as of the Closing, and evidence thereof shall have been delivered to the Investors.

6.4 Proceedings and Documents. All corporate and other proceedings in connection with the execution of the Transaction Documents by all parties thereto other than the Investors and the transactions to be completed at or before the Closing and all documents incident thereto, including without limitation written approval from all of the then current holders of equity interests of each Group Company, as applicable, with respect to this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby, shall have been completed in form and substance satisfactory to such Investor, and such Investor shall have received all such counterpart copies of such documents as it may reasonably request.

6.5 Memorandum and Articles. The Memorandum and Articles, in the forms attached together hereto as Exhibit A, shall have been duly adopted by all necessary actions of the Board of Directors and the members of the Company, and such adoption shall have become effective prior to the Closing with no alternation or amendment as of the Closing, and reasonable evidence thereof shall have been delivered to the Investors.

6.6 Transaction Documents. If the Closing occurs simultaneously with the China-UAE Closing, each of the parties to the Transaction Documents, other than the Investors, shall have executed and delivered such Transaction Documents to the Investors, or if the Closing occurs after the China-UAE Closing, the Schedule H (List of Series D Investors) and Schedule I (Address for Notices) to the Shareholders Agreement and the Schedule B-8 (List of Series D Investors) and Schedule C (Address for Notices) to the Right of First Refusal & Co-Sale Agreement shall have been updated to reflect such Investor purchasing the Series D Preferred Shares and its addresses for notices, as applicable.

6.7 No Material Adverse Effect. There shall have been no Material Adverse Effect since the date of this Agreement.

6.8 Closing Certificate. The chief executive officer of the Company shall have executed and delivered to each Investor at the Closing a certificate dated as of the Closing stating that the conditions specified in Sections 6.1 to 6.3 and Section 6.7 have been fulfilled as of the Closing.

6.9 Simultaneous Closing. Unless otherwise agreed by OTPP in writing, it shall be a condition to OTPP's obligation to consummate the Closing that the closing of the investment of at least US$50 million of the Series D Preferred Shares and/or Series D Warrants at a per share purchase price of US$25.0446 (including investment from at least one (1) reputable investor who is not an existing shareholder of the Company or any of its Affiliates immediately prior to the Closing) shall occur prior to or simultaneously with the Closing with respect to OTPP.

7. Conditions of the Company's Obligations at Closing. The obligations of the Company to issue and sell the relevant Purchased Shares to an Investor at the Closing under Section 2 of this Agreement, unless otherwise waived in writing by the Company, are subject to the fulfillment on or before the Closing of each of the following conditions:

7.1 Representations and Warranties. The representations and warranties of such Investor contained in Section 5 shall have been true and complete in all material aspects as of the date hereof and as of the Closing with the same effect as though such representations and warranties had been made on and as of the date of the Closing, except in either case for those representations and warranties that address matters only as of a particular date, which representations and warranties will have been true and complete as of such particular date.

7.2 Performance. Such Investor shall have performed and complied with all covenants, obligations and conditions in all material aspects contained in this Agreement that are required to be performed or complied with by such Investor on or before the Closing.

7.3 Transaction Documents. Such Investor shall have executed and delivered to the Company the Transaction Documents that are required to be executed by it on or prior to the Closing.

8. Other Agreements.

8.1 Compliance with US Laws. Each of the Group Companies shall, and the Principal Holding Companies and the Principals shall procure each of the Group Companies to, maintain practices and policies designed to ensure compliance with all applicable Laws, including the California Vehicle Code and the California Adopted Regulations for Testing of Autonomous Vehicles by Manufacturers.

8.2 Adoption of Memorandum and Articles. The Memorandum and Articles and the special resolution of the members of the Company approving the adoption of the Memorandum and Articles shall be duly filed with the Registrar of Companies of the Cayman Islands within fifteen (15) days after the China-UAE Closing.

8.3 Intellectual Property Protection. The Group Companies shall take all reasonable steps to protect their respective material Intellectual Property rights and refrain from intentionally violating, infringing or misappropriating the Intellectual Property of others, including without limitation (a) registering their respective material patents, trademarks, brand names, domain names and copyrights and obtaining the Intellectual Property rights granted by the competent authorities, and use reasonable best efforts to prosecute, maintain, and defend the validity of all such material IPs, (b) requiring each employee and consultant of each Group Company to enter into an employment agreement, a confidential information and intellectual property assignment agreement and a non-competition and non-solicitation agreement requiring such Persons to protect and keep confidential such Group Company's confidential information, Intellectual Property and trade secrets, prohibiting such Persons from competing with such Group Company for a reasonable time after their termination of employment with any Group Company, and requiring such Persons to assign all ownership rights in their work product to such Group Company, (c) requiring service providers of the Group Companies to delete or return all materials when their services to the Group are finished or terminated. Notwithstanding the foregoing, each Principal shall waive his rights to any reward or remuneration for his service inventions or service technology achievements voluntarily under PRC Laws or the Group Companies' policies.

8.4 FCPA and U.K. Bribery Act. Each of the Group Companies shall not and shall not permit any of its Subsidiaries or Affiliates or any of its or their Representatives to promise, at any time authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any Public Official, in each case, in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption Laws. Each of the Group Companies shall and shall cause each of its Subsidiaries, Affiliates and Representatives to cease all of its or their respective activities, as well as remediate any actions taken by each of the Group Companies and any of its Subsidiaries, Affiliates or Representatives that may be considered to be in violation of the FCPA, the U.K. Bribery Act or any other applicable anti-bribery or anti-corruption Laws. Further, each of the Group Companies shall and shall cause each of its Subsidiaries and Affiliates to maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the U.K. Bribery Act, and any other applicable anti-bribery or anti-corruption Laws.

8.5 Compliance with Laws and Performance of Contracts. Each of the Group Companies shall, and the Principal Holding Companies and the Principals shall cause each of the Group Companies to, comply with all applicable Laws in all material aspects, including but not limited to Data Security Laws, the California Vehicle Code, the California Adopted Regulations for Testing of Autonomous Vehicles by Manufacturers, any requirements for filing, renewal or keeping validity of Required Governmental Consents, applicable PRC and U.S. Laws relating to corporate governance, surveying and mapping, road testing, telecommunication business, software, advertisement, Intellectual Property, anti-monopoly and competition, taxation, employment, social welfare and benefits, cybersecurity and data protection, foreign investment, foreign exchange control and International Trade Laws, etc. The Group Companies shall duly and promptly obtain all the necessary permits and licenses in a proper way required by Laws in the event that such permits and licenses are required during their conduct of Business.

8.6 Data Security Laws.

8.6.1 The Group Companies shall maintain policies, procedures, and controls that are consistent with the reasonable industry practices and designed to ensure compliance with Data Security Laws in all material respects. The Group Companies shall use reasonable best efforts to prevent unauthorized access to, exfiltration, disclosure, loss, or leak of any data in their possession and/or control.

8.6.2 Within thirty (30) calendar days of the Closing, the Company shall have established a formal governance committee with respect to each Group Company's compliance with Data Security Laws. The committee shall meet regularly and shall be composed of competent, qualified, management-level employees, including the Company's Data Security Officer, General Counsel, and Chief Technology Officer, and shall operate under a written charter setting forth the committee's mission, authority, responsibilities, composition, meeting frequency, and such other items as are appropriate for a committee charter. The committee shall report to the Company's Board of Directors on a regular basis.

8.6.3 Within sixty (60) calendar days of Closing, the Company shall have (a) conducted one or more in-depth employee training sessions on the topic of compliance with Data Security Laws, which is mandatory for all employees who may handle or otherwise come into possession of sensitive or potentially sensitive data; and (b) developed a formal compliance training program for recurring, effective compliance training on the topic of compliance with Data Security Laws. Employee attendance shall be recorded and retained for all training sessions.

8.6.4 The Company shall promptly notify and disclose to the Investors, to the extent that it relates to Data Security Law and such disclosure is not otherwise prohibited by applicable Law (including but not limited to the confidentiality requirements on state secrets and certain investigations, and the restrictions on the cross-border provision or access of personal information, important data and other protected data), (i) any material legal proceeding commenced (including, but not limited to, litigation, mediation, or arbitration); (ii) any allegation of material noncompliance or material breach of Data Security Laws; and (iii) any finding of an actual material breach of Data Security Laws. The Group Companies shall retain, and maintain retention of, the services of one or more qualified and reputable PRC law firm and U.S. law firm with sufficient expertise and experience to advise and assist with respect to compliance with Data Security Laws.

8.7 Sanctions Compliance. Each of the Group Companies shall, and the Principal Holding Companies and the Principals shall procure each of the Group Companies to, thoroughly assess its risks relating to Sanctions on a periodic basis and, as soon as practicable within six (6) months after the Closing, adopt and implement measures to ensure its compliance with Sanctions and other related Laws, including written internal policies consistent with the expectations of the relevant Governmental Authorities and industry standards and internal procedures, controls and protocols with respect to the screening of prospective business partners, employees and other counterparties for Prohibited Persons, and provide documentary evidence thereof to the Investors.

8.8 Business Realignment. To the extent permitted by applicable Laws, the Group Companies, the Principals and the Principal Holding Companies shall use commercially reasonable efforts to timely cause the Beijing WFOE and the Guangzhou WFOE to apply for and obtain all Consents necessary for the operation of the Group's Business in the PRC currently operated by the Beijing Company and the Guangzhou Company, and cause all Intellectual Property, assets (whether tangible or intangible), employees and Contracts held, owned, employed or entered into, as the case may be, by the Beijing Company or the Guangzhou Company that were not practicable to be transferred prior to the Closing to be transferred to the Beijing WFOE and the Guangzhou WFOE, respectively. Other than the Non-transferrable Items, the Beijing Company and the Guangzhou Company shall only hold, own, employ or enter into, as the case may be, the minimum amount or number of Intellectual Property, assets (whether tangible or intangible), employees and Contracts in order to meet requirements under applicable Laws. In the event that the Company reasonably believes that it is in the best interest of the Group Companies to have the Beijing Company or the Guangzhou Company hold, own, employ or enter into, as the case may be, any additional Intellectual Property, assets (whether tangible or intangible), employees or Contracts that are material to the operations of any Group Company, then the internal reorganization to transfer such ownership to the Beijing Company or the Guangzhou Company shall be approved by the Board prior thereto.

8.9 Export Regulation. Each Group Company agrees that it will not: (a) export or re-export, directly or indirectly, any technology (as defined by the EAR) or technologies (as defined in the List of Technologies Prohibited or Restricted from Export issued by the Ministry of Commerce and the Ministry of Science and Technology of the People's Republic of China) or (b) disclose such technology for use in, or export or re-export directly or indirectly, any direct product of such technology, including Software, to any destination to which such export or re-export is prohibited by any applicable law, without obtaining prior authorization from relevant authorities and other competent Governmental Authorities to the extent required by applicable Laws. The Company shall (i) stay abreast of changes in export regulation laws; (ii) maintain a plan for responding to potential future restrictions on the export of its technology from the United States or the PRC; and (iii) use commercially reasonable endeavors to obtain any action by a Governmental Authority necessary to minimize the effect on its business and take action and make arrangements to, as appropriate, preserve the Company's interests in the event that stricter export regulations are imposed on items used in the Group's Business in accordance with such plan in (ii) above.

8.10 Retention of Key Employees. Each Group Company shall, and the Principal Holding Companies and the Principals shall cause each of the Group Companies to, use commercially reasonable efforts to retain Key Employees, including performing the review of Benefit Plan annually to provide competitive employee benefits compared to market standard.

8.11 Conversion. The Company covenants to at all times reserve sufficient Class A Ordinary Shares or, if the reservation is insufficient, the Group Companies shall take all actions necessary to authorize such additional Class A Ordinary Shares, for issuance upon conversion of all Purchased Shares under the Transaction Documents.

8.12 Subsidies and Incentives. Each of the Beijing WFOE, the Beijing Company, the Guangzhou WFOE and the Guangzhou Company shall use its commercially reasonable efforts to maintain its eligibility for the subsidies and incentives for which it is currently eligible.

8.13 Equity Holders of the Beijing Company and the Guangzhou Company. If an equity holder of, or beneficial owner of equity interests in, the Beijing Company or the Guangzhou Company ceases to be an employee of the Group, each of the Principal Holding Companies, the Principals and the Group Companies shall procure such equity holder or such equity holder holding the equity interests of such beneficial owner to transfer, as soon as practicable and in any event within sixty (60) days thereafter, all of his equity interests in the Beijing Company or the Guangzhou Company, as applicable, to an employee of the Group designated by the Beijing WFOE or the Guangzhou WFOE, as applicable, who is a PRC citizen.

8.14 Further Assurances. Upon the terms and subject to the conditions herein, each Party hereto agrees to use its reasonable best efforts to take or cause to be taken all action, to do or cause to be done all things, to execute such further instruments, and to assist and cooperate with the other Parties hereto in doing all things necessary, proper or advisable under applicable Laws or otherwise to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the other Transaction Documents; provided that except as expressly provided herein, no Party shall be obligated to grant any waiver of any condition or other waiver hereunder.

9. Executory Period Covenants.

9.1 Access. Between the date hereof and the Closing, the Group Companies shall, and the Principals and the Principal Holding Companies shall cause the Group Companies to, permit each Investor, or any representative thereof, to (a) visit and inspect the properties of the Group Companies, (b) inspect the Contracts, books of account, records, ledgers, and other documents and data of the Group Companies, (c) discuss the business, affairs, finances and accounts of the Group Companies with officers and employees of the Group Companies, and (d) review such other information as such Investor reasonably request, in such a manner so as not to unreasonably interfere with their normal operations.

9.2 Covenants. Between the date hereof and the Closing, except as the Investors otherwise agree in writing or the transactions contemplated under the Transaction Documents, each of the Group Companies shall (and the Principals and the Principal Holding Companies shall cause each Group Company to) (a) conduct its business in the ordinary course consistent with past practice, as a going concern and in compliance with all applicable Laws and Contracts, (b) pay or perform its debts, Taxes, and other obligations when due, (c) maintain its assets in a condition comparable to its current condition, reasonable wear, tear and depreciation excepted, (d) use best efforts to preserve intact its current business organizations and keep available the services of its current officers and employees and preserve its relationships with customers, suppliers and others having business dealings with it, (e) otherwise periodically report to each Investor concerning the status of its business, operations and finance, and (f) take all actions reasonably necessary, to consummate the transactions contemplated by the Transaction Documents promptly, including the taking of all reasonable acts necessary to cause all of the conditions precedent of each Investor to be satisfied.

9.3 Negative Covenants. Between the date hereof and the Closing, except as the Investors otherwise agree in writing or the transactions contemplated under the Transaction Documents and the China-UAE SPA (including any sale and issuance of subsequent shares and subsequent warrants at closing or additional closings contemplated therein), none of the Group Companies shall (and the Principals or the Principal Holding Companies shall not permit any of the Group Companies to) (a) take any action that would make any representation and warranty of the Group Companies, the Principals or the Principal Holding Companies untrue, inaccurate or incomplete prior to or at the Closing, (b) waive, release or assign any material right or claim, (c) take any action that would reasonably be expected to materially impair the value of the Group Companies, (d) sell, purchase, assign, lease, transfer, pledge, encumber or otherwise dispose of any material asset, (e) issue, sell, or grant any Equity Securities unless otherwise pursuant to the Transaction Documents, (f) declare, issue, make, or pay any dividend or other distribution with respect to any Equity Securities, (g) incur any Indebtedness for borrowed money or capital lease commitments or assume or guarantee any Indebtedness of any Person, (h) enter into any Contract or other transaction with any Related Party unless otherwise pursuant to the Transaction Documents, or (i) authorize, approve or agree to any of the foregoing.

9.4 Information. Between the date hereof and the Closing, the Group Companies, the Principals and the Principal Holding Companies shall promptly notify the Investors of (a) any Action commenced or threatened in writing against any Group Company; (b) any fact or event which comes to the Group Companies' Knowledge, or the Principals' or the Principal Holding Companies' knowledge, and is in any way inconsistent with any of the representations and warranties in this Agreement; and (c) any fact or event which comes to the Group Companies' Knowledge, or to the Principals' and the Principal Holding Companies' knowledge, and might affect the willingness of a prudent investor to subscribe the Purchased Shares on the terms contained in this Agreement or the amount of the consideration a prudent investor would be prepared to pay for the Purchased Shares.

10. Termination. This Agreement may be terminated by the Company or any Investor on or after the later of (a) ninety (90) days after the date of execution of this Agreement, and (b) another date mutually agreed upon by the Parties hereto by written notice to the other Parties, if the Closing has not occurred on or prior to such date; provided that (i) the Company's termination right under this Section 10 shall be conditional upon the fact that the Group Companies, the Principals and the Principal Holding Companies have not materially breached their respective representations, warranties or covenants hereunder and the failure of the Closing is not due to the fault of any Group Company, Principal or Principal Holding Company; (ii) each Investor's termination rights under this Section 10 shall be conditional upon the fact that such Investor has not materially breached its representations, warranties or covenants hereunder and the failure of the Closing is not due to the fault of such Investor. The termination of this Agreement by any Investor pursuant to this Section 10 shall not impact the rights and obligations of any other Investor under this Agreement until the termination of this Agreement by such other Investor. Upon termination of this Agreement under this Section 10, this Agreement shall forthwith become wholly void and of no effect and the Parties shall be released from all future obligations hereunder, except as otherwise expressly provided herein; provided that (x) nothing herein shall relieve any Party from liability for any breach of this Agreement occurring prior to such termination and (y) Sections 1 and 12 (other than Sections 12.5 and 12.8) shall survive such termination.

11. Indemnity.

11.1 Scope of Indemnity.

11.1.1 The Group Companies covenant and agree jointly and severally to indemnify and hold harmless each Indemnitees, from and against any and all Indemnifiable Losses, as incurred, insofar as such Indemnifiable Losses arise out of or are based upon: (a) any inaccuracy in or breach of any representation, warranty, covenant or agreement made by any Group Company in any Transaction Documents, or (b) the failure of any Group Company to perform or observe fully any covenant, agreement or other provision to be performed or observed by it pursuant to any Transaction Documents.

11.1.2 The Principals and the Principal Holding Companies covenant and agree jointly and severally to indemnify and hold harmless each Indemnitees, from and against any and all Indemnifiable Losses, as incurred, insofar as such Indemnifiable Losses arise out of or are based upon: (a) any inaccuracy in or breach of any representation, warranty, covenant or agreement made by any Principal or Principal Holding Company in any Transaction Documents, or (b) the failure of any Principal or Principal Holding Company to perform or observe fully any covenant, agreement or other provision to be performed or observed by it pursuant to any Transaction Documents.

11.1.3 Subject to Sections 11.1.4 and 11.4, (a) no Group Company, Principal or Principal Holding Company shall be liable for any Indemnifiable Losses unless the aggregate amount of accumulated Indemnifiable Losses exceeds US$200,000, whether such accumulated Indemnifiable Losses are attributed to single claim or series of claims; provided, that once the aggregate amount of accumulated Indemnifiable Losses exceeds US$200,000, the Indemnitees shall be indemnified from the first dollar of their Indemnifiable Losses, (b) the maximum liability for the Group Companies, the Principals and the Principal Holding Companies owed to any Investor hereunder shall not exceed an amount equal to 100% of the Purchase Price paid by such Investor, and (c) each Principal's liability shall be limited to the equity interest in the Company directly and indirectly held or Controlled by such Principal as of the enforcement of such claim.

11.1.4 In case of fraud, intentional misrepresentation or willful misconduct by any Group Company, Principal or Principal Holding Company, the indemnification limitations as provided under Section 11.1.3 shall no longer apply with respect to such Group Company, Principal or Principal Holding Company. In case of fraud, intentional misrepresentation or willful misconduct by any Principal or Principal Holding Company, such Principal and his Principal Holding Company covenant and agree jointly and severally to indemnify with the Group Companies Indemnifiable Losses mentioned in Section 11.1.1 that arise out of or are based upon the fraud, intentional misrepresentation or willful misconduct by Principal or Principal Holding Company.

11.2 For the avoidance of doubt, the rights of any Indemnitee to indemnification or any other remedy under this Agreement shall not be impacted or limited by any knowledge that the Indemnitee may have acquired, or could have acquired, whether before or after the Closing, nor by any investigation or diligence by the Indemnitee other than the knowledge acquired by disclosures in the Disclosure Schedule. The Group Companies, Principals and Principal Holding Companies hereby acknowledge that, regardless of any investigation made (or not made) by or on behalf of the Investor, and regardless of the results of any such investigation, the Investor has entered into this transaction in express reliance upon the representations and warranties of the Group Companies, Principals and Principal Holding Companies made in this Agreement.

11.3 Specific Indemnity. Without limiting the generality of the foregoing, the Group Companies shall, jointly and severally, indemnify and hold harmless OTPP, from and against any and all Indemnifiable Losses, as incurred by OTPP, insofar as such Indemnifiable Losses arise out of or otherwise in connection with (i) the complaint filed by Li Li (the form Chief Scientist of the Company) in the California Superior Court on August 28, 2019 against the U.S. Company, or (ii) legal proceeding from former employees Nengxiu Deng, Cheng Jin, and Jinjun Zhang of the U.S. Company against the U.S. Company for violation of Cal. Gov't Code section 12940(A).

11.4 Exception. For the avoidance of doubt, (a) the liabilities of the Group Companies under Section 11.3, and (b) the liabilities of the Group Companies in case of any breach of any representation or warranty under Section 3.9, 3.18 or 3.25 shall not be subject to the indemnification limitations under Section 11.1.3.

11.5 Exclusive Remedy. Other than each Indemnitee's remedy of specific performance and injunctive and other equitable relief it may be entitled in accordance with applicable Laws, from and after the Closing, Section 11 shall provide the exclusive monetary remedy for any misrepresentation or breach of warranty resulting from or arising out of this Agreement and other Transaction Documents for such Indemnitee.

12. Miscellaneous.

12.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties hereto whose rights or obligations hereunder are affected by such terms and conditions. This Agreement and the rights and obligations therein may be assigned or transferred by any Investor to any Affiliate without the consent of any Party but may not be assigned or transferred by any Group Company, Principal or Principal Holding Company without the prior written consent of the Investors. Nothing in this Agreement, express or implied, is intended to confer upon any Party other than the Parties hereto or their respective successors and assigns any rights, remedies, obligations, or Liabilities under or by reason of this Agreement, except as expressly provided in this Agreement (including with respect to indemnification of Indemnitees pursuant to Section 11.1.1 to 11.2).

12.2 Governing Law. This Agreement shall be governed by and construed under the Laws of Hong Kong, without regard to principles of conflict of Laws thereunder.

12.3 Dispute Resolution.

12.3.1 Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of any party to the dispute with notice (the "Arbitration Notice") to the other parties thereto.

12.3.2 The Dispute shall be settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre (the "HKIAC") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the "HKIAC Rules") in force when the Arbitration Notice is submitted in accordance with the HKIAC Rules. There shall be three (3) arbitrators, all of whom shall be qualified to practice law in Hong Kong.

12.3.3 The arbitral proceedings shall be conducted in both Chinese and English and all information and documents can be provided to the arbitral tribunal in English or Chinese with equal legal validity. To the extent that the HKIAC Rules are in conflict with the provisions of this Section 12.3, including the provisions concerning the appointment of the arbitrators, the provisions of this Section 12.3 shall prevail.

12.3.4 Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents reasonably requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party receiving the request and except for any information and documents subject to legal professional privilege.

12.3.5 The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award.

12.3.6 The arbitral tribunal shall decide any Dispute submitted by the parties to the arbitration strictly in accordance with the substantive Laws of Hong Kong (without regard to principles of conflict of Laws thereunder) and shall not apply any other substantive Law.

12.3.7 Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal.

12.3.8 During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

12.4 Notices. Any notice, request, consent or other communication required or permitted pursuant to this Agreement shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, fax, electronic mail or similar means to the address of the relevant Party as shown on Schedule G (or at such other address or number as such Party may designate by fifteen (15) days' advance written notice to the other Parties to this Agreement given in accordance with this Section). Where a notice, request, consent or other communication is sent by next-day or second-day courier service, service of the notice, request, consent or other communication shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, request, consent or other communication, with a written confirmation of delivery, and to have been effected at the earlier of (a) delivery (or when delivery is refused) and (b) expiration of two (2) Business Days after the letter containing the same is sent as aforesaid. Where a notice, request, consent or other communication is sent by fax or electronic mail, service of the notice, request, consent or other communication shall be deemed to be effected by properly addressing, and sending such notice, request, consent or other communication through a transmitting organization, with a written confirmation of delivery, and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day. Notwithstanding the foregoing, to the extent a "with a copy to" address is designated, notice must also be given to such address in the manner above for such notice, request, consent or other communication hereunder to be effective.

12.5 Survival of Representations, Warranties and Covenants. The representations and warranties of the Group Companies contained in this Agreement shall survive for a period of twenty-four (24) months after the Closing; provided, however, that the representations and warranties made pursuant to Section 3.1 to Section 3.6 shall survive indefinitely and the representations and warranties made pursuant to Sections 3.9, 3.11, 3.18 and 3.25 shall survive for the applicable statutory limitation period. The representations and warranties of the Principal Holding Companies and Principals contained in this Agreement shall survive indefinitely. Notwithstanding the foregoing, in case of fraud, intentional misrepresentation or willful misconduct of any of the Group Companies in connection with any of the representations and warranties made by it under Section 2.2.4 hereof, such representations and warranties shall survive the Closing indefinitely. The covenants of the Group Companies, the Principals and the Principal Holding Companies contained in this Agreement shall survive any investigation made by any Party hereto, and the consummation of the transactions contemplated hereby.

12.6 Rights Cumulative; Specific Performance. Each and all of the various rights, powers and remedies of a Party hereto will be considered to be cumulative with and in addition to any other rights, powers and remedies which such Party may have at laws or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power or remedy will neither constitute the exclusive election thereof nor the waiver of any other right, power or remedy available to such Party. Without limiting the foregoing, the Parties hereto acknowledge and agree irreparable harm may occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement.

12.7 Fees and Expenses. Each Party shall be responsible for and pay its own fees, costs and expenses incurred in connection with the negotiation, execution, delivery and performance of this Agreement and other Transaction Documents and the transactions contemplated hereby and thereby, including the fees, costs and expenses of its financial advisors, accountants and counsel. If any Action at Law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such Party may be entitled.

12.8 Finder's Fee. Each party represents that it neither is nor will be obligated for any finders' fee or commission in connection with this transaction. The Company agrees to indemnify and to hold harmless the Investors from any liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees, or representatives is responsible. Each Investor agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such liability or asserted liability) for which such Investor or any of its officers, employees, or representatives is responsible.

12.9 Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. If, however, any provision of this Agreement shall be invalid, illegal, or unenforceable under any such applicable Law in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such Law, or, if for any reason it is not deemed so modified, it shall be invalid, illegal, or unenforceable only to the extent of such invalidity, illegality, or limitation on enforceability without affecting the remaining provisions of this Agreement, or the validity, legality, or enforceability of such provision in any other jurisdiction.

12.10 Amendments and Waivers. Any term of this Agreement may be amended, only with the written consent of each of (a) the Company and (b) OTPP, provided that, no amendment shall be effective or enforceable in respect of an Investor if such amendment affects such Investor materially and adversely, unless such Investor consents in writing to such amendment in advance. Any amendment effected in accordance with this paragraph shall be binding upon each of the Parties hereto. Notwithstanding the foregoing, the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Party against whom such waiver is sought.

12.11 No Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right, power or remedy power hereunder at any one or more times be deemed a waiver or relinquishment of such right, power or remedy at any other time or times.

12.12 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any breach or default under this Agreement, and any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

12.13 No Presumption. The Parties acknowledge that any applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

12.14 Headings and Subtitles; Interpretation. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. Unless a provision hereof expressly provides otherwise: (a) the term "or" is not exclusive; (b) words in the singular include the plural, and words in the plural include the singular; (c) the terms "herein," "hereof," and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (d) the term "including" will be deemed to be followed by, "but not limited to," (e) the masculine, feminine, and neuter genders will each be deemed to include the others; (f) the terms "shall," "will," and "agrees" are mandatory, and the term "may" is permissive; (g) the term "day" means "calendar day," and "month" means calendar month, (h) all references in this Agreement to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, (i) all references in this Agreement to designated Schedules, Exhibits and Appendices are to the Schedules, Exhibits and Appendices attached to this Agreement, (j) the phrase "directly or indirectly" means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and "direct or indirect" has the correlative meaning, (k) references to laws include any such law modifying, re- enacting, extending or made pursuant to the same or which is modified, re- enacted, or extended by the same or pursuant to which the same is made, (xii) each representation, warranty, agreement, and covenant contained herein will have independent significance, regardless of whether also addressed by a different or more specific representation, warranty, agreement, or covenant, (l) all accounting terms not otherwise defined herein have the meanings assigned under the Accounting Standards, (m) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms, (n) references to this Agreement, any other Transaction Documents and any other document (other than the China-UAE SPA and the China-UAE Warrant) shall be construed as references to such document as the same may be amended, supplemented, superseded, replaced or novated from time to time, and (n) all references to dollars or to "US$" are to currency of the United States of America and all references to RMB are to currency of the PRC (and each shall be deemed to include reference to the equivalent amount in other currencies).

12.15 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mailed copies of signatures shall be deemed to be originals for purposes of the effectiveness of this Agreement.

12.16 Entire Agreement. This Agreement and the other Transaction Documents, together with all schedules and exhibits hereto and thereto, constitute the full and entire understanding and agreement among the Parties with regard to the subjects hereof and thereof, and supersede all other agreements between or among any of the Parties with respect to the subject matters hereof and thereof.

12.17 Aggregation of Stock. All Preferred Shares held or acquired by affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

12.18 Use of English Language. This Agreement has been executed and delivered in the English language. Any translation of this Agreement into another language shall have no interpretive effect. All documents or notices to be delivered pursuant to or in connection with this Agreement shall be in the English language or, if any such document or notice is not in the English language, accompanied by an English translation thereof, and the English language version of any such document or notice shall control for purposes thereof.

12.19 Independent Nature of Investors' Obligations and Rights. The purchase and sale of the Purchased Shares by each of the Investors as set forth in this Agreement shall be a separate and independent transaction, and may be consummated or terminated separately and severally in accordance with the terms of this Agreement. The obligations of each Investor under this Agreement and the other Transaction Documents are several and not joint, and no Investor is responsible in any way for the performance or conduct of any other Investor in connection with the transactions contemplated hereby. Nothing contained herein or in any other Transaction Document, and no action taken by any Investor pursuant hereto or thereto, shall be or shall be deemed to constitute a partnership, association, joint venture, or joint group with respect to the Investors. Each Investor agrees that no other Investor has acted as an agent for such Investor in connection with the transactions contemplated hereby.

12.20 Confidentiality. Section 12.6 (*Confidentiality*) of the Shareholders Agreement shall apply to this Agreement *mutatis mutandis*.

[*The remainder of this page has been left intentionally blank*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

PONY AI INC.

By: /s/ Jun Peng
Name: Jun Peng
Title: Director

PONY.AI, INC.

By: /s/ Jun Peng
Name: Jun Peng
Title: Director

HONGKONG PONY AI LIMITED

By: /s/ Jun Peng
Name: Jun Peng
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

GUANGZHOU PONY AI TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY AI TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

GUANGZHOU PONY HUIXING TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY HUIXING TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

GUANGZHOU BIBI TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU BIBI TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

GUANGZHOU PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

BEIJING PONY HUIXING TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY HUIXING TECHNOLOGY CO., LTD.

By: /s/ Hengyu Li
Name: Hengyu Li
Title: Legal Representative

BEIJING PONY AI TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY AI TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

BEIJING PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

JIANGSU HEIMAI DATA TECHNOLOGY CO., LTD.
Company seal: /s/ JIANGSU HEIMAI DATA TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

SHANGHAI PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ SHANGHAI PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Haojun Wang
Name: Haojun Wang
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

BEIJING PONY ZHIKA TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY ZHIKA TECHNOLOGY CO., LTD.

By: /s/ Hengyu Li
Name: Hengyu Li
Title: Legal Representative

BEIJING PONY RUIXING TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY RUIXING TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

GUANGZHOU PONY ZHIKA TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY ZHIKA TECHNOLOGY CO., LTD.

By: /s/ Hengyu Li
Name: Hengyu Li
Title: Legal Representative

GUANGZHOU PONY ZHIHUI LOGISTICS TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY ZHIHUI LOGISTICS TECHNOLOGY CO., LTD.

By: /s/ Xing He
Name: Xing He
Title: Legal Representative

SHENZHEN PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ SHENZHEN PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

PRINCIPALS AND PRINCIPAL HOLDING COMPNIES:

JUN PENG

/s/ Jun Peng

TIANCHENG LOU

/s/ TIANCHENG LOU

IWAY LLC

By: /s/ TIANCHENG LOU
Name: TIANCHENG LOU
Title: Director

[Signature Page to Series D Preferred Share Purchase Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

PRINCIPALS AND PRINCIPAL HOLDING COMPNIES:

HENGYU LI

/s/ HENGYU LI

FREE PONY LIMITED

By: /s/ HENGYU LI
Name: HENGYU LI
Title: Director

[Signature Page to Series D Preferred Share Purchase Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

2774719 Ontario Limited

By: /s/ Ken Ling Kelvin YU
Name: Ken Ling Kelvin YU
Title: Authorized Signatory

[Signature Page to Series D Preferred Share Purchase Agreement – Pony AI Inc.]

SCHEDULE A

[**********]

SCHEDULE B

[**********]

SCHEDULE C

[**********]

SCHEDULE D

[**********]

SCHEDULE E

[**********]

SCHEDULE F

[**********]

SCHEDULE G

[**********]

EXHIBIT A

FORM OF SEVENTH AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION AND SEVENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

[separately attached]

EXHIBIT B

FORM OF SIXTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

[separately attached]

EXHIBIT C

FORM OF SIXTH AMENDED AND RESTATED RIGHT OF FIRST REFUSAL & CO-SALE AGREEMENT

[separately attached]

EXHIBIT D

FORM OF CHINA-UAE WARRANT

[separately attached]

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY BRACKETS [****], HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

Exhibit 10.17

Execution Version

SERIES D PREFERRED SHARE AND WARRANT PURCHASE AGREEMENT

THIS SERIES D PREFERRED SHARE AND WARRANT PURCHASE AGREEMENT (together with all schedules and exhibits attached hereto, this "Agreement") is made and entered into on February 4, 2022 (the "Effective Date"), by and among:

1. Pony AI Inc., an exempted company organized under the Laws of the Cayman Islands (the "Company"),

2. Pony.AI, Inc., a company incorporated under the Laws of the State of Delaware, the United States (the "U.S. Company"),

3. Hongkong Pony AI Limited (香港小馬智行有限公司), a company incorporated under the Laws of Hong Kong (the "HK Company"),

4. Beijing Pony Huixing Technology Co., Ltd. (北京小马慧行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Beijing WFOE"),

5. Beijing Pony AI Technology Co., Ltd. (北京小马智行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Beijing Company"),

6. Guangzhou Pony Huixing Technology Co., Ltd. (广州小马慧行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Guangzhou WFOE"),

7. Shenzhen Pony Yixing Technology Co., Ltd. (深圳小马易行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Shenzhen WFOE"),

8. Guangzhou Pony AI Technology Co., Ltd. (广州小马智行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Guangzhou Company"),

9. Beijing Pony Yixing Technology Co., Ltd. (北京小马易行科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Beijing Yixing"),

10. Jiangsu Heimai Data Technology Co., Ltd. (江苏黑麦数据科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Jiangsu Heimai"),

11. Guangzhou Bibi Technology Co., Ltd. (广州哔哔出行科技服务有限公司) a limited liability company incorporated under the Laws of the PRC ("Guangzhou Bibi"),

12. Shanghai Pony Yixing Technology Co., Ltd. (小马易行科技(上海) 有限公司), a limited liability company incorporated under the Laws of the PRC ("Shanghai Yixing"),

13. Guangzhou Pony Yixing Technology Co., Ltd. (广州小马易行科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Guangzhou Yixing"),

14. Beijing Pony Zhika Technology Co., Ltd. (北京小马智卡科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Beijing Zhika"),

15. Beijing Pony Ruixing Technology Co., Ltd. (北京小马睿行科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Beijing Ruixing"),

16. Guangzhou Pony Zhika Technology Co., Ltd. (广州小马智卡科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Guangzhou Zhika"),

17. Guangzhou Pony Zhihui Logistics Technology Co., Ltd. (广州小马智慧物流科技有限 公 司), a limited liability company incorporated under the Laws of the PRC ("Guangzhou Zhihui"),

18. each individual listed on Schedule A hereto (each, a "Principal," and collectively, the "Principals"),

19. each entity listed on Schedule A attached hereto (each, a "Principal Holding Company," and collectively, the "Principal Holding Companies"), and

20. each Person listed on Schedule B hereto (each, together with its successors, transferees and permitted assigns, an "Investor," and collectively, the "Investors").

Each of the parties listed above is referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. The Company seeks expansion capital to grow the Business and, correspondingly, seeks to secure an investment from the Investors, on the terms and conditions set forth herein.

B. China-UAE has agreed to purchase from the Company, and the Company has agreed to sell to China-UAE certain Series D Preferred Shares of the Company on the terms and conditions set forth in the China-UAE SPA dated December 23, 2021, by and among, among others, the Company and China-UAE. Pursuant to the China-UAE SPA, the Company may enter into one or more additional purchase agreements with one or more additional investors pursuant to which such investors shall agree to purchase from the Company, and the Company shall agree to sell or issue to such investors certain additional Series D Preferred Shares or certain Series D Warrants subject to the terms and conditions thereof.

C. Each Investor wishes to, severally and not jointly, invest in the Company by subscribing for such number of Series D Preferred Shares and certain Series D Warrants to be issued by the Company to such Investor at the Closing pursuant to the terms and subject to the conditions of this Agreement.

D. The Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and conditions set forth herein.

WITNESSETH

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound hereto hereby agree as follows:

1. Definitions.

1.1 Certain Defined Terms. The following terms shall have the meanings ascribed to them below:

"Accounting Standards" means generally accepted accounting principles in the United States, applied on a consistent basis.

"Action" means any charge, claim, action, complaint, petition, investigation, appeal, suit, litigation, grievance, inquiry or other proceeding, whether administrative, civil, regulatory or criminal, whether at law or in equity, or otherwise under any applicable Law, and whether or not before or made by any mediator, arbitrator, other tribunal or Governmental Authority.

"Affiliate" means, with respect to a Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person. In the case of an Investor, the term "Affiliate" also includes (a) any direct or indirect shareholder of such Investor, (b) any of such shareholder's or such Investor's general partners or limited partners, (c) the fund manager managing or advising such shareholder or such Investor (and general partners, limited partners and officers thereof) and other funds managed or advised by such fund manager, and (d) trusts Controlled by or for the benefit of any such Person referred to in (a), (b) or (c), and (e) any fund or holding company formed for investment purposes that is promoted, sponsored, managed, advised or serviced by such Investor or any of its Affiliates, but excludes, for the avoidance of doubt, any portfolio companies of such Investor and portfolio companies of any affiliated investment fund or investment vehicle of such Investor. For the avoidance of doubt, unless the context requires otherwise, Affiliates of a Group Company shall not include any Investor and vice versa. For avoidance of doubt, Carlyle USD Entity and Carlyle RMB Entity shall be deemed an Affiliate of each other.

"Ancillary Agreements" means, collectively, the Shareholders Agreement and the Right of First Refusal & Co-Sale Agreement, each as defined herein.

"Associate" means, with respect to any Person, (a) a corporation or organization (other than the Group Companies) of which such Person is an officer or partner or is, directly or indirectly, the record or beneficial owner of five percent (5%) or more of any class of Equity Securities of such corporation or organization, (b) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity, or (c) any relative or spouse of such Person, or any relative of such spouse.

"Beijing Control Documents"means the agreements entered into from time to time that provide to the Beijing WFOE exclusive contractual control over the Beijing Company and its Subsidiaries and allow the Company to consolidate 100% of the financial statements of the Beijing Company and its Subsidiaries with those of the Company for financial reporting purposes under IFRS or the Accounting Standards, including the following contracts and documents (each as amended, supplemented, restated or replaced from time to time) collectively: (a) an Exclusive Business Cooperation Agreement (《独家业务合作协议》) entered into by and among the Beijing WFOE, the Beijing Company and the HK Company as of June 1, 2020, (b) an Exclusive Call Option Agreement 《(独家购买权合同》) entered into by and among the Beijing WFOE, the Beijing Company, the HK Company and the equity holders of the Beijing Company, as of June 1, 2020 (c) Power of Attorney (《授权委托书》) executed and issued by Suping Xu (许素萍), Hengyu Li (李衡宇), Jun Zhou (周筠) and Tiancheng Lou (楼天城) as of June 1, 2020, by Haojun Wang (王皓俊) as of February 26, 2021, and by Fengheng Tang (唐丰珩) as of July 22, 2021, as the equity holders of the Beijing Company to the Beijing WFOE, (d) an Equity Pledge Contract (《股权质押合同》) entered into by and among the Beijing WFOE, the Beijing Company, the HK Company and the equity holders of the Beijing Company as of June 1, 2020, and (e) the Commitment Letters (《承诺函》) executed and issued by the spouse of each applicable equity holders of the Beijing Company as of December 27, 2017.

"Benefit Plan" means any employment Contract, deferred compensation Contract, bonus plan, incentive plan, profit sharing plan, mandatory provident scheme, occupational retirement scheme, retirement Contract or other employment compensation Contract or any other plan which provides or provided benefits for any past or present employee, officer, consultant, and/or director of a Person or with respect to which contributions are or have been made on account of any past or present employee, officer, consultant, and/or director of such a Person.

"Board" or "Board of Directors" means the board of directors of the Company.

"Business" means the development of artificial intelligence solutions for autonomous driving.

"Business Day" means any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorized by law to be closed in the Cayman Islands, British Virgin Islands, the United States, Hong Kong, Toronto, the United Arab Emirates or the PRC.

"Carlyle" means, collectively, Carlyle USD Entity and Carlyle RMB Entity.

"Carlyle RMB Entity" means 海南凯贝信投资合伙企业（有限合伙） and its Affiliates, successors and permitted assigns.

"Carlyle USD Entity" means Evodia Investments and its Affiliates, successors and permitted assigns.

"CFC" means a controlled foreign corporation as defined in the Code.

"Charter Documents" means, with respect to a particular legal entity, the articles of incorporation, certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, shareholders agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.

"China Company Registration Authority" means (a) the State Administration for Industry and Commerce of China or the State Administration for Market Regulation as the successor of the foregoing, as the case may be, or (b) its competent local counterparts.

"China-UAE" means China-UAE Investment Cooperation Fund, L.P. and its successors, transferees and permitted assigns.

"China-UAE Closing" means the "Closing" as defined in the China-UAE SPA.

"China-UAE SPA" means the Series D Preferred Share Purchase Agreement entered into by and among the Company, China-UAE and certain other parties dated December 23, 2021.

"China-UAE Warrant" means the Warrant to Purchase Shares to be entered into by and between China-UAE and the Company as of the China-UAE Closing.

"Circular 37" means the Notice on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents to Engage in Overseas Investment and Financing and Round-Trip Investment via Overseas Special Purpose Companies (《关于境内居民通过境外特殊目的公司境外投融资及返程投资外汇管理有关问题的通知》) issued by the SAFE on July 4, 2014, as amended from time to time, and any implementation or successor rule or regulation under the PRC Laws.

"Class A Ordinary Shares" means the Company's class A ordinary shares, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Class B Ordinary Shares" means the Company's class B ordinary shares, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles, the ownership of which shall be limited to Jun Peng and Tiancheng Lou.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Company Owned IP" means all Intellectual Property owned by, purported to be owned by or exclusively licensed to any Group Company.

"Company Registered IP" means all patents, trademarks, software registrations, domain names and any other registrable Intellectual Property owned by or held in the name of, and for which applications or registrations have been made in the name of, any Group Company.

"Consent" means any consent, approval, authorization, release, waiver, permit, grant, franchise, concession, agreement, license, exemption or order of, registration, qualification, designation certificate, declaration or filing with, or report or notice to, any Person, including any Governmental Authority or any other applicable Person.

"Contract" means, a contract, agreement, understanding, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, or other legally binding arrangement, whether written or oral.

"Control" of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by Contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person. The terms "Controlled" and "Controlling" have meanings correlative to the foregoing.

"Control Documents" means, collectively, the Beijing Control Documents and the Guangzhou Control Documents.

"Conversion Shares" means the Class A Ordinary Shares issuable upon conversion of the Preferred Shares (including without limitation the Purchased Shares and the Series D Preferred Shares issued upon the exercise of the Series D Warrants).

"RMB Loan Agreement" means the loan agreement to be entered into by and among the Company, the relevant Investor and Beijing Yixing substantially in the form attached hereto as Exhibit H, pursuant to which such Investor will provide a loan in an amount equal to the Purchase Price of such Investor to Beijing Yixing.

"Domestic Companies" means, collectively, Beijing Company, Guangzhou Company, Jiangsu Heimai and Guangzhou Bibi.

"Equity Securities" means, with respect to any Person that is a legal entity, (a) any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person; (b) any equity appreciation, phantom equity, equity plans or similar rights with respect to such Person; (c) any security convertible into, exchangeable or exercisable for, or any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire, subscribe for or purchase any of the Equity Securities referred to in (a) and (b); or (d) any Contract providing for the acquisition of any of the foregoing, either directly or indirectly.

"Escrow Agreement" means the escrow agreement to be entered into on or prior to the Closing of the Carlyle RMB Entity by and among the Carlyle RMB Entity, the Beijing WFOE and the escrow bank in respect of the escrow arrangement of the loan granted by the Carlyle RMB Entity to the Beijing WFOE.

"FCPA" means Foreign Corrupt Practices Act of the United States, as amended from time to time.

"Governmental Authority" means any government of any nation, federation, province or state or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any governmental authority, agency, department, board, commission or instrumentality of the PRC, Hong Kong or any other country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization.

"Governmental Order" means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.

"Group" or "Group Companies" means, collectively, the Company, the U.S. Company, the HK Company, the Domestic Companies, the Beijing WFOE, the Guangzhou WFOE, the Shenzhen WFOE, Beijing Yixing, Shanghai Yixing, Guangzhou Yixing, Beijing Zhika, Beijing Ruixing, Guangzhou Zhika, Guangzhou Zhihui, together with each Subsidiary of any of the foregoing, and "Group Company" refers to any of the Group Companies.

"Guangzhou Control Documents"means the agreements entered into from time to time that provide to the Guangzhou WFOE exclusive contractual control over the Guangzhou Company and its Subsidiaries and allow the Company to consolidate 100% of the financial statements of the Guangzhou Company and its Subsidiaries with those of the Company for financial reporting purposes under IFRS or the Accounting Standards, including the following contracts and documents (each as amended, supplemented, restated or replaced from time to time) collectively: (a) an Exclusive Business Cooperation Agreement (《独家业务合作协议》) by and among the Guangzhou WFOE, the Guangzhou Company and the HK Company as of June 1, 2020, (b) an Exclusive Call Option Agreement (《独家购买权合同》) by and among the Guangzhou WFOE, the Guangzhou Company, the HK Company and the equity holders of the Guangzhou Company as of September 14, 2020, (c) Power of Attorney (《授权委托书》) by the equity holders of the Guangzhou Company to the Guangzhou WFOE as of September 14, 2020, (d) an Equity Pledge Contract (《股权质押合同》) by and among the Guangzhou WFOE, the Guangzhou Company, the HK Company and the equity holders of the Guangzhou Company as of September 14, 2020, and (e) the Commitment Letters (《承诺函》) executed and issued by the spouse of each applicable equity holders of the Guangzhou Company as of September 14, 2020, respectively.

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC.

"IFRS" means the International Financial Reporting Standards.

"Indebtedness" of any Person means, without duplication, each of the following of such Person: (a) all indebtedness for borrowed money, (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business), (c) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced that are incurred in connection with the acquisition of properties, assets or businesses, (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (f) all obligations that are capitalized (including capitalized lease obligations), (g) all obligations under banker's acceptance, letter of credit or similar facilities, (h) all obligations to purchase, redeem, retire, defease or otherwise acquire for value any Equity Securities of such Person, (i) all obligations in respect of any interest rate swap, hedge or cap agreement, and (j) all guarantees issued in respect of the Indebtedness referred to in clauses (a) through (i) above of any other Person, but only to the extent of the Indebtedness guaranteed.

"Indemnifiable Loss" means, with respect to any Person, any action, claim, cost, damage, deficiency, diminution in value, disbursement, expense, liability, loss, obligation, penalty or settlement of any kind or nature or Taxes imposed on or otherwise incurred or suffered by such Person, including without limitation, reasonable legal, accounting and other professional fees and expenses incurred in the investigation, collection, prosecution and defense of claims and amounts paid in settlement and Taxes payable by such Person by reason of the indemnification, in each case with sufficient supporting records in writing.

"Indemnitee(s)" means the Investors and their respective Affiliates, officers, directors, employees, agents, successors and assigns.

"Intellectual Property" or "IP" means any and all (a) patents, patent rights and applications therefor and reissues, reexaminations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (b) inventions (whether patentable or not), discoveries, improvements, concepts, innovations and industrial models, (c) registered and unregistered copyrights, copyright registrations and applications, mask works and registrations and applications therefor, author's rights and works of authorship (including artwork, software, computer programs, source code, object code and executable code, firmware, development tools, files, records and data, and related documentation), (d) URLs, web sites, web pages and any part thereof, (e) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary processes, technology, formulae, and algorithms and other intellectual property, (f) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefor, and (g) the goodwill symbolized or represented by the foregoing.

"Joinder Agreements" means the SHA Joinder Agreement and the ROFR Joinder Agreement duly executed by any Investor the Closing of which occurs after the China-UAE Closing.

"Key Employees" means the individuals listed on Schedule F hereto, which includes all employees of the Group Companies with positions of president, chief executive officer, chief financial officer, chief operating officer, chief technical officer, chief sales and marketing officer, general manager, any other managers reporting directly to any Group Company's Board of Directors, president or chief executive officer, and any other employee with the title of "vice president" or higher, or with responsibilities similar to any of the foregoing, and any key technical personnel and any employee with access to proprietary technology of a Group Company.

"Law" or "Laws" means any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, concession, grant, franchise, license, agreement, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as amended, and any and all applicable Governmental Orders.

"Liabilities" means, with respect to any Person, all liabilities, obligations and commitments of such Person of any nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due.

"Lien" means any claim, charge, easement, encumbrance, lease, covenant, security interest, lien, option, pledge, rights of others, or restriction (whether on voting, sale, transfer, disposition or otherwise), whether imposed by Contract, understanding, law, equity or otherwise.

"Material Adverse Effect"means any (a) event, occurrence, fact, condition, change or development that has had, has, or could reasonably be expected to have individually or together with other events, occurrences, facts, conditions, changes or developments a material adverse effect on the business, employees, operations, results of operations, condition or affairs (financially or otherwise), properties, assets or liabilities of the Group taken as a whole, (b) material impairment of the ability of any Party (other than the Investors) to perform the material obligations of such party under any Transaction Documents, or (c) material impairment of the validity or enforceability of this Agreement or any other Transaction Document against any Party hereto and thereto (other than the Investors).

"Memorandum and Articles" means the Seventh Amended and Restated Memorandum of Association of the Company and the Seventh Amended and Restated Articles of Association of the Company attached together hereto as Exhibit A, to be adopted in accordance with applicable Laws on or before the China-UAE Closing.

"MOFCOM" means the Ministry of Commerce of the PRC or, with respect to any matter to be submitted for examination and approval by the Ministry of Commerce, any Governmental Authority which is similarly competent to examine and approve such matter under the Laws of the PRC.

"OEM" means any original equipment manufacturer of vehicles.

"OFAC" means the office of Foreign Assets Control of the United States Department of Treasury.

"Order No. 10" means the Rules for Mergers with and Acquisitions of Domestic Enterprises by Foreign Investors (《关于外国投资者并购境内企业的规定》) jointly issued by the MOFCOM, the State-owned Assets Supervision and Administration Commission, the State Administration of Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission and the SAFE on August 8, 2006, as amended from time to time.

"Ordinary Shares" means the Class A Ordinary Shares and/or the Class B Ordinary Shares.

"Outbound Investment Approvals" means necessary filings and/or registrations, with respect to the transaction contemplated under the Transaction Documents regarding an applicable Investor, with the competent local branch of the Ministry of Commerce of the PRC and the competent branch of the National Development and Reform Commission of the PRC, as well as necessary filing and/or registration with the competent branch of the SAFE (or a bank competent to accept or effect such filing and/or registration under the Laws of the PRC).

"Permitted Liens" means (a) Liens for Taxes not yet delinquent or the validity of which are being contested in good faith and for which there are adequate reserves on the applicable financial statements; and (b) Liens incurred in the ordinary course of business, which (i) do not individually or in the aggregate materially detract from the value, use, or transferability of the assets that are subject to such Liens, and (ii) were not incurred in connection with the borrowing of money.

"Person" means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.

"PFIC" means a passive foreign investment company as defined in the Code.

"PRC" means the People's Republic of China, but solely for the purposes of this Agreement and the other Transaction Documents, excluding Hong Kong, the Macau Special Administrative Region and the islands of Taiwan.

"Preferred Shares" means the Series A Preferred Shares, the Series B Preferred Shares, the Series B+ Preferred Shares, the Series B2 Preferred Shares, the Series C Preferred Shares, the Series C+ Preferred Shares and the Series D Preferred Shares (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants).

"Prohibited Person" means any Person that is (a) in or a national, domicile or resident of any United States embargoed or restricted country or region, presently, Crimea, Cuba, Iran, North Korea, Syria and Venezuela (a "Sanctioned Jurisdiction"), (b) included on, or Affiliated with any Person on, the United States Commerce Department's Denied Parties List, Entity List or Unverified List; the United States Department of Treasury's Specially Designated Nationals and Blocked Persons List, Specially Designated Narcotics Traffickers or Specially Designated Terrorists, the Annex to Executive Order No. 13224 or any other list of sanctioned Persons maintained by OFAC or the United States Department of State; or any sanctions list administered by the United Kingdom, Canada, the European Union, or the United Nations; or the United States Department of State's Debarred List, or (c) any other Person with whom business transactions or dealings, including exports and re-exports, are restricted by a United States Governmental Authority, including, in each clause above, any updates or revisions to the foregoing and any newly published rules and any Person that is owned or Controlled by any one or more Persons described in clause (a) or (b) above.

"Public Official" means (i) any official, officer, employee, or representative of, or any Person acting in an official capacity for or on behalf of, any Governmental Authority; (ii) any political party or party official or candidate for political office; (iii) any political candidate; executive, employee or officer of a public international organization (iv) a Politically Exposed person (PEP) as defined by the Financial Action Task Force (FATF), Groupe d'action Financière sur le Blanchiment de Capitaux (GAFI), or AML 5; (v) any director, officer or employee or agent of a wholly owned or partially state-owned or Controlled enterprise, including a PRC state-owned or Controlled enterprise or (vi) any official, officer, employee, or representative of a company, business, enterprise or other entity owned, in whole or in part, or controlled by any Governmental Authority.

"Public Software" means any Software that contains, or is derived in any manner (in whole or in part) from software that is distributed as free software, open source software (*e.g.*, Linux) or similar licensing or distribution models, including, without limitation, software licensed or distributed under any of the following licenses or distribution models, or licenses or distribution models similar to any of the following: (a) GNU's General Public License (GPL) or Lesser/Library GPL (LGPL), (b) the Artistic License (e.g., PERL), (c) the Mozilla Public License, (d) the Netscape Public License, (e) the Sun Community Source License (SCSL), (f) the Sun Industry Standards License (SISL), (g) the BSD License, and (h) the Apache License.

"Related Party" means any Affiliate, officer, director, supervisory board member, employee, or holder of any Equity Security of any Group Company, and any Affiliate of any of the foregoing.

"Right of First Refusal & Co-Sale Agreement" means the Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement to be entered into by and among the parties named therein on or prior to the China-UAE Closing, which shall be in substantially the form and substance attached hereto as Exhibit C.

"ROFR Joinder Agreement" means the joinder agreement to the Right of First Refusal & Co-Sale Agreement, in substantially the form and substance attached hereto as Exhibit F, to be executed by the relevant Investor whose Closing occurs after the China-UAE Closing.

"SAFE" means the State Administration of Foreign Exchange of the PRC or, with respect to any reporting, filing or registration to be accepted or effected by or with the State Administration of Foreign Exchange, any of its branches which is competent to accept or effect such reporting, filing or registration under the Laws of the PRC.

"SAFE Rules and Regulations" means collectively, the Circular 37 and any other applicable SAFE rules and regulations.

"Securities Act" means the U.S. Securities Act of 1933, as amended and interpreted from time to time.

"Series A Preferred Shares" means, collectively, the Series A Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B Preferred Shares" means, collectively, the Series B Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B+ Preferred Shares" means, collectively, the Series B+ Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B2 Preferred Shares" means, collectively, the Series B2 Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series C Preferred Shares" means, collectively, the Series C Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series C+ Preferred Shares" means, collectively, the Series C+ Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series D Preferred Shares" means, collectively, the Series D Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series D Warrants" means the Warrants issued by the Company to each relevant Investor listed in Part II of Schedule C attached hereto respectively as of the Closing with respect to the subscription of certain number of Series D Preferred Shares substantially in the form attached hereto as Exhibit D.

"Shareholders Agreement" means the Sixth Amended and Restated Shareholders Agreement to be entered into by and among the parties named therein on or prior to the China-UAE Closing, which shall be in substantially the form and substance attached hereto as Exhibit B.

"SHA Joinder Agreement" means the joinder agreement to the Shareholders Agreement, in substantially the form and substance attached hereto as Exhibit E, to be executed by the relevant Investor whose Closing occurs after the China-UAE Closing.

"Social Insurance" means any form of social insurance required under applicable Laws, including without limitation, the PRC national and local contributions for pensions, medical insurance, unemployment insurance, work-related injury insurance, pregnancy benefits, and housing accumulation funds.

"Software" means any and all (a) computer programs, including any and all software implementations of algorithms, models and methodologies, including all source code and executable code, whether embodied in software, firmware or otherwise, documentation, development tools, designs, files, verilog files, RTL files, HDL, VHDL, net lists, records, data and mask works; and (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, and all rights therein.

"Statement Date" means September 30, 2021.

"Subsidiary" means, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person. For the avoidance of doubt, a branch of any Group Company shall be deemed a Subsidiary of such Group Company.

"Tax" or "Taxation" means (a) in the PRC: (i) any national, provincial, municipal, or local taxes, charges, fees, levies, duties or other assessments, including, without limitation, all net income (including enterprise income tax and individual income withholding tax), turnover (including value-added tax, business tax, and consumption tax), resource (including urban and township land use tax), special purpose (including land value-added tax, urban maintenance and construction tax, and additional education fees), property (including urban real estate tax and land use fees), documentation (including stamp duty and deed tax), sales and use, transfer, excise, capital gains, environmental, filing, recording, Social Insurance (including pension, medical, unemployment, housing, and other Social Insurance withholding), tariffs (including import duty and import value-added tax), and estimated and provisional taxes, charges, fees, levies, duties or other assessments of any kind whatsoever, (ii) all interest, penalties (administrative, civil or criminal), or additional amounts imposed by any Governmental Authority in connection with any item described in clause (i) above, and (iii) any form of transferee or successor liability imposed by any Governmental Authority, by contract or otherwise in connection with any item described in clauses (i) and (ii) above, and (b) in any jurisdiction other than the PRC: all similar liabilities as described in clauses (i), (ii) and (iii) above.

"Tax Return" means any return, declaration, form, election, report, filing, claim for refund or information return or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.

"Transaction Documents" means with respect to an Investor, this Agreement, the RMB Loan Agreement (if applicable), the Escrow Agreement (if applicable), the Series D Warrant (if applicable), the Ancillary Agreements, the Memorandum and Articles, the Joinder Agreements (if applicable), the exhibits attached to any of the foregoing and any other document, each of such agreements and documents as contemplated by, and/or annexed and exhibited to any of the foregoing, and each of the other agreements and documents entered into and executed concurrently or around the date hereof by the parties thereto (or any of them) or otherwise required in connection with implementing the transactions contemplated by any of the foregoing.

"U.K. Bribery Act" means the U.K. Bribery Act 2010, as amended from time to time.

"U.S. Treasury Regulations" means the Tax regulations issued by the United States Internal Revenue Service.

"US," "U.S." or "United States" means the United States of America.

"United States Person" means United States person as defined in Section 7701(a)(30) of the Code.

"Warrant Shares" means the Series D Preferred Shares that each relevant Investor may subscribe for pursuant to its exercise of the relevant Series D Warrant from time to time in accordance with the terms thereof.

1.2 Other Defined Terms. The following terms shall have the meanings defined for such terms in the Sections set forth below:

Agreement	Preamble
Anti-Corruption Laws	Section 8.4
Arbitration Notice	Section 12.3.1
Beijing Company	Preamble
Beijing WFOE	Preamble
Beijing Yixing	Preamble
Beijing Zhika	Preamble
CFIUS	Section 3.25
Closing	Section 2.3.1
Company	Preamble
Company IP	Section 3.21.1
Compliance Laws	Section 3.18.1
Data Security Laws	Section 3.9.1
Disclosure Schedule	Section 3
Dispute	Section 12.3.1
EAR	Section 3.18.5
Effective Date	Preamble
ESOP	Section 3.2.1
Financial Statements	Section 3.14
Guangzhou Bibi	Preamble
Guangzhou Company	Preamble
Guangzhou WFOE	Preamble
Guangzhou Yixing	Preamble
Guangzhou Zhihui	Preamble
Guangzhou Zhika	Preamble
HK Company	Preamble
HKIAC	Section 12.3.2
HKIAC Rules	Section 12.3.2
International Trade Laws	Section 3.18.5
Investor/Investors	Preamble
ITAR	Section 3.18.5
Jiangsu Heimai	Preamble
Lease	Section 3.19.2
Licenses	Section 3.21.5
Mapping Service Provider	Section 3.17.2
Material Contracts	Section 3.17.2
Non-transferrable Items	Section 3.3.3
Money Laundering Laws	Section 3.18.11
Party/Parties	Preamble
Principal/Principals	Preamble

Principal Holding Company/Principal Holding Companies	Preamble
Proceeds	Section 2.3.4
Purchase Price	Section 2.1
Purchased Shares	Section 2.1
Representatives	Section 3.18.1
Required Governmental Consents	Section 3.8.2
Sanctions	Section 3.18.5
SEC	Section 5.3
Security Holder	Section 3.8.4
Shenzhen WFOE	Preamble
U.S. Company	Preamble

2. Purchase and Sale of Shares and Warrants.

2.1 Sale and Issuance of the Purchased Shares. Subject to the terms and conditions of this Agreement, at the Closing, each Investor, as listed in Part I of Schedule C attached hereto, agrees to, severally and not jointly, subscribe for and purchase, and the Company agrees to issue and sell to such Investor, that number of Series D Preferred Shares set forth opposite such Investor's name in Part I of Schedule C attached hereto (the "Purchased Shares"), for such amount of consideration as set forth opposite such Investor's name in Part I of Schedule C attached hereto (the "Purchase Price"). The Purchase Price payable by the Investors reflects a per share purchase price of US$25.0446 for each Series D Preferred Share.

2.2 Sale and Issuance of the Series D Warrants. Subject to the terms and conditions of this Agreement, at the Closing, each Investor, as listed in Part II of Schedule C attached hereto, agrees to, severally and not jointly, subscribe for and purchase, and the Company agrees to issue and sell to such Investor certain Series D Warrant to purchase certain number of newly issued Series D Preferred Shares set forth opposite such Investor's name in Part II of Schedule C attached hereto in accordance with the terms of the Series D Warrants at the Purchase Price as set forth opposite such Investor's name in Part II of Schedule C attached hereto.

2.3 Closing.

2.3.1 Closing. The consummation of the sale and issuance of the Purchased Shares to each relevant Investor listed in Part I of Schedule C attached hereto pursuant to Section 2.1 (the "Closing") shall take place remotely via the exchange of documents and signatures on the fifteenth (15th) Business Day after all closing conditions specified in Section 6 and Section 7 hereof have been satisfied or otherwise waived by such Investor or the Company (as applicable), or at such other time and place as the Company and such Investor shall mutually agree in writing. At the Closing, the Company shall issue the duly executed Series D Warrants to each relevant Investor listed in Part II of Schedule C attached hereto pursuant to Section 2.2 and such issuance constitutes the Closing for such Investor.

2.3.2 Deliveries by the Company at the Closing. At the Closing of an Investor, subject to the satisfaction or waiver of all the conditions set forth in Section 7 below, in addition to any items the delivery of which is made an express condition to such Investor's obligations at the applicable Closing pursuant to Section 6, the Company shall deliver to each Investor, as applicable, (a) with respect to such Investor listed in Part I of Schedule C attached hereto only, a scanned copy of the updated register of members of the Company, certified by the registered agent of the Company, reflecting the issuance to such Investor of the Purchased Shares being purchased by such Investor at the Closing pursuant to Section 2.1, (b) with respect to such Investor listed in Part I of Schedule C attached hereto only, a scanned copy of the duly executed share certificate or certificates issued in the name of the Investor representing the Purchased Shares purchased by such Investor, certified as true by a director or the registered agent of the Company (the original of which shall be delivered to such Investor within fifteen (15) days after the Closing), (c) with respect to such Investor listed in Part II of Schedule C attached hereto only, the duly executed Series D Warrant applicable to such Investor, and (d) a copy of the Memorandum and Articles certified by the registered agent of the Company via email confirmation that it is the same copy which will be duly filed with the Registrar of Companies of the Cayman Islands. .

2.3.3 Deliveries by the Investors at the Closing. At the applicable Closing, subject to the satisfaction or waiver of all the conditions set forth in Section 6 below, each Investor listed in Part I of Schedule C attached hereto shall, severally and not jointly, by wire transfer, remit immediately available funds in U.S. dollars in an amount equal to its Purchase Price to an account designated by the Company in the form of transfer instructions delivered to such Investor at least five (5) Business Days prior to the applicable Closing. For the avoidance of doubt, each Investor listed in Part II of Schedule C attached hereto shall grant the loan to the Subsidiary of the Company pursuant to the RMB Loan Agreement of such Investor.

2.3.4 Use of Proceeds. Subject to the terms of this Agreement, the Company shall use the proceeds from the issuance and sale of the Purchased Shares and the Series D Warrants (the "Proceeds") for purpose of business expansion, capital expenditures and general working capital needs of the Group Companies in accordance with the budgets and business plans of the Company duly approved in accordance with the Shareholders Agreement and the Memorandum and Articles. The Group Companies shall use the Proceeds without violating any applicable PRC Law, including without limitation SAFE Rules and Regulations. The Company shall provide the necessary information relating to the use of Proceeds as reasonably requested by the Investors to facilitate their requisite tax reporting obligations.

3. Representations and Warranties of the Group Companies. Subject to such exceptions as may be specifically set forth in the disclosure schedule delivered by the Group Companies to each Investor as of the date hereof (the "Disclosure Schedule"), attached as Schedule D hereto, each of the Group Companies, jointly and severally, represents and warrants to each Investor that each of the statements contained in this Section 3 is true, accurate and complete as of the date of this Agreement, and that each of such statements shall be true, accurate and complete on and as of the date of the applicable Closing, with the same effect as if made on and as of the date of the applicable Closing. "To the Group Companies' Knowledge" or words of similar effect shall mean the actual knowledge of the Principals and the Key Employees, and that knowledge which should have been acquired by each such individual after making such due inquiry and exercising such due diligence as a prudent business person would have made or exercised in the management of his or her business affairs.

3.1 Organization, Good Standing and Qualification. Each Group Company is duly organized, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, and by virtue of, the Laws of the place of its incorporation or establishment and has all requisite power and authority to own its properties and assets and to carry on its business as now conducted and as currently proposed to be conducted, and to perform each of its obligations under the Transaction Documents to which it is a party. Each Group Company is qualified to do business and is in good standing (or equivalent status in the relevant jurisdiction) in each jurisdiction where failure to be so qualified would be a Material Adverse Effect. Each Group Company that is a PRC entity has a valid business license issued by the China Company Registration Authority or other relevant Governmental Authorities (a true, complete and most up-to-date copy of which has been delivered to the Investors), and has, since its establishment, carried on its business in compliance with the business scope set forth in its business license.

3.2 Capitalization and Voting Rights.

3.2.1 Company. Assuming the issuance of the Series D Preferred Shares (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants) at a Purchase Price of US$500,000,000 in the aggregate, with a per share purchase price of US$25.0446, the fully-diluted capitalization table of the Company prior to and immediately after the Closing is set forth in Schedule E hereto. Assuming the issuance of the Series D Preferred Shares (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants) at a Purchase Price of US$500,000,000 in the aggregate, with a per share purchase price of US$25.0446, the authorized share capital of the Company immediately prior to the Closing shall be US$300,000.00 divided into (a) a total of 307,505,707 authorized Class A Ordinary Shares, 10,635,221 of which are issued and outstanding, and 56,230,176 of which have been reserved for issuance to officers, directors, employees, consultants or service providers of the Company pursuant to the employee and advisor equity incentive plan of the Company (the "ESOP"), (b) a total of 81,088,770 authorized Class B Ordinary Shares, all of which are issued and outstanding, (c) a total of 34,717,760 authorized Series A Preferred Shares, all of which are issued and outstanding, (d) a total of 44,758,365 authorized Series B Preferred Shares, all of which are issued and outstanding, (e) a total of 27,428,047 authorized Series B+ Preferred Shares, all of which are issued and outstanding, (f) a total of 10,478,885 authorized Series B2 Preferred Shares, all of which are issued and outstanding, (g) a total of 57,896,414 authorized Series C Preferred Shares, all of which are issued and outstanding, (h) a total of 16,161,668 authorized Series C+ Preferred Shares, 16,161,021 of which are issued and outstanding, and (i) a total of 19,964,384 authorized Series D Preferred Shares (including the Series D Preferred Shares issuable under the Series D Warrants), none of which are issued and outstanding immediately prior to the Closing (assuming no Series D Preferred Shares have been issued immediately prior to the Closing).

3.2.2 Group Companies and Principal Holding Companies. Section 3.2.2 of the Disclosure Schedule sets forth the capitalization table of each Group Company and Principal Holding Company as of immediately prior to the Closing, and immediately after the Closing (for the capitalization table of the Company, assuming the issuance of the Series D Preferred Shares (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants) at a Purchase Price of US$500,000,000 in the aggregate, with a per share purchase price of US$25.0446), in each case reflecting all then outstanding and authorized Equity Securities of such Group Company or Principal Holding Company, and the record and beneficial holders thereof. Each Group Company and Principal Holding Company is the sole record and beneficial holder of the Equity Securities as set forth opposite its name on Section 3.2.2 of the Disclosure Schedule, free and clear of all Liens of any kind other than those arising under applicable Laws.

3.2.3 No Other Securities. Except for (a) the conversion privileges of the Preferred Shares, (b) certain rights provided in the China-UAE SPA, the Memorandum and Articles, the Shareholders Agreement, the Right of First Refusal & Co-Sale Agreement and the China-UAE Warrant from and after the China-UAE Closing, (c) currently outstanding options to purchase Ordinary Shares granted to employees and other service providers pursuant to the ESOP, and (d) the outstanding Equity Securities set forth in Section 3.2.3 of the Disclosure Schedule, (x) there are no and at the Closing there shall be no other authorized or outstanding Equity Securities of any Group Company, (y) no Equity Securities of any Group Company are subject to any preemptive rights, rights of first refusal (except to the extent provided by applicable PRC Laws) or other rights to purchase such Equity Securities or any other rights with respect to such Equity Securities, and (z) except as contemplated under the Transaction Documents, no Group Company is a party or subject to any Contract that affects or relates to the voting or giving of written consents with respect to, or the right to cause the redemption, or repurchase of, any Equity Security of such Group Company. Except as set forth in the Shareholders Agreement (from and after the Closing), the Company has not granted any registration rights or information rights to any other Person, nor is the Company obliged to list any of the Equity Securities of any Group Companies on any securities exchange. Except as contemplated under the Transaction Documents, there are no voting trusts, proxies or similar agreements or understandings which relate to the voting or transfer of share capital or registered capital of any Group Company.

3.2.4 Issuance and Status. All presently outstanding Equity Securities of each Group Company and Principal Holding Company were duly and validly issued (or subscribed for) in compliance with all applicable Laws, preemptive rights of any Person, and applicable Contracts. All Equity Securities, as the case may be, of each Group Company have been duly and validly issued, are fully paid (or subscribed for) and non-assessable, and as of the Closing shall be free of any and all Liens (except for any restrictions on transfer under the Transaction Documents and applicable Laws). Except as contemplated under the Transaction Documents in the case of (a), (d) and (e), there are no (a) resolutions pending to increase the share capital or registered capital of any Group Company, (b) resolutions pending to cause the liquidation, winding up, or dissolution of any Group Company, nor has any distress, execution or other process been levied against any Group Company, (c) dividends which have accrued or been declared but are unpaid by any Group Company, or (d) obligations, contingent or otherwise, of any Group Company to repurchase, redeem, or otherwise acquire any Equity Securities, or (e) outstanding or authorized equity appreciation, phantom equity, equity plans or similar rights with respect to any Group Company. All dividends (if any) or distributions (if any) declared, made or paid by each Group Company, and all repurchases and redemptions of Equity Securities of each Group Company (if any), have been declared, made, paid, repurchased or redeemed, as applicable, in accordance with its Charter Documents and all applicable Laws.

3.2.5 Title. Each Group Company is the sole record and beneficial holder of all of the Equity Securities set forth opposite its name on Section 3.2.2 of the Disclosure Schedule, free and clear of all Liens of any kind other than those arising under the Control Documents.

3.3 Corporate Structure; Subsidiaries.

3.3.1 The Company does not presently have any Subsidiaries, other than those listed in Section 3.3.1 of the Disclosure Schedule. Section 3.3.1 of the Disclosure Schedule sets forth the name, jurisdiction of incorporation or organization, and security holders of each Subsidiary. No Group Company owns or Controls, or has ever owned or Controlled, directly or indirectly, any Equity Securities, interest or share in any other Person or is or was a participant in any joint venture, partnership or similar arrangement. No Group Company or Principal Holding Company is obligated to make any investment in or capital contribution in or on behalf of any other Person. The Principal Holding Companies were formed solely to acquire and hold the equity interests in the Company. The Company was formed solely to acquire and hold the equity interests in the HK Company and the U.S. Company. The HK Company was formed solely to acquire and hold the equity interests in the Guangzhou WFOE, the Beijing WFOE, the Shenzhen WFOE and Beijing Yixing. None of the Principal Holding Companies, the Company nor the HK Company has engaged in any other business and has not incurred any Liability since its formation other than any Liabilities relating to the transactions contemplated by the Transaction Documents. The Group Companies which are incorporated in the PRC and the U.S. Company are engaged in the Business and have no other business. Neither any Principal nor any other entity owned or Controlled by such Principal (other than a Group Company), is engaged in the Business or has any assets in relation to the Business (other than through an advisory, employment or consulting relationship with a Group Company).

3.3.2 All the Control Documents have been duly executed and delivered and constitute legally binding obligations of the parties thereto in accordance with their respective terms. As a result, each of the Beijing WFOE and the Guangzhou WFOE has established effective Control over the Beijing Company and the Guangzhou Company through the Control Documents. The equity pledge by the equity holders of each of the Beijing Company and the Guangzhou Company in favor of the Beijing WFOE and the Guangzhou WFOE pursuant to the Control Documents has been registered with the China Company Registration Authority (the "Equity Pledge Registration"). As of the date of this Agreement, none of the Group Companies has received any oral or written inquiries, notifications or any other form of official correspondence from any Governmental Authority challenging or questioning the legality of enforceability of any of the Control Documents. The Equity Pledge Registration remains effective and valid, and there is no Lien held by any Person on the Equity Securities in the Beijing Company or the Guangzhou Company other than the Equity Pledge Registration.

3.3.3 To the extent permitted by applicable Laws, all Consents, Intellectual Property, assets (whether tangible or intangible), employees and Contracts material to the operation of the Group's Business in the PRC are held, owned, employed or entered into, as the case may be, by the Beijing WFOE or the Guangzhou WFOE, except for the following, which are held, owned, employed or entered into, as the case may be, by the Beijing Company or the Guangzhou Company: (a) road test licenses; (b) vehicles that are required for maintaining road test licenses; (c) safety drivers and engineers who mainly focus on developing map related technologies; (d) Intellectual Properties that were developed by the then existing employees of the Beijing Company or the Guangzhou Company; and (e) certain Contracts with OEMs and the Mapping Service Provider (as defined below) ((a), (b), (c), (d) and (e) collectively, "Non-transferrable Items"). Other than the Non-transferrable Items above, and the items listed in Section 3.3.3 of the Disclosure Schedule, no material Consents, Intellectual Property, assets (whether tangible or intangible), employees or Material Contracts are held, owned, employed or entered into, as the case may be, by the Beijing Company or the Guangzhou Company.

3.3.4 Each Subsidiary is duly organized, validly existing and in good standing (where such concept is applicable) under the Laws of its respective jurisdiction of formation and has all requisite power and authority to carry on its business as now conducted and as proposed to be conducted. Each Subsidiary is duly qualified to transact business and is in good standing (where such concept is applicable) in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect on the assets, condition, business or affairs of the Group Companies, financial or otherwise.

3.3.5 There are not any outstanding options, warrants, rights (including conversion or preemptive rights), or agreements for the purchase or acquisition from the Subsidiaries of any of the Subsidiaries' share capital or other Equity Securities.

3.4 Authorization. Each of the Group Companies has all requisite power and authority to execute and deliver the Transaction Documents to which it is a party and to carry out and perform its obligations thereunder. All corporate actions on the part of each party (other than the Investors) to the Transaction Documents (and as applicable, its officers, directors and shareholders) necessary for the authorization, execution and delivery of the Transaction Documents, the performance of all obligations of each such party, and, in the case of the Company, the authorization, issuance (or reservation for issuance), sale and delivery of the Purchased Shares, the Series D Warrants, the Warrant Shares and the Conversion Shares, have been taken or will be taken prior to the Closing. Each Transaction Document shall have been or will be on or prior to the Closing, duly executed and delivered by each party thereto (other than the Investors) and, when executed and delivered, constitutes valid and legally binding obligations of such party, enforceable against such party in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other Laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

3.5 Valid Issuance of Purchased Shares. The Purchased Shares and the Series D Preferred Shares issuable under the Series D Warrants, when issued, delivered and paid for in accordance with the terms of this Agreement for the consideration expressed herein, and registered in the register of members of the Company, will be duly and validly issued, fully paid and non-assessable, free from any Liens (except for any restrictions on transfer under applicable Laws and under the Transaction Documents). The Warrant Shares and Conversion Shares have been reserved for issuance and, upon issuance in accordance with the terms of the Memorandum and Articles, will be duly and validly issued, fully paid and non-assessable, free from any Liens (except for any restrictions on transfer under applicable securities Laws and under the Transaction Documents). The issuance of the Purchased Shares, the Series D Warrants, the Warrant Shares and the Conversion Shares is not subject to any preemptive rights, rights of first refusal or similar rights.

3.6 Consents; No Conflicts. All Consents from or with any Governmental Authority or any other Person required in connection with the valid execution, delivery and performance of the Transaction Documents, and the consummation of the transactions contemplated by the Transaction Documents, in any case on the part of any party thereto (other than the Investors) have been duly obtained or completed (as applicable) and are in full force and effect. The execution, delivery and performance of each Transaction Document by each party thereto (other than the Investors) do not, and the consummation by each such party of the transactions contemplated thereby will not, with or without notice or lapse of time or both, (a) result in any violation of, be in conflict with, or constitute a default under, require any Consent under, or give any Person rights of termination, amendment, acceleration or cancellation under, with or without the passage of time or the giving of notice, any Governmental Order, any provision of the Charter Documents of any Group Company, any applicable Laws (including without limitation, Order No. 10 and the SAFE Rules and Regulations), or any Material Contract, (b) result in any violation of, be in conflict with, or constitute a default under, or give rise to any right of any termination, modification, or cancellation, or give rise to any augmentation or acceleration of any material obligation or liability of any Group Company (including without limitation, any Indebtedness of such Group Company), or (c) result in the creation of any Lien upon any of the material properties or assets of any Group Company other than Permitted Liens.

3.7 Offering. Subject in part to the accuracy of the Investors' representations set forth in Section 5 of this Agreement, the offer, sale and issuance of the Purchased Shares and the Series D Warrants are, and the issuance of the Warrant Shares and the Conversion Shares will be, exempt from the qualification, registration and prospectus delivery requirements of the Securities Act and any other applicable securities Laws.

3.8 Compliance with Laws; Consents.

3.8.1 Each Group Company is, and has been, in material compliance with all applicable Laws, including all SAFE Rules and Regulations. To the Group Companies' Knowledge, no event has occurred and no circumstance exists that (with or without notice or lapse of time) (a) constitutes or may constitute or result in a violation by any Group Company of, or a failure on the part of such Group Company to comply with, any applicable Laws, or (b) may give rise to any obligation on the part of any Group Company to undertake, or to bear all or any portion of the cost of, any remedial action of any nature. None of the Group Companies has received any written notice from any Governmental Authority regarding any of the foregoing. None of the Group Companies has received any Governmental Order, is subject to any Action or, to the Group Companies' Knowledge, is under investigation with respect to a material violation of any Law.

3.8.2 All Consents and registrations from or with the relevant Governmental Authority required in respect of the due and proper establishment and operations of each Group Company as now conducted, including but not limited to the Consents and registrations from or with MOFCOM, China Company Registration Authority, SAFE, the Ministry of Industry and Information Technology, the Ministry of Culture and Tourism, the Ministry of Transport, the State Radio and Television Administration, any Tax bureau, customs authorities, the Department of Motor Vehicles of the State of California, the Public Utilities Commission of the State of California, the U.S. Department of Commerce's Bureau of Industry and Security and the local counterparts thereof, as applicable (or any predecessors thereof, as applicable) (collectively, the "Required Governmental Consents"), have been duly obtained or completed in accordance with all applicable Laws.

3.8.3 No Required Governmental Consent contains any materially burdensome restrictions or conditions, and each Required Governmental Consent is in full force and effect and will remain in full force and effect upon the consummation of the transactions contemplated hereby. None of the Group Companies is in default under any Required Governmental Consent. There is no reason to believe that any Required Governmental Consent which is subject to periodic renewal will not be granted or renewed. No Group Company has received any letter or other communication from any Governmental Authority threatening or providing notice of revocation of any Required Governmental Consent issued to such Group Company or the need for compliance or remedial actions in respect of the activities carried out directly or indirectly by such Group Company.

3.8.4 Each holder or beneficial owner of an Equity Security of a Group Company (each, a "Security Holder"), who is a "Domestic Resident (境内居民)" as defined in Circular 37 and is subject to any of the registration or reporting requirements of Circular 37 or any other applicable SAFE Rules and Regulations, has complied with all reporting and/or registration requirements (including filings of amendments to existing registrations) under the SAFE Rules and Regulations, and has made all oral or written filings, registrations, reporting and any other communications required by SAFE or any of its local branches. To the Group Companies' Knowledge, no Group Company has, nor has any Security Holder, received any oral or written inquiries, notifications, orders or any other form of official correspondence from SAFE or any of its local branches with respect to any actual or alleged non-compliance with SAFE Rules and Regulations.

3.8.5 The receipt of all subsidies and incentives by each Group Company is in material compliance with applicable Law.

3.9 Data Security Laws.

3.9.1 Each Group Company is, and has been, in material compliance with (a) all applicable PRC and U.S. federal and state laws and regulations relating to data security, cybersecurity, and personal privacy, including, but not limited to, the PRC Cybersecurity Law (中华人民共和国网络安全法), the PRC National Security Law (中华人民共和国国家安全法), the PRC Data Security Law (中华人民共和国数据安全法), the PRC Personal Information Protection Law (中华人民共和国个人信息保护法), the Chinese Cyber Security Review Measures (网络安全审查办法), the Chinese Several Provisions on the Management of Automobile Data Security (Trial Implementation) (汽车数据安全管理若干规定(试行)), California Consumer Privacy Act, California Online Privacy Protection Act, California Civil Code, California Vehicle Code, California Financial Information Privacy Act, U.S. Children's Online Privacy Protection Act, and regulatory guidelines relating thereto issued by any unit of the PRC government or U.S. federal or state government (collectively, "Data Security Laws"); and (b) all applicable PRC and U.S. Laws and regulations relating to autonomous driving.

3.9.2 To the Group Companies' Knowledge, no event has occurred and no circumstance exists that (with or without notice or lapse of time) (a) may constitute or result in a material violation by any Group Company of, or a material failure on the part of such entity to comply with, Data Security Laws, or (b) may give rise to any material obligation on the part of any Group Company to undertake, or to bear all or any portion of the cost of, any remedial action of any nature with respect to Data Security Laws.

3.9.3 The Group Companies possess the licenses and permits to the extent applicable and necessary to comply with Data Security Laws relating to the collection, processing, use, storage, sharing, transferring, disclosing, and/or dissemination of data by the Group Companies in the conduct of the Business in all material respects.

3.9.4 The Group Companies have adopted policies, procedures, and controls that are consistent with reasonable industry practices and designed to ensure the compliance with Data Security Laws in all material respects.

3.9.5 To the Group Companies' Knowledge, no Group Company, nor any director or employee of any Group Company, (a) has been, or is the subject of any current, pending, or threatened investigation, fine, injunction, rectification order, or other penalty or enforcement action by any unit of the PRC government or U.S. federal or state government with respect to material noncompliance with Data Security Laws; or (b) has received any written notice from any unit of the PRC government or U.S. federal or state government alleging any material noncompliance by any Group Company with Data Security Laws.

3.9.6 To the Group Companies' Knowledge, no Group Company, nor any director or employee of any Group Company, has initiated any internal investigation, nor made any voluntary, directed, or involuntary disclosure in writing to any unit of the PRC government or U.S. federal or state government with respect to any alleged noncompliance by any Group Company with Data Security Laws.

3.9.7 To the Group Companies' Knowledge, no Group Company has experienced or suspected an incident of unauthorized access to, exfiltration, disclosure, loss, or leak of any data in such Group Company's possession and/or control.

3.10 Litigation. There is no Action, suit, proceeding or investigation pending or, to the Group Companies' Knowledge, currently threatened against any Group Company, or any Principal or Principal Holding Company, or that questions the validity of this Agreement or any Transaction Document, or the right of the Company to enter into such agreements, or to consummate the transactions contemplated hereby or thereby, or that is likely to result, either individually or in the aggregate, in any Material Adverse Effect. To the Group Companies' Knowledge, no Group Company is a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no material Action, suit, proceeding or investigation by any Group Company currently pending or that any Group Company intends to initiate.

3.11 Tax Matters.

3.11.1 All Tax Returns required to be filed on or prior to the date hereof with respect to each Group Company have been duly and timely filed by such Group Company within the requisite period (taking into account for this purpose any valid extensions) and such Tax Returns are true, correct and complete in all material respects. All Taxes owed by each Group Company (whether or not shown on any Tax Return) have been paid in full or provision for the payment thereof have been made, except for Taxes that are Permitted Liens. No deficiencies for any material Taxes have been asserted in writing by, and no written notice of any pending Action with respect to any material Taxes have been received from, any Tax authority, and no dispute relating to any Tax Returns with any such Tax authority is outstanding. Each Group Company (a) has timely paid all Taxes owed by it which are due and payable (whether or not shown on any Tax Return) and withheld and remitted to the appropriate Governmental Authority all Taxes which it is obligated to withhold and remit from amounts owing to any employee, creditor, contractor, customer or third party and (b) has not waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency other than, in the case of clause (a), unpaid Taxes that are in contest with Tax authorities by Group Company in good faith or nonmaterial in amount.

3.11.2 No audit of any Tax Return of each Group Company and no formal investigation or Action with respect to any such Tax Return by any Tax authority is currently in progress or pending, and no Group Company has waived any statute of limitation with respect to any Taxes, or agreed to any extension of time with respect to an assessment or deficiency for such Taxes. Each filed Tax Return was properly prepared in compliance with applicable Law and was (and will be) true, correct and complete in all material aspects.

3.11.3 No claim or Action has been made by any Governmental Authority in a jurisdiction where the Group Companies does not file Tax Returns that any Group Company is or may be subject to taxation by that jurisdiction, and no Group Company is currently the subject of any examination or investigation. Each Group Company has, in accordance with applicable Laws and within the time limits prescribed thereby, duly registered with the relevant Tax authority for or in respect of all material Taxes and have complied in all material respects with all requirements imposed thereby.

3.11.4 No Group Company is treated for any Taxation purpose as resident in a country other than the country of its incorporation and no Group Company has, or has had within the relevant statutory limitation period a branch, agency or permanent establishment in a country other than the country of its incorporation. Each Group Company is subject to Taxation only in the country of its incorporation.

3.11.5 No Group Company has incurred any liability for Taxes outside the ordinary course of business, and each Group Company has made adequate provisions on its books of account for all Taxes, assessments and governmental charges with respect to its business, properties and operations for such period, whether or not assessed or disputed as of the date of the applicable balance sheet. There is no pending dispute with, or written notice from, any Tax authority relating to any of the Tax Returns filed by any Group Company, and there is no proposed Liability for a deficiency in any Tax to be imposed upon the properties or assets of any Group Company.

3.11.6 No Group Company is responsible for the Taxes of any other Person by reason of Contract, successor or transferee liability or otherwise (other than Taxes incurred in the ordinary course of business of such Group Company).

3.11.7 All Tax credits and Tax holidays enjoyed by each of the Group Companies established under the Laws of the PRC or otherwise under applicable Laws since its establishment have been in compliance with all applicable Laws and is not and will not be subject to reduction, revocation, cancellation or any other changes (including retroactive changes) in the future, except through change in applicable Laws published by relevant Governmental Authority.

3.11.8 Unless otherwise provided in the Section 3.11.8 of the Disclosure Schedule, no Group Company is or has ever been a PFIC or CFC. No Group Company anticipates that it will become a PFIC or CFC for the current taxable year.

3.11.9 The Company is treated as a corporation for U.S. federal income tax purposes.

3.11.10 No Group Company has consummated or participated in, nor is it currently participating in, any transaction which was or is a "reportable transaction" as defined in Section 6707A(c) of the Code or the U.S. Treasury Regulations promulgated thereunder.

3.11.11 All related party transactions involving the Group Companies are at arm's length in compliance with Section 482 of the Code, the U.S. Treasury Regulations promulgated thereunder, and any similar provision of state, local and non-U.S. law. Each Group Company has maintained in all material respects all necessary documentation in connection with such related party transactions in accordance with Sections 482 and 6662 of the Code and the U.S. Treasury Regulations promulgated thereunder or comparable provisions under applicable non-U.S. law.

3.11.12 Section 3.11.12 of the Disclosure Schedule lists all "nonqualified deferred compensation plans" (within the meaning of Section 409A of the Code) to which the Company is a party. Each such nonqualified deferred compensation plan to which the Company is a party complies with the requirements of paragraphs (2), (3) and (4) of Section 409A(a) of the Code by its terms and has been operated in accordance with such requirements. No event has occurred that would be treated by Section 409A(b) of the Code as a transfer of property for purposes of Section 83 of the Code. The Company is under no obligation to gross up any Taxes under Section 409A of the Code.

3.11.13 The exercise price of all stock options to purchase Ordinary Shares is at least equal to the fair market value of the Ordinary Shares on the date such stock options were granted or repriced, and the Company has not incurred nor will it incur any liability or obligation to withhold or report taxes under Section 409A of the Code upon the vesting of any such stock options. All stock options to purchase Ordinary Shares are with respect to "service recipient stock" (as defined under U.S. Treasury Regulations Section 1.409A-1(b)(5)(iii)) of the grantor thereof.

3.12 Minute Books. The minute books of the Group Companies provided to the Investors contain a complete summary of all meetings of directors and shareholders since the time of incorporation and reflect all transactions referred to in such minutes accurately in all respects.

3.13 Charter Documents; Books and Records. The Charter Documents of each Group Company are in the form provided to the Investors. Each Group Company has been in compliance with its Charter Documents, and none of the Group Companies has violated or breached any of their respective Charter Documents. Each Group Company maintains its books of accounts and records in the usual, regular and ordinary manner, on a basis consistent with prior practice, and which permits its Financial Statements to be prepared in accordance with the Accounting Standards. The register of members and directors (if applicable) of each Group Company is correct, there has been no notice of any proceedings to rectify any such register, and to the Group Companies' Knowledge, there are no circumstances which might lead to any application for its rectification. All documents requiring to be filed by each Group Company with the applicable Governmental Authority in respect of the relevant jurisdiction in which the relevant Group Companies is being incorporated have been properly made up and filed.

3.14 Financial Statements. The audited balance sheet, profit statement and cash flows statement for the Group Companies for the years ended December 31, 2020 and December 31, 2019 and the unaudited balance sheet, profit statement and cash flows statement for the Group Companies for the year ended December 31, 2018 and for the nine-month period ending on the Statement Date (the financial statements referred to above, collectively, the "Financial Statements") have been provided to the Investors. The Financial Statements (a) have been prepared in accordance with the books and records of the Group Companies, (b) fairly present in all material respects the financial condition and position of the Group Companies as of the dates indicated therein and the results of operations and cash flows of the Group Companies for the periods indicated therein, except in the case of unaudited financial statements for the omission of notes thereto and normal year-end audit adjustments that are not expected to be material, and (c) were prepared in accordance with the Accounting Standards applied on a consistent basis throughout the periods involved. There is no material contingent or asserted claims, refusals to pay, or other rights of set-off with respect to any accounts receivable of the Group Companies.

3.15 Material Liabilities. The Group Companies have no Liability or obligation, absolute or contingent (individually or in the aggregate) in excess of US$1,000,000, except (a) obligations and Liabilities incurred after the date of incorporation in the ordinary course of business that are not material, individually or in the aggregate, and (b) obligations under Contracts made in the ordinary course of business that would not be required to be reflected in the Financial Statements. None of the Group Companies is a guarantor or indemnitor of any Liabilities of any other Person (other than a Group Company).

3.16 Changes. Since the Statement Date, there has not been any Material Adverse Effect or any material change in the way the Group conducts its business, and there has not been by or with respect to any Group Company:

3.16.1 any change in the assets, Liabilities, financial condition or operating results of the Group Companies, except changes in the ordinary course of business that have not been, in the aggregate, materially adverse;

3.16.2 any damage, destruction or loss, whether or not covered by insurance, materially and adversely affecting the assets, properties, financial condition, operating results, prospects or business of the Group Companies (as such business is presently conducted and as it is proposed to be conducted);

3.16.3 any change to any Consent from Governmental Authorities held by such Group Company except for the purpose of performing any obligation under the Transaction Documents; owed to it;

3.16.4 any waiver by a Group Company of a valuable right or of a material debt

3.16.5 any satisfaction or discharge of any Lien, claim or encumbrance or payment of any obligation by a Group Company, except in the ordinary course of business and that is not material to the assets, properties, financial condition, operating results or business of the Group Companies (as such business is presently conducted and as it is proposed to be conducted);

3.16.6 any amendment to or waiver under any Charter Document except for the purpose of performing any obligations under the Transaction Documents;

3.16.7 any material change in any compensation arrangement or agreement with any employee, officer, director or shareholder, or adoption of any new Benefit Plan, or made any change to any existing Benefit Plan;

3.16.8 any sale, assignment, transfer, or license of any patents, trademarks, copyrights, trade secrets, Intellectual Property or other intangible assets;

3.16.9 any acquisition (by merger, consolidation or other combination, or acquisition of stock or assets, or otherwise) of any business or other Person or division thereof, or any sale or disposition of any business or division thereof;

3.16.10 any resignation or termination of employment of any officer or Key Employee, or any group of employees of any Group Company, and to the Group Companies' Knowledge, any impending resignation or termination of employment of any such officer, Key Employee or group of employees;

3.16.11 any mortgage, pledge, transfer of a security interest in, or Lien, created, assumed or discharged by a Group Company, with respect to any of its properties or assets, except Liens for Taxes not yet due or payable and Liens that arise in the ordinary course of business and do not materially impair the Group Company's ownership or use of such property or assets;

3.16.12 any loans or guarantees made by a Group Company to or for the benefit of its employees, officers or directors, or any members of their immediate families, other than reasonable and normal travel advances and other advances made in the ordinary course of its business;

3.16.13 any change in accounting methods or practices or any revaluation of any of its assets;

3.16.14 except in the ordinary course of business consistent with its past practice, entry into any closing agreement in respect of material Taxes, settlement of any claim or assessment in respect of any material Taxes, or consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of any material Taxes, entry or change of any material Tax election, change of any method of accounting resulting in a material amount of additional Tax or filing of any material amended Tax Return;

3.16.15 any commencement or settlement of any Action;

3.16.16 any transaction with any Related Party;

3.16.17 any declaration, setting aside, dividend payment or other distribution in respect of any Group Company's share capital or other Equity Securities, or any direct or indirect redemption, purchase or other acquisition of any of such share capital or Equity Securities by such Group Company;

3.16.18 any authorization, sale, issuance, transfer, pledge or other disposition of any Equity Securities of any Group Company except for the purpose of performing any obligation under the Transaction Documents; or

3.16.19 any agreement or commitment by a Group Company to do any of the things described in this Section 3.16.

3.17 Agreements; Action.

3.17.1 Except for agreements explicitly contemplated hereby and by the Transaction Documents, there are no agreements, understandings or proposed transactions between any Group Company and any of its officers, directors and Affiliates.

3.17.2 Section 3.17.2 of the Disclosure Schedule contains a complete and accurate list of all Material Contracts. "Material Contracts" mean, collectively, each Contract to which a Group Company, or any of their properties or assets is bound or subject to that (a) involves obligations (contingent or otherwise) or payments in excess of US$1,000,000 in the aggregate, (b) involves Intellectual Property that is material to a Group Company (other than generally-available "off-the-shelf" shrink-wrap software licenses obtained by the Group on non-exclusive and non-negotiated terms), including without limitation, the Licenses, (c) contains exclusivity, non-competition, or similar clauses that impair, restrict or impose conditions on any Group Company's right to offer or sell products or services in specified areas, during specified periods, or otherwise, (d) relates to the sale, issuance, grant, exercise, award, purchase, repurchase or redemption of any Equity Securities other than the Transaction Documents, (e) involves any provisions providing for exclusivity, "change in control," "most favored nations," rights of first refusal or first negotiation or similar rights, or grants a power of attorney, agency or similar authority, (f) involves Indebtedness, an extension of credit, a guaranty, surety or assumption of any obligation or any secondary or contingent Liabilities, deed of trust, or the grant of a Lien, (g) involves the lease, license, sale, use, disposition or acquisition of a material amount of assets or of a business, (h) involves the establishment of, contribution to, or operation of a partnership, joint venture, alliance or similar entity, or involves a sharing of profits or losses (including joint development and joint marketing Contracts), (i) is with a Governmental Authority, state-owned enterprise, OEM, sole-source supplier of any material product or service (other than utilities) or the holder of the navigation digital map production and survey license providing mapping service ("Mapping Service Provider") to the Company, (j) is the collaboration agreement entered into by and between Toyota Motor Corporation and the Group Companies on February 5, 2020, or (k) is a Control Document.

3.17.3 Each Material Contract is a valid and binding agreement of the Group Company that is a party thereto, and is in full force and effect and enforceable against the parties thereto, except (a) as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other Laws of general application affecting enforcement of creditors' rights generally, and (b) as may be limited by Laws relating to the availability of specific performance, injunctive relief or other remedies in the nature of equitable remedies. No Group Company, and, to the Group Companies' Knowledge, no other party to any Material Contract, has breached, violated or defaulted under any Material Contract in any material respect or that any other party thereto intends to terminate such Material Contract.

3.17.4 There are no agreements, understandings, instruments, Contracts, proposed transactions, judgments, orders, writs or decrees to which any Group Company is a party or by which it is bound that may involve any material license of any Intellectual Property right to or from such Group Company (other than (a) non-exclusive licenses of any Group Company's software, services, and products in the ordinary course of business, and (b) licenses to a Group Company of commercially available, "off-the-shelf" third party software, products or services).

3.17.5 No Group Company has (a) declared or paid any dividends or authorized or made any distribution upon or with respect to any class or series of its Equity Securities other than dividends or distributions paid to another Group Company, (b) incurred any Indebtedness for money borrowed or any other Liabilities with any Person other than another Group Company individually in excess of US$1,000,000 or, in the case of Indebtedness and/or Liabilities individually less than US$1,000,000, in excess of US$2,000,000 in the aggregate, (c) made any loans or advances to any Person other than another Group Company, other than ordinary course advances for travel expenses to its employees, or (d) sold, exchanged or otherwise disposed of any of its assets or rights, other than the sale of its inventory in the ordinary course of business.

3.17.6 For the purposes of Section 3.17.2 and Section 3.17.5, all Indebtedness, Liabilities, agreements, understandings, instruments, Contracts and proposed transactions involving the same person or entity (including persons or entities the Company has reason to believe are affiliated therewith) shall be aggregated for the purpose of meeting the individual minimum dollar amounts of such subsections.

3.17.7 There is no Action pending or threatened against or affecting any Group Company or any of its officers, directors or employees with respect to its businesses or proposed business activities, or, to the Group Companies' Knowledge, any officers, directors or employees of any Group Company in connection with such Person's respective relationship with such Group Company, nor to the Group Companies' Knowledge is there any basis for any of the foregoing. By way of example, but not by way of limitation, there are no Action pending against any of the Group Companies or threatened against any of the Group Companies, relating to the use by any employee of any Group Company of any information, technology or techniques allegedly proprietary to any of their former employers, clients or other parties. There is no judgment or award unsatisfied against any Group Company, nor is there any Governmental Order in effect and binding on any Group Company or their respective assets or properties. There is no Action pending by any Group Company against any third party nor does any Group Company intend to commence any such Action. No Governmental Authority has at any time challenged or questioned in writing the legal right of any Group Company to conduct in any material respect its business as presently being conducted.

3.17.8 There is no side letter or similar agreement between the Company and any of its shareholders which grants any special right or privilege with respect to the Equity Securities of the Company held by such shareholder other than those granted in the Transaction Documents that has not been provided to the Investors.

3.18 Anti-Bribery, Anti-Corruption, Anti-Money Laundering and Sanctions; Absence of Government Interests.

3.18.1 Each of the Group Companies and their Affiliates, respective directors, officers, managers, employees, independent contractors, representatives, agents and other Persons acting on their behalf (collectively, "Representatives") are and have been in compliance with all applicable Laws relating to anti-bribery, anti-corruption, anti-money laundering, record keeping and internal control laws (collectively, the "Compliance Laws") including the FCPA as if it were a United States Person and the U.K. Bribery Act. Furthermore, no Public Official (i) holds an ownership or other economic interest, direct or indirect, in any of the Group Companies or in the contractual relationship formed by this Agreement, or (ii) serves as an officer, director or employee of any Group Company. Without limiting the foregoing, neither any Group Company nor any Representative has, directly or indirectly, offered, authorized, promised, condoned, participated in, consummated, or received notice of any allegation of, (a) the making of any gift or payment of anything of value to any Public Official by any Person to obtain any improper advantage, affect or influence any act or decision of any such Public Official, or assist any Group Company in obtaining or retaining business for, or with, or directing business to, any Person; (b) the taking of any Action by any Person which (i) would violate the FCPA, if taken by an entity subject to the FCPA, (ii) would violate the U.K. Bribery Act, if taken by an entity subject to the U.K. Bribery Act, or (iii) could reasonably be expected to constitute a violation of any applicable Compliance Law; (c) the making of any false or fictitious entries in the books or records of any Group Company by any Person; or (d) the using of any assets of any Group Company for the establishment of any unlawful or unrecorded fund of monies or other assets, or the making of any unlawful or undisclosed payment.

3.18.2 No Group Company or any of its Representatives has ever been found by a Governmental Authority to have violated any criminal or securities Law or is subject to any indictment or any government investigation for bribery. None of the beneficial owners of any Equity Securities or other interest in any Group Company or the current or former representatives of any Group Company are or were Public Officials.

3.18.3 No Group Company or any of its Representatives is a Prohibited Person, and no Prohibited Person will be given an offer to become an employee, officer, consultant or director of any Group Company. No Group Company has conducted or agreed to conduct any business, or entered into or agreed to enter into any transaction with a Prohibited Person, directly or indirectly.

3.18.4 If the Group Companies have beneficial owners or representatives who are known by any Group Company or Principal Holding Company to be Public Officials, no such Public Official has been involved on behalf of a Governmental Authority in decisions as to whether any Group Company or the Investors would be awarded business or that otherwise could benefit any Group Company or the Investors, or in the appointment, promotion, or compensation of persons who will make such decisions.

3.18.5 The Group Companies are and have been in compliance with (a) all Laws concerning the exportation or re-exportation of items (including technology, services, and software), including but not limited to those administered by the U.S. Department of Commerce (including the Export Administration Regulations, "EAR"), the U.S. Department of State (including the International Traffic in Arms Regulations, "ITAR"), or the European Union ("EU") Council (including EU Regulation (EC) No 2021/821); (b) the Laws concerning economic sanctions administered by OFAC, the U.S. Department of State, U.K. Her Majesty's Treasury, Canada, the European Union, or the United Nations (collectively, "Sanctions"), (c) any Laws concerning the importation of merchandise, or items (including goods, technology, services, and software), including but not limited to those administered by U.S. Customs and Border Protection; and (d) the U.S. anti-boycott compliance regulations administered by the U.S. Department of Commerce (collectively, "International Trade Laws").

3.18.6 There is no pending or, to the Group Companies' Knowledge, threatened investigation or other proceeding relating to a Group Company, nor has any voluntary disclosure been submitted to a Governmental Authority regarding a Group Company, in each case, in connection with a possible or actual violation of International Trade Laws or Compliance Laws.

3.18.7 None of the goods, software or technology that any of the Group Companies produces, designs, tests, manufactures, fabricates, or develops in the United States is a critical technology as defined in CFIUS regulations.

3.18.8 No good, service, software, technology or technical information that a Group Company produces, designs, tests, manufactures, fabricates, develops, sells, exports, possesses, uses, or works with (i) in the United States is on the U.S. Munitions List of the ITAR; or (ii) in connection with the Business is on the List of Technologies Prohibited or Restricted from Export issued by the Ministry of Commerce and the Ministry of Science and Technology of the People's Republic of China. No Group Company has engaged or is engaging in activities that are subject to the ITAR.

3.18.9 Compliance programs that are reasonably designed and implemented to ensure compliance with International Trade Laws and Compliance Laws are in place with respect to all Group Companies in all material respects.

3.18.10 None of (a) any Group Company or (b) any officer, employee, director, agent, Affiliate or Person acting on behalf of any Group Company, is owned or Controlled by a Prohibited Person.

3.18.11 The operations of each Group Company are and have been conducted at all times in compliance with applicable anti-money laundering statutes of all jurisdictions, including, without limitation, all United States anti-money laundering laws, the rule and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental or regulatory agency (collectively, the "Money Laundering Laws"); and no Action, suit or proceeding by or before any court or Governmental Authority or body or any arbitrator involving any Group Company or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, threatened.

3.19 Title; Properties.

3.19.1 Each of the Group Companies has good and valid title to all of its respective assets, whether tangible or intangible (including those reflected in the Financial Statements, together with all assets acquired thereby since the Statement Date, but excluding those that have been disposed of since the Statement Date), in each case free and clear of all Liens, other than Permitted Liens. The foregoing assets collectively represent in all material respects all assets (including all rights and properties) necessary for the conduct of the business of each Group Company as presently conducted. Except for leased or licensed assets, no Person other than a Group Company owns any interest in any such assets. All leases of real or personal property to which a Group Company is a party are fully effective and afford the Group Company valid leasehold possession of the real or personal property that is the subject of the lease. All machinery, vehicles, equipment and other tangible personal property owned or leased by a Group Company are (a) in good condition and repair in all material respects (reasonable wear and tear excepted) and (b) not obsolete or in need in any material respect of renewal or replacement, except for renewal or replacement in the ordinary course of business. There are no facilities, services, assets or properties which are used in connection with the business of the Group and which are shared with any other Person that is not a Group Company.

3.19.2 No Group Company owns or has legal or equitable title or other right or interest in any real property other than as held pursuant to Leases. Section 3.19.2 of the Disclosure Schedule sets forth each leasehold interest pursuant to which any Group Company holds any real property (a "Lease"), indicating the parties to such Lease, the address of the property demised under the Lease, the rent payable under the Lease and the term of the Lease. The particulars of the Leases as set forth in Section 3.19.2 of the Disclosure Schedule are true and complete. To the Group Companies' Knowledge, the lessor under each Lease is qualified and has obtained all Consents necessary to enter into such Lease in all material respects, including without limitation any Consent required from the owner of the property demised pursuant to the Lease if the lessor is not such owner. There is no material claim asserted or, to the Group Companies' Knowledge, threatened by any Person regarding any Lease or the lessor's ownership of the property demised pursuant to each Lease. Each Lease is in compliance in all material respects with applicable Laws, including with respect to the ownership and operation of property and conduct of business as now conducted by the applicable Group Company which is a party to such Lease. Each Group Company which is party to a Lease has accepted possession of the property demised pursuant to the Lease and is in actual possession thereof and has not sublet, assigned or hypothecated its leasehold interest. No Group Company uses any real property in the conduct of its business except insofar as it has secured a Lease with respect thereto. The leasehold interests under the Leases held by each Group Company are adequate for the conduct of the business of such Group Company as currently conducted.

3.20 Related Party Transactions. Except for the employment or consulting agreements with a Group Company, no Related Party or member of such Related Party's immediate family, or any corporation, partnership or other entity in which such Related Party is an officer, director or partner, or in which such Related Party has significant ownership interests or otherwise Controls, is indebted to any Group Company, nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any of them. To the Group Companies' Knowledge, none of such Persons has any direct or indirect ownership interest in any firm or corporation with which any Group Company is affiliated or with which any Group Company has a business relationship, or any firm or corporation that competes with any Group Company, except that employees, officers, or directors of a Group Company and members of such Related Party's immediate families may own stock in publicly traded companies that may compete with the Group Companies in an amount not to exceed one percent (1%) of such publicly traded company's outstanding capitalization. No Related Party or member of his or her immediate family is directly or indirectly interested in any Contract with a Group Company.

3.21 Intellectual Property Rights.

3.21.1 Company IP. Each Group Company owns or otherwise has sufficient rights (including but not limited to the rights of development, maintenance, licensing and sale) to all Intellectual Property necessary and sufficient to conduct its business as currently conducted by such Group Company and as contemplated to be conducted ("Company IP") without any conflict with or infringement of the rights of any other Person. Section 3.21.1 of the Disclosure Schedule sets forth a complete and accurate list of all Company Registered IP for each Group Company, including for each the relevant name or description, registration/certification or application number, and filing, registration or issue date.

3.21.2 IP Ownership. All Company Registered IP is owned by and registered or applied for solely in the name of a Group Company, is valid and subsisting and has not been abandoned, and all necessary registration, maintenance and renewal fees with respect thereto and currently due have been satisfied. No Group Company or any of its employees, officers or directors has taken any actions or failed to take any actions that would cause any Company Owned IP to be invalid, unenforceable or not subsisting. No funding or facilities of a Governmental Authority or a university, college, other educational institution or research center was used in the development of any Company Owned IP. No Company Owned IP is the subject of any Lien, license or other Contract granting rights therein to any other Person. No Group Company is or has been a member or promoter of, or contributor to, any industry standards bodies, patent pooling organizations or similar organizations that could require or obligate a Group Company to grant or offer to any Person any license or right to any Company Owned IP. No Company Owned IP is subject to any proceeding or outstanding Governmental Order or settlement agreement or stipulation that (a) restricts in any manner the use, transfer or licensing thereof, or the making, using, sale, or offering for sale of any Group Company's products or services, by any Group Company, or (b) may affect the validity, use or enforceability of such Company Owned IP. Each of the Key Employees and the Principals has assigned and transferred to a Group Company, to the extent permitted by Law, any and all of his/her Intellectual Property related to the Business that he/she developed, conceived or reduced to practice in the course of performing services for the Group Company, and there is no outstanding fees, expenses, remuneration or payments or other consideration of whatsoever nature owing to any Key Employee or Principal or any other Person in connection therewith. No Group Company has (i) transferred or assigned any Company IP; (ii) authorized the joint ownership of, any Company IP; or (iii) permitted the rights of any Group Company in any Company IP to lapse or enter the public domain.

3.21.3 Infringement, Misappropriation and Claims. No Group Company has violated, infringed or misappropriated any Intellectual Property of any other Person, nor has any Group Company received any written notice alleging any of the foregoing. To the Group Companies' Knowledge, no Person has violated, infringed or misappropriated any Company IP of any Group Company, and no Group Company has given any written notice to any other Person alleging any of the foregoing. The Group has not received any written notices from any Person challenging the ownership or use of any Company Owned IP by a Group Company. No Group Company has agreed to indemnify any Person for any infringement, violation or misappropriation of any Intellectual Property by such Person.

3.21.4 Assignments and Prior IP. All inventions and know-how conceived by employees of a Group Company related to the business of such Group Company, which he/she developed, conceived or reduced to practice in the course of performing services for such Group Company, are currently owned exclusively by a Group Company, to the extent permitted by applicable Law. All employees, contractors, agents and consultants of a Group Company who are or were involved in the creation of any Intellectual Property for such Group Company have executed an assignment of inventions agreement that (to the extent permitted by applicable Law) vests in a Group Company exclusive ownership of all right, title and interest in and to such Intellectual Property, to the extent not already provided by applicable Laws. All employee inventors of Company Owned IP have received reasonable reward and remuneration from a Group Company for his/her service inventions or service technology achievements in accordance with the applicable PRC Laws. To the Group Companies' Knowledge, it will not be necessary to utilize any Intellectual Property of any such Persons made prior to their employment by a Group Company, except for those that are exclusively owned by a Group Company, and none of such Intellectual Property has been utilized by any Group Company. To the Group Companies' Knowledge, none of the employees, consultants or independent contractors (including without limitation the Principals and the Key Employees), currently or previously employed or otherwise engaged by any Group Company, (a) is in violation of any current or prior confidentiality, non-competition or non-solicitation obligations to such Group Company or to any other Person, including former employers, or (b) is obligated under any Contract, or subject to any Governmental Order, that would interfere with the use of his or her best efforts to promote the interests of the Group Companies or that would conflict with the business of such Group Company as presently conducted.

3.21.5 Licenses. Section 3.21.5 of the Disclosure Schedule contains a complete and accurate list of the Licenses. The "Licenses" means, collectively, (a) all licenses, sublicenses, and other Contracts to which any Group Company is a party and pursuant to which any third party is authorized to use, exercise or receive any benefit from any material Company Owned IP, and (b) all licenses, sublicenses and other Contracts to which any Group Company is a party and pursuant to which such Group Company is authorized to use, exercise, or receive any benefit from any material Intellectual Property of another Person, in each case except for (i) agreements involving "off-the-shelf" commercially available Software, products, or services, and (ii) non-exclusive licenses granted by a Group Company in the ordinary course of business consistent with past practice. The Group Companies have paid all undisputed license and royalty fees required to be paid under the Licenses, if applicable.

3.21.6 Protection of IP. Each Group Company has taken reasonable and appropriate steps to protect, maintain and safeguard all material Company Owned IP and made all applicable filings, registrations and payments of fees in connection with the foregoing. Without limiting the foregoing, all current and former officers, employees, consultants and independent contractors of any Group Company and all suppliers, customers, distributors, and other third parties having access to any Company IP have executed and delivered to such Group Company an agreement requiring the protection of such Company IP. To the extent that any Company IP has been developed or created independently or jointly by an independent contractor or other third party for any Group Company, or is incorporated into any products or services of any Group Company, such Group Company has a written agreement with such independent contractor or third party and has thereby obtained ownership of, and is the exclusive owner of all such independent contractor's or third party's Intellectual Property in such work, material or invention.

3.21.7 Processing and Protection of Personal Data. The Group Companies have all sufficient rights, licenses, permissions, and consents required by all applicable data protection Laws to process personal data necessary for the conduct of the business of any Group Company as presently conducted. The transactions contemplated by this Agreement will not violate any privacy policy, terms of use, applicable data protection Laws or contractual obligations relating to the collection, use, sharing, transfer, export, or dissemination of any data or information in any material respect.

3.21.8 No Public Software. No Software included in any Group Company's software, services, and products has been, is being, or will be distributed, in whole or in part, or was used, is being used or will be used in conjunction with any Public Software in a manner which would require that such Software be disclosed or distributed in source code form or made available at no charge.

3.21.9 Information Technology. Each Group Company owns or possesses appropriate licenses to use all information technology used in the conduct of the Business, which comprises all information technology required for the effective conduct of the Business as presently conducted. Such information technology is in good working order, and to the Group Companies' Knowledge, there are, and have been, no material performance reductions or breakdowns of, or intrusions to, any information technology or loss of data. Each Group Company has in place adequate procedures reasonably designed to ensure the Business can continue without material disruption in the event of breakdown, performance reduction or loss of data relating to information technology and has, in accordance with industry practice, taken precautions reasonably designed to preserve the availability, security and integrity of its information technology and the data and information stored thereon.

3.22 Labor and Employment Matters.

3.22.1 Each Group Company has complied with all applicable Laws related to labor or employment, including provisions thereof relating to wages, hours, overtime payments, working conditions, benefits, termination, retirement, social welfare, equal opportunity and collective bargaining. There is not pending or, to the Group Companies' Knowledge, threatened, and there has not been since the incorporation of each Group Company, any Action relating to the material violation or alleged material violation of any applicable Laws by such Group Company related to labor or employment, including any charge or complaint filed by an employee with any Governmental Authority or any Group Company. The Group Companies have caused all of their present officers and employees to enter into standard offer letters or employment agreements with the respective Group Companies.

3.22.2 Each of the Benefit Plans of the Group Companies is and has at all times been in compliance in material respects with all applicable Laws (including without limitation, SAFE Rules and Regulations), and all contributions to, and payments for each such Benefit Plan have been timely made. Each Group Company is in compliance in all material respects with all Laws and Contracts relating to its provision of any form of Social Insurance, and has paid, or made provision for the payment of, all Social Insurance contributions required under applicable Laws and Contracts.

3.22.3 There has not been, and there is not now pending or, to the Group Companies' Knowledge, threatened, any strike, union organization activity, lockout, slowdown, picketing, or work stoppage or any unfair labor practice charge against any Group Company. No Group Company is bound by or subject to (and none of their assets or properties is bound by or subject to) any written or oral Contract, commitment or arrangement with any labor union or any collective bargaining agreements.

3.22.4 Schedule F sets forth each Key Employee, along with each such individual's title. Each such individual has properly terminated his/her labor Contract with previous employer in accordance with applicable Laws and labor Contract and is currently devoting all of his or her business time to the conduct of the business of the applicable Group Company. To the Group Companies' Knowledge, no such individual is subject to any covenant or non-compete obligation restricting him/her from working for any Group Company. No such individual is obligated under, or in violation of any term of, any Contract or any Governmental Order relating to the right of any such individual to be employed by, or to contract with, such Group Company. No Group Company has received any notice alleging that any such violation has occurred. No such individual is currently working or, to the Group Companies' Knowledge, plans to work for any other Person that competes with any Group Company, whether or not such individual is or will be compensated by such Person. No such individual or any group of employees of any Group Company has given any notice of an intent to terminate their employment with any Group Company, nor does any Group Company have a present intention to terminate the employment of any such individual or any group of employees.

3.23 Insurance. The Company has in full force and effect products liability and errors and omissions insurance in amounts customary for companies similarly situated. Each Group Company has in full force and effect all insurance policies and bonds, with extended coverage, required under applicable Laws for the conduct of the business of such Group Company as presently conducted. There is no material claim pending thereunder as to which coverage has been questioned, denied or disputed. All premiums due and payable under all such policies and bonds have been timely paid, and each Group Company is otherwise in compliance in all material respects with the terms of such policies and bonds.

3.24 Internal Controls. Each Group Company maintains a system of internal controls sufficient for the stage of its business to provide reasonable assurance that (a) transactions by it are executed in accordance with management's general or specific authorization, (b) transactions by it are recorded as necessary to permit preparation of appropriate financial statements and to maintain asset accountability, (c) access to assets of it is permitted only in accordance with management's general or specific authorization, (d) segregating duties for cash deposits, cash reconciliation, cash payment and proper approval is established, and (e) no personal assets or bank accounts of the employees, directors or officers are mingled with the corporate assets or corporate bank account, and no Group Company uses any personal bank accounts of any employees, directors, or officers thereof during the operation of its business.

3.25 CFIUS.

3.25.1 The U.S. Company does not produce, design, test, manufacture, fabricate, or develop any "critical technologies," as defined by 31 C.F.R. § 800.215.

3.25.2 The U.S. Company does not perform functions as set forth in column 2 of appendix A to Part 800 with respect to "covered investment critical infrastructure," as defined by 31 C.F.R. § 800.212.

3.25.3 The U.S. Company maintains or collects, directly or indirectly, "sensitive personal data" of U.S. citizens, as defined by 31 C.F.R. § 800.241, and is therefore considered a "TID U.S. business," as defined in 31 C.F.R. § 800.248, for CFIUS purposes.

3.26 No Request for Redemption. None of the holders of Preferred Shares has delivered a request for redemption under the Company's memorandum and articles of association. None of the grounds on the basis of which a holder of Preferred Shares may request redemption under the Company's memorandum and articles of association has occurred, nor, to the best of the Company's knowledge, no circumstance exists as would reasonably be expected to give rise to any such ground.

3.27 No Brokers. Neither (a) any Group Company nor (b) any of its Affiliates or any Related Party (on behalf of any Group Company and other than the Investors) has any Contract with any broker, finder or similar agent with respect to the transactions contemplated by this Agreement or by any of the Transaction Documents, or has incurred any Liability for any brokerage fees, agents' fees, commissions or finders' fees in connection with any of the Transaction Documents or the consummation of the transactions contemplated therein.

3.28 No Immunity. Each of the Group Companies is generally subject to civil and commercial Laws with respect to its obligations under each of this Agreement and the Ancillary Agreements to which it is a party; the execution, delivery and performance of this Agreement and the Ancillary Agreements by it constitutes private and commercial acts and neither it nor any of its assets enjoy any right of immunity from set-off, suit or execution in respect of its obligations under each of these agreements to which it is a party.

3.29 No General Solicitation. Neither any Group Company, nor, to the Group Companies' Knowledge, any of its officers, directors, employees, agents, stockholders or partners has either directly or indirectly, including through a broker or finder, (a) engaged in any general solicitation, or (b) published any advertisement in connection with the offer and sale of the Purchased Shares and the Series D Warrants.

3.30 Disclosure. Each of the Group Companies has fully provided the Investors with (a) all the information that the Investors have reasonably requested for deciding whether the Investors shall purchase the applicable Purchased Shares or the applicable Series D Warrants, and (b) all the agreements and documents in connection with implementing the transactions contemplated by any Transaction Document. No representation or warranty by any Group Company in this Agreement and no information or materials provided by any Group Company to the Investors in connection with the negotiation or execution of this Agreement or any agreement contemplated hereby contains any untrue statement of a material fact, or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading.

4. Representations and Warranties of the Principals and the Principal Holding Companies. Subject to such exceptions as may be specifically set forth in the Disclosure Schedule, each of the Principals and the Principal Holding Companies, jointly and severally, represents and warrants to the Investors that each of the statements contained in this Section 4 is true, accurate and complete as of the date of this Agreement, and that each of such statements shall be true, accurate and complete on and as of the date of the Closing, with the same effect as if made on and as of the date of the Closing.

4.1 Authorization. Each of the Principal Holding Companies and the Principals has all requisite power and authority to execute and deliver the Transaction Documents to which it is a party and to carry out and perform its obligations thereunder. All corporate actions on the part of the Principal Holding Companies to the Transaction Documents (and as applicable, its officers, directors and shareholders) necessary for the authorization, execution and delivery of the Transaction Documents, and the performance of all obligations of each of the Principals and the Principal Holding Companies, have been taken or will be taken prior to the Closing. Each Transaction Document shall have been or will be on or prior to the Closing, duly executed and delivered by the Principals and the Principal Holding Companies and, when executed and delivered, constitutes valid and legally binding obligations of such parties, enforceable against such parties in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other Laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

4.2 Consents; No Conflicts. All Consents from or with any Governmental Authority or any other Person required in connection with the valid execution, delivery and performance of the Transaction Documents, and the consummation of the transactions contemplated by the Transaction Documents, in any case on the part of the Principals and the Principal Holding Companies, have been duly obtained or completed (as applicable) and are in full force and effect. The execution, delivery and performance of each Transaction Document by each Principal or Principal Holding Company do not, and the consummation by each such party of the transactions contemplated thereby will not, with or without notice or lapse of time or both, (a) result in any violation of, be in conflict with, or constitute a default under, require any Consent under, or give any Person rights of termination, amendment, acceleration or cancellation under, with or without the passage of time or the giving of notice, any Governmental Order, any provision of the Charter Documents of any Principal Holding Company or Group Company, any applicable Laws (including without limitation, Order No. 10 and the SAFE Rules and Regulations), or any Material Contract, (b) result in any violation of, be in conflict with, or constitute a default under, or give rise to any right of any termination, modification, or cancellation, or give rise to any augmentation or acceleration of any material obligation or liability of any Group Company (including without limitation, any Indebtedness of such Group Company), or (c) result in the creation of any Lien upon any of the material properties or assets of any Group Company other than Permitted Liens.

4.3 Compliance with Laws. Each Principal has not been (a) subject to voluntary or involuntary petition under any applicable bankruptcy Laws or any applicable insolvency Laws or the appointment of a manager, receiver, or similar officer by a court for his business or property; (b) convicted in a criminal proceeding or named as a subject of a pending criminal proceeding (excluding traffic violations and other minor offences); (c) subject to any order, judgment, or decree of any court of competent jurisdiction permanently or temporarily enjoining him from engaging, or otherwise imposing limits or conditions on his engagement in any securities, investment advisory, banking, insurance, or other type of business or acting as an officer or director of a public company; or (d) found by a court of competent jurisdiction in a civil action or by any Governmental Authority to have violated any securities, commodities or unfair trade practices law, which such judgment or finding has not been subsequently reversed, suspended, or vacated.

4.4 Non-Compete. Each Principal does not, either on his own account or through any of his Associates or Affiliates, or in conjunction with or on behalf of any other Person, carry on or are engaged, concerned or interested in directly or indirectly any business that competes with the business of any Group Company.

4.5 Holding for Own Account. Each Principal holds and has been holding, indirectly through the relevant Principal Holding Company, his or her Equity Securities in the Company solely for his or her own account, and the Equity Securities of each Principal Holding Company is held by the equity holders registered or filed on the Charter Documents of such Principal Holding Company. None of the Principals and the Principal Holding Companies is or has been holding the Equity Securities in the Company or in the Principal Holding Company (as the case may be), directly or indirectly, as a nominee or agent, or with a view to the resale or distribution of any part thereof, and the Principals do not have any present intention of selling, granting any participation in, or otherwise distributing the same.

4.6 Intellectual Property Rights. Each Principal have assigned and transferred to a Group Company any and all of his/her Intellectual Property related to the business of the Group Companies as now conducted, which such Principal developed, conceived or reduced to practice in the course of performing services for such Group Company.

4.7 Prior Employment. Each Principal is not in violation of any current or prior confidentiality, non-competition or non-solicitation obligations to any other Persons, including his/her former employers.

5. Representations and Warranties of the Investors. Each Investor hereby represents and warrants to the Company, severally and not jointly and with respect to itself only, that each of the statements contained in this Section 5 is true, accurate and complete as of the date of this Agreement and the date of the Closing, except that, for those representations and warranties that address matters only as of a particular date, which representations will have been true, accurate and complete in all respects as of such particular date:

5.1 Authorization. Such Investor has all requisite power and authority to execute and deliver the Transaction Documents to which it is a party and to carry out and perform its obligations thereunder. All actions on the part of such Investor necessary for the authorization, execution and delivery of the Transaction Documents to which it is a party, has been taken or will be taken prior to the Closing. Each Transaction Document will be duly executed and delivered by such Investor (to the extent such Investor is a party) on or prior to the Closing, enforceable against such Investor in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other Laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

5.2 Purchase for Own Account. The Purchased Shares and the Series D Warrants being purchased by such Investor and the Conversion Shares thereof will be acquired for such Investor's own account, not as a nominee or agent, and not with a view to or in connection with the sale or distribution of any part thereof.

5.3 Status of Investor. Such Investor is either (a) an "accredited investor" within the meaning of the U.S. Securities and Exchange Commission ("SEC") Rule 501 of Regulation D, as presently in effect, under the Securities Act, or (b) not a "U.S. person" as defined in Rule 902 of Regulation S of the Securities Act. Such Investor has the knowledge, sophistication and experience necessary to make an investment decision like that involved in the purchase of the Purchased Shares and the Series D Warrants and can bear the economic risk of its investment in the Purchased Shares and the Series D Warrants.

5.4 Restricted Securities. Such Investor understands that the Purchased Shares and the Series D Warrants being purchased by such Investor and the Conversion Shares thereof are restricted securities within the meaning of Rule 144 under the Securities Act; that the Purchased Shares, the Series D Warrants and the Conversion Shares are not registered or listed publicly and must be held indefinitely unless they are subsequently registered or listed publicly or an exemption from such registration or listing is available.

5.5 No Brokers. Neither such Investor nor any of its Affiliates has any Contract with any broker, finder or similar agent with respect to the transactions contemplated by this Agreement or by any of the Transaction Documents, and none of them has incurred any Liability for any brokerage fees, agents' fees, commissions or finders' fees in connection with any of the Transaction Documents or the consummation of the transactions contemplated therein.

5.6 Sufficiency of Funds. At the applicable Closing, such Investor shall have all funds necessary to consummate the transactions contemplated hereby to take place at such Closing and pay its portion of the Purchase Price. At the applicable Closing, such funds will be readily available in United States dollars for immediate payment without further approval required by any corporate body, third party or Governmental Authority on the date of payment of such Purchase Price.

6. Conditions of the Investors' Obligations at the Closing. The obligations of each Investor to consummate the applicable Closing under Section 2 of this Agreement are subject to the fulfillment, to the satisfaction of such Investor on or prior to the applicable Closing, or waiver by such Investor in writing, of the following conditions:

6.1 Representations and Warranties. Each of the representations and warranties of the Group Companies contained in Section 3 and each of the representations and warranties of the Principals and Principal Holding Companies contained in Section 4 shall have been true, accurate and complete in all respects when made and (other than the representations and warranties contained in Sections 3.1 through 3.6 and 4, which shall be true, accurate and complete in all respects on and as of the applicable Closing with the same effect as though such representations and warranties had been made on and as of the date of the applicable Closing) shall be true, accurate and complete in all material respects on and as of the applicable Closing with the same effect as though such representations and warranties had been made on and as of the date of the applicable Closing, except in either case: (a) for those representations and warranties that address matters only as of a particular date, which representations will have been true, accurate and complete in all respect as of such particular date; and (b) for those representations and warranties that have already been subject to any materiality qualifier, such representations and warranties shall have been true, accurate and complete in all respects when made and on and as of the applicable Closing.

6.2 Performance. Each of the Group Companies, Principals, and Principal Holding Companies shall have performed and complied with all obligations and conditions in all material aspects contained in the Transaction Documents that are required to be performed or complied with by it, on or before the applicable Closing.

6.3 No Prohibition; Authorizations. All Consents of any competent Governmental Authority or of any other Person that are required to be obtained by any Group Company, Principal and Principal Holding Company in connection with the execution of the Transaction Documents and the consummation of the transactions that are required to be consummated on or prior to the applicable Closing as contemplated by the Transaction Documents shall have been duly obtained and effective as of the applicable Closing, and evidence thereof shall have been delivered to such Investor.

6.4 Proceedings and Documents. All corporate and other proceedings in connection with the execution of the Transaction Documents by all parties thereto other than such Investor and the transactions to be completed at or before the applicable Closing and all documents incident thereto, including without limitation the written consent of the board of the Company and the written approval from all of the then current holders of equity interests of each Group Company, as applicable, with respect to this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby, shall have been completed in form and substance satisfactory to such Investor, and such Investor shall have received all such counterpart copies of such documents as it may reasonably request.

6.5 Memorandum and Articles. The Memorandum and Articles, in the forms attached together hereto as Exhibit A, shall have been duly adopted by all necessary actions of the Board of Directors and the members of the Company, and such adoption shall have become effective prior to the applicable Closing with no alternation or amendment as of the applicable Closing, and reasonable evidence thereof shall have been delivered to such Investor.

6.6 Transaction Documents. Each of the parties to the Transaction Documents, other than such Investor, shall have executed and delivered such Transaction Documents to such Investor; provided that, if the applicable Closing occurs after the China-UAE Closing, in addition to the delivery of a copy of the Shareholders Agreement and the Right of First Refusal & Co-Sale Agreement duly executed by each of the parties thereto, Schedule H (List of Series D Investors) and Schedule I (Address for Notices) to the Shareholders Agreement and Schedule B-8 (List of Series D Investors) and Schedule C (Address for Notices) to the Right of First Refusal & Co-Sale Agreement shall have been updated to reflect such Investor purchasing the Series D Preferred Shares and its addresses for notices, as applicable.

6.7 No Material Adverse Effect. There shall have been no Material Adverse Effect since the date of this Agreement.

6.8 Closing Certificate. The chief executive officer of the Company shall have executed and delivered to such Investor at the applicable Closing a certificate dated as of the applicable Closing stating that the conditions specified in Sections 6.1 to 6.7 have been fulfilled as of the Closing.

6.9 Additional Closing Conditions.

6.9.1 Simultaneous Closing. With respect to each of Carlyle USD Entity and Carlyle RMB Entity only, the closing of investment of US$100,000,000 by one (1) or more other investors in the Company for subscription of the Series D Preferred Shares and/or the purchase of the warrant to purchase the Series D Preferred Shares (for the avoidance of doubt, excluding the China-UAE Warrant) shall occur prior to or simultaneously with the Closing with respect to Carlyle USD Entity or Carlyle RMB Entity, as applicable.

6.9.2 Escrow Account. With respect to Carlyle RMB Entity only, (a) the Escrow Agreement shall have been entered into by parties thereto and (b) the escrow account for receipt of the loan amount of the Carlyle RMB Entity pursuant to its RMB Loan Agreement and the Escrow Agreement shall have been opened.

7. Conditions of the Company's Obligations at Closing. The obligations of the Company to issue and sell the relevant Purchased Shares and/or the relevant Series D Warrant to an Investor at the applicable Closing under Section 2 of this Agreement, unless otherwise waived in writing by the Company, are subject to the fulfillment on or before the applicable Closing of each of the following conditions:

7.1 Representations and Warranties. The representations and warranties of such Investor contained in Section 5 shall have been true and complete in all material aspects as of the date hereof and as of the applicable Closing with the same effect as though such representations and warranties had been made on and as of the date of the applicable Closing, except in either case for those representations and warranties that address matters only as of a particular date, which representations and warranties will have been true and complete as of such particular date.

7.2 Performance. Such Investor shall have performed and complied with all covenants, obligations and conditions in all material aspects contained in the Transaction Documents that are required to be performed or complied with by such Investor on or before the Closing, and, if such Investor has entered into the RMB Loan Agreement with the Company's Subsidiary, the obligations of such Investor that are required to be performed at or prior to the Closing under such RMB Loan Agreement shall have been completed.

7.3 Transaction Documents. Such Investor shall have executed and delivered to the Company the Transaction Documents that are required to be executed by it on or prior to the applicable Closing; provided that, if the Closing occurs after the China-UAE Closing, in lieu of such Investor's execution and delivery of the Shareholders Agreement and the Right of First Refusal & Co-Sale Agreement, such Investor shall have executed and delivered to the Company the SHA Joinder Agreement and ROFR Joinder Agreement.

8. Other Agreements.

8.1 Compliance with US Laws. Each of the Group Companies shall, and the Principal Holding Companies and the Principals shall procure each of the Group Companies to, maintain practices and policies designed to ensure compliance with all applicable Laws, including the California Vehicle Code and the California Adopted Regulations for Testing of Autonomous Vehicles by Manufacturers.

8.2 Adoption of Memorandum and Articles. The Memorandum and Articles and the special resolution of the members of the Company approving the adoption of the Memorandum and Articles shall be duly filed by the Company with the Registrar of Companies of the Cayman Islands within fifteen (15) days after the China-UAE Closing.

8.3 Intellectual Property Protection. The Group Companies shall take all reasonable steps to protect their respective material Intellectual Property rights and refrain from intentionally violating, infringing or misappropriating the Intellectual Property of others, including without limitation (a) registering their respective material patents, trademarks, brand names, domain names and copyrights and obtaining the Intellectual Property rights granted by the competent authorities, and use reasonable best efforts to prosecute, maintain, and defend the validity of all such material IPs, (b) requiring each employee and consultant of each Group Company to enter into an employment agreement, a confidential information and intellectual property assignment agreement and a non-competition and non-solicitation agreement requiring such Persons to protect and keep confidential such Group Company's confidential information, Intellectual Property and trade secrets, prohibiting such Persons from competing with such Group Company for a reasonable time after their termination of employment with any Group Company, and requiring such Persons to assign all ownership rights in their work product to such Group Company, (c) requiring service providers of the Group Companies to delete or return all materials when their services to the Group are finished or terminated. Notwithstanding the foregoing, each Principal shall waive his rights to any reward or remuneration for his service inventions or service technology achievements voluntarily under PRC Laws or the Group Companies' policies.

8.4 Anti-Corruption Laws. Each of the Group Companies shall not and shall not permit any of its Subsidiaries or Affiliates or any of its or their Representatives to promise, at any time authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any Public Official, in each case, in violation of the FCPA, the U.K. Bribery Act, the PRC Criminal Law, the PRC Anti-Unfair Competition Law, the PRC Interim Provisions on Prohibition of Commercial Bribery, or any other applicable anti-bribery or anti-corruption Laws (collectively, the "Anti-Corruption Laws"). Each of the Group Companies shall and shall cause each of its Subsidiaries, Affiliates and Representatives to cease all of its or their respective activities, as well as remediate any actions taken by each of the Group Companies and any of its Subsidiaries, Affiliates or Representatives that may be considered to be in violation of the Anti-Corruption Laws. Further, each of the Group Companies shall and shall cause each of its Subsidiaries and Affiliates to maintain systems of policies, procedures and internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the Anti-Corruption Laws.

8.5 Compliance with Laws and Performance of Contracts.

8.5.1 Each of the Group Companies shall, and the Principal Holding Companies and the Principals shall cause each of the Group Companies to, comply with all applicable Laws in all material aspects, including but not limited to Data Security Laws, the California Vehicle Code, the California Adopted Regulations for Testing of Autonomous Vehicles by Manufacturers, any requirements for filing, renewal or keeping validity of Required Governmental Consents, applicable PRC and U.S. Laws regarding corporate governance, surveying and mapping, road testing, software, advertisement, Intellectual Property, anti-monopoly and competition, taxation, cybersecurity and data protection, foreign investments, corporate registration and filing, import, economic sanctions and export controls, customs administration, foreign exchange, telecommunications and artificial intelligence, labor and social welfare and benefit (including housing fund contribution), taxation, International Trade Laws, and applicable anti-money laundering statutes of all jurisdictions, including, without limitation, all U.S. anti-money laundering Laws, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental or regulatory agency (collectively, the "Money Laundering Laws"). The Group Companies shall duly and promptly obtain all the necessary permits and licenses in a proper way required by Laws in the event that such permits and licenses are required during their conduct of Business.

8.6 Data Security Laws.

8.6.1 The Group Companies shall maintain policies, procedures, and controls that are consistent with the reasonable industry practices and designed to ensure compliance with Data Security Laws in all material respects. The Group Companies shall use reasonable best efforts to prevent unauthorized access to, exfiltration, disclosure, loss, or leak of any data in their possession and/or control.

8.6.2 Within thirty (30) calendar days of the Closing, the Company shall have established a formal governance committee with respect to each Group Company's compliance with Data Security Laws. The committee shall meet regularly and shall be composed of competent, qualified, management-level employees, including the Company's Data Security Officer, General Counsel, and Chief Technology Officer, and shall operate under a written charter setting forth the committee's mission, authority, responsibilities, composition, meeting frequency, and such other items as are appropriate for a committee charter. The committee shall report to the Company's Board of Directors on a regular basis.

8.6.3 Within sixty (60) calendar days of Closing, the Company shall have (a) conducted one or more in-depth employee training sessions on the topic of compliance with Data Security Laws, which is mandatory for all employees who may handle or otherwise come into possession of sensitive or potentially sensitive data; and (b) developed a formal compliance training program for recurring, effective compliance training on the topic of compliance with Data Security Laws. Employee attendance shall be recorded and retained for all training sessions.

8.6.4 The Company shall promptly notify and disclose to the Investors, to the extent that it relates to Data Security Law and such disclosure is not otherwise prohibited by applicable Law (including but not limited to the confidentiality requirements on state secrets and certain investigations, and the restrictions on the cross-border provision or access of personal information, important data and other protected data), (i) any material legal proceeding commenced (including, but not limited to, litigation, mediation, or arbitration); (ii) any allegation of material noncompliance or material breach of Data Security Laws; and (iii) any finding of an actual material breach of Data Security Laws. The Group Companies shall retain, and maintain retention of, the services of one or more qualified and reputable PRC law firm and U.S. law firm with sufficient expertise and experience to advise and assist with respect to compliance with Data Security Laws.

8.7 Sanctions Compliance. None of the Group Companies shall directly or indirectly engage in transactions or dealings with any Governmental Authority, agent, representative or resident, domicile or national of, or any entity based, located or resident in any of the following countries and regions: Crimea, Cuba, Iran, Syria, the Democratic People's Republic of Korea, Venezuela or any other country or region sanctioned by OFAC. Each of the Group Companies shall, and the Principal Holding Companies and the Principals shall procure each of the Group Companies to, thoroughly assess its risks relating to Sanctions on a periodic basis and, as soon as practicable within six (6) months after the Closing, adopt and implement measures to ensure its compliance with Sanctions and other related Laws, including written internal policies consistent with the expectations of the relevant Governmental Authorities and industry standards and internal procedures, controls and protocols with respect to the screening of prospective business partners, employees and other counterparties for Prohibited Persons, and provide documentary evidence thereof to the Investors.

8.8 Business Realignment. To the extent permitted by applicable Laws, the Group Companies, the Principals and the Principal Holding Companies shall use commercially reasonable efforts to timely cause the Beijing WFOE and the Guangzhou WFOE to apply for and obtain all Consents necessary for the operation of the Group's Business in the PRC currently operated by the Beijing Company and the Guangzhou Company, and cause all Intellectual Property, assets (whether tangible or intangible), employees and Contracts held, owned, employed or entered into, as the case may be, by the Beijing Company or the Guangzhou Company that were not practicable to be transferred prior to the Closing to be transferred to the Beijing WFOE and the Guangzhou WFOE, respectively. Other than the Non-transferrable Items, the Beijing Company and the Guangzhou Company shall only hold, own, employ or enter into, as the case may be, the minimum amount or number of Intellectual Property, assets (whether tangible or intangible), employees and Contracts in order to meet requirements under applicable Laws. In the event that the Company reasonably believes that it is in the best interest of the Group Companies to have the Beijing Company or the Guangzhou Company hold, own, employ or enter into, as the case may be, any additional Intellectual Property, assets (whether tangible or intangible), employees or Contracts that are material to the operations of any Group Company, then the internal reorganization to transfer such ownership to the Beijing Company or the Guangzhou Company shall be approved by the Board prior thereto.

8.9 Export Regulation. Each Group Company agrees that it will not: (a) export or re-export, directly or indirectly, any technology (as defined by the EAR) or technologies (as defined in the List of Technologies Prohibited or Restricted from Export issued by the Ministry of Commerce and the Ministry of Science and Technology of the People's Republic of China) or any items (including technology, services, and software) in violation of International Trade Laws; or (b) disclose such technology for use in, or export or re-export directly or indirectly, any direct product of such technology, including Software, to any destination to which such export or re-export is prohibited by any applicable law, without obtaining prior authorization from relevant authorities and other competent Governmental Authorities to the extent required by applicable Laws. The Company shall (i) stay abreast of changes in export regulation laws; (ii) maintain a plan for responding to potential future restrictions on the export of its technology from the United States or the PRC; and (iii) use commercially reasonable endeavors to obtain any action by a Governmental Authority necessary to minimize the effect on its business and take action and make arrangements to, as appropriate, preserve the Company's interests in the event that stricter export regulations are imposed on items used in the Group's Business in accordance with such plan in (ii) above.

8.10 Retention of Key Employees. Each Group Company shall, and the Principal Holding Companies and the Principals shall cause each of the Group Companies to, use commercially reasonable efforts to retain Key Employees, including performing the review of Benefit Plan annually to provide competitive employee benefits compared to market standard.

8.11 Reservation of Conversion Shares and Warrant Shares. The Company covenants to at all times reserve sufficient Class A Ordinary Shares for issuance upon conversion of all Purchased Shares under the Transaction Documents and all Series D Preferred Shares issuable upon the exercise of the Series D Warrants and sufficient Series D Preferred Shares for issuance upon the exercise of the Series D Warrants; or, if the reservation is insufficient, the Group Companies shall take all actions necessary to authorize such additional Class A Ordinary Shares and Series D Preferred Shares.

8.12 Subsidies and Incentives. Each of the Beijing WFOE, the Beijing Company, the Guangzhou WFOE and the Guangzhou Company shall use its commercially reasonable efforts to maintain its eligibility for the subsidies and incentives for which it is currently eligible.

8.13 Equity Holders of the Beijing Company and the Guangzhou Company. If an equity holder of, or beneficial owner of equity interests in, the Beijing Company or the Guangzhou Company ceases to be an employee of the Group, each of the Principal Holding Companies, the Principals and the Group Companies shall procure such equity holder or such equity holder holding the equity interests of such beneficial owner to transfer, as soon as practicable and in any event within sixty (60) days thereafter, all of his equity interests in the Beijing Company or the Guangzhou Company, as applicable, to an employee of the Group designated by the Beijing WFOE or the Guangzhou WFOE, as applicable, who is a PRC citizen.

8.14 Further Assurances. Upon the terms and subject to the conditions herein, each Party hereto agrees to use its reasonable best efforts to take or cause to be taken all action, to do or cause to be done all things, to execute such further instruments, and to assist and cooperate with the other Parties hereto in doing all things necessary, proper or advisable under applicable Laws or otherwise to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the other Transaction Documents; provided that except as expressly provided herein, no Party shall be obligated to grant any waiver of any condition or other waiver hereunder.

9. Executory Period Covenants.

9.1 Access. Between the date hereof and the Closing, the Group Companies shall, and the Principals and the Principal Holding Companies shall cause the Group Companies to, permit each Investor, or any representative thereof, to (a) visit and inspect the properties of the Group Companies, (b) inspect the Contracts, books of account, records, ledgers, and other documents and data of the Group Companies, (c) discuss the business, affairs, finances and accounts of the Group Companies with officers and employees of the Group Companies, and (d) review such other information as such Investor reasonably request, in such a manner so as not to unreasonably interfere with their normal operations.

9.2 Covenants. Between the date hereof and the Closing, except as the Investors otherwise agree in writing or the transactions contemplated under the Transaction Documents, each of the Group Companies shall (and the Principals and the Principal Holding Companies shall cause each Group Company to) (a) conduct its business in the ordinary course consistent with past practice, as a going concern and in compliance with all applicable Laws and Contracts, (b) pay or perform its debts, Taxes, and other obligations when due, (c) maintain its assets in a condition comparable to its current condition, reasonable wear, tear and depreciation excepted, (d) use best efforts to preserve intact its current business organizations and keep available the services of its current officers and employees and preserve its relationships with customers, suppliers and others having business dealings with it, (e) otherwise periodically report to each Investor concerning the status of its business, operations and finance, and (f) take all actions reasonably necessary, to consummate the transactions contemplated by the Transaction Documents promptly, including the taking of all reasonable acts necessary to cause all of the conditions precedent of each Investor to be satisfied.

9.3 Negative Covenants. Between the date hereof and the Closing, except as the Investors otherwise agree in writing or the transactions contemplated under the Transaction Documents and the China-UAE SPA (including any sale and issuance of subsequent shares and subsequent warrants at closing or additional closings contemplated therein), none of the Group Companies shall (and the Principals or the Principal Holding Companies shall not permit any of the Group Companies to) (a) take any action that would make any representation and warranty of the Group Companies, the Principals or the Principal Holding Companies untrue, inaccurate or incomplete prior to or at the Closing, (b) waive, release or assign any material right or claim, (c) take any action that would reasonably be expected to materially impair the value of the Group Companies, (d) sell, purchase, assign, lease, transfer, pledge, encumber or otherwise dispose of any material asset, (e) issue, sell, or grant any Equity Securities unless otherwise pursuant to the Transaction Documents, (f) declare, issue, make, or pay any dividend or other distribution with respect to any Equity Securities, (g) incur any Indebtedness for borrowed money or capital lease commitments or assume or guarantee any Indebtedness of any Person, (h) enter into any Contract or other transaction with any Related Party unless otherwise pursuant to the Transaction Documents, or (i) authorize, approve or agree to any of the foregoing.

9.4 Information. Between the date hereof and the Closing, the Group Companies, the Principals and the Principal Holding Companies shall promptly notify the Investors of (a) any Action commenced or threatened in writing against any Group Company; (b) any fact or event which comes to the Group Companies' Knowledge, or the Principals' or the Principal Holding Companies' knowledge, and is in any way inconsistent with any of the representations and warranties in this Agreement; and (c) any fact or event which comes to the Group Companies' Knowledge, or to the Principals' and the Principal Holding Companies' knowledge, and might affect the willingness of a prudent investor to subscribe the Purchased Shares and the Series D Warrants on the terms contained in this Agreement or the amount of the consideration a prudent investor would be prepared to pay for the Purchased Shares and the Series D Warrants.

10. Termination. This Agreement may be terminated by the Company or any Investor on or after the later of (a) ninety (90) days after the date of execution of this Agreement, and (b) another date mutually agreed upon by the Company and such Investor by written notice to the other Parties, if the Closing has not occurred on or prior to such date; provided that (i) the Company's termination right under this Section 10 shall be conditional upon the fact that the Group Companies, the Principals and the Principal Holding Companies have not materially breached their respective representations, warranties or covenants hereunder and the failure of the Closing is not due to the fault of any Group Company, Principal or Principal Holding Company; (ii) each Investor's termination rights under this Section 10 shall be conditional upon the fact that such Investor has not materially breached its representations, warranties or covenants hereunder and the failure of the Closing is not due to the fault of such Investor. The termination of this Agreement by any Investor pursuant to this Section 10 shall not impact the rights and obligations of any other Investor under this Agreement until the termination of this Agreement by such other Investor. Upon termination of this Agreement under this Section 10, this Agreement shall forthwith become wholly void and of no effect and the Parties shall be released from all future obligations hereunder, except as otherwise expressly provided herein; provided that (x) nothing herein shall relieve any Party from liability for any breach of this Agreement occurring prior to such termination and (y) Sections 1 and 12 (other than Sections 12.5 and 12.8) shall survive such termination.

11. Indemnity.

11.1 Scope of Indemnity.

11.1.1 The Group Companies covenant and agree jointly and severally to indemnify and hold harmless each Indemnitees, from and against any and all Indemnifiable Losses, as incurred, insofar as such Indemnifiable Losses arise out of or are based upon: (a) any inaccuracy in or breach of any representation, warranty, covenant or agreement made by any Group Company in any Transaction Documents, or (b) the failure of any Group Company to perform or observe fully any covenant, agreement or other provision to be performed or observed by it pursuant to any Transaction Documents.

11.1.2 The Principals and the Principal Holding Companies covenant and agree jointly and severally to indemnify and hold harmless each Indemnitees, from and against any and all Indemnifiable Losses, as incurred, insofar as such Indemnifiable Losses arise out of or are based upon: (a) any inaccuracy in or breach of any representation, warranty, covenant or agreement made by any Principal or Principal Holding Company in any Transaction Documents, or (b) the failure of any Principal or Principal Holding Company to perform or observe fully any covenant, agreement or other provision to be performed or observed by it pursuant to any Transaction Documents.

11.1.3 Subject to Sections 11.1.4 and 11.3, (a) no Group Company, Principal or Principal Holding Company shall be liable for any Indemnifiable Losses arising from breach of this Agreement unless the aggregate amount of accumulated Indemnifiable Losses exceeds US$200,000, whether such accumulated Indemnifiable Losses are attributed to single claim or series of claims; provided, that once the aggregate amount of accumulated Indemnifiable Losses exceeds US$200,000, the Indemnitees shall be indemnified from the first dollar of their Indemnifiable Losses, (b) the maximum liability for the Group Companies, the Principals and the Principal Holding Companies owed to any Investor arising from breach of this Agreement shall not exceed an amount equal to 100% of the Purchase Price paid by such Investor, and (c) each Principal's liability shall be limited to the equity interest in the Company directly and indirectly held or Controlled by such Principal as of the enforcement of such claim.

11.1.4 In case of fraud, intentional misrepresentation or willful misconduct by any Group Company, Principal or Principal Holding Company, the indemnification limitations as provided under Section 11.1.3 shall no longer apply with respect to such Group Company, Principal or Principal Holding Company. In case of fraud, intentional misrepresentation or willful misconduct by any Principal or Principal Holding Company, such Principal and his Principal Holding Company covenant and agree jointly and severally to indemnify with the Group Companies Indemnifiable Losses mentioned in Section 11.1.1 that arise out of or are based upon the fraud, intentional misrepresentation or willful misconduct by Principal or Principal Holding Company.

11.2 For the avoidance of doubt, the rights of any Indemnitee to indemnification or any other remedy under this Agreement shall not be impacted or limited by any knowledge that the Indemnitee may have acquired, or could have acquired, whether before or after the Closing, nor by any investigation or diligence by the Indemnitee other than the knowledge acquired by disclosures in the Disclosure Schedule. The Group Companies, Principals and Principal Holding Companies hereby acknowledge that, regardless of any investigation made (or not made) by or on behalf of the Investor, and regardless of the results of any such investigation, the Investor has entered into this transaction in express reliance upon the representations and warranties of the Group Companies, Principals and Principal Holding Companies made in this Agreement.

11.3 Exception. For the avoidance of doubt, the liabilities of the Group Companies in case of any breach of any representation or warranty under Section 3.9, 3.18 or 3.25 shall not be subject to the indemnification limitations under Section 11.1.3.

11.4 Exclusive Remedy. Other than each Indemnitee's remedy of specific performance and injunctive and other equitable relief it may be entitled in accordance with applicable Laws, from and after the Closing, Section 11 shall provide the exclusive monetary remedy for any misrepresentation or breach of warranty resulting from or arising out of this Agreement and other Transaction Documents for such Indemnitee. For the avoidance of doubt, this Section 11.4 does not apply to or restrict any remedy for breach of any covenant or undertaking under this Agreement or other Transaction Document.

12. Miscellaneous.

12.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties hereto whose rights or obligations hereunder are affected by such terms and conditions. This Agreement and the rights and obligations therein may be assigned or transferred by any Investor to any Affiliate without the consent of any Party but may not be assigned or transferred by any Group Company, Principal or Principal Holding Company without the prior written consent of the Investors. Nothing in this Agreement, express or implied, is intended to confer upon any Party other than the Parties hereto or their respective successors and assigns any rights, remedies, obligations, or Liabilities under or by reason of this Agreement, except as expressly provided in this Agreement (including with respect to indemnification of Indemnitees pursuant to Section 11.1.1 to 11.2).

12.2 Governing Law. This Agreement shall be governed by and construed under the Laws of Hong Kong, without regard to principles of conflict of Laws thereunder.

12.3 Dispute Resolution.

12.3.1 Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of any party to the dispute with notice (the "Arbitration Notice") to the other parties thereto.

12.3.2 The Dispute shall be settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre (the "HKIAC") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the "HKIAC Rules") in force when the Arbitration Notice is submitted in accordance with the HKIAC Rules. There shall be three (3) arbitrators, all of whom shall be qualified to practice law in Hong Kong.

12.3.3 The arbitral proceedings shall be conducted in both Chinese and English and all information and documents can be provided to the arbitral tribunal in English or Chinese with equal legal validity. To the extent that the HKIAC Rules are in conflict with the provisions of this Section 12.3, including the provisions concerning the appointment of the arbitrators, the provisions of this Section 12.3 shall prevail.

12.3.4 Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents reasonably requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party receiving the request and except for any information and documents subject to legal professional privilege.

12.3.5 The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award.

12.3.6 The arbitral tribunal shall decide any Dispute submitted by the parties to the arbitration strictly in accordance with the substantive Laws of Hong Kong (without regard to principles of conflict of Laws thereunder) and shall not apply any other substantive Law.

12.3.7 Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal.

12.3.8 During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

12.4 Notices. Any notice, request, consent or other communication required or permitted pursuant to this Agreement shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, fax, electronic mail or similar means to the address of the relevant Party as shown on Schedule G (or at such other address or number as such Party may designate by fifteen (15) days' advance written notice to the other Parties to this Agreement given in accordance with this Section). Where a notice, request, consent or other communication is sent by next-day or second-day courier service, service of the notice, request, consent or other communication shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, request, consent or other communication, with a written confirmation of delivery, and to have been effected at the earlier of (a) delivery (or when delivery is refused) and (b) expiration of two (2) Business Days after the letter containing the same is sent as aforesaid. Where a notice, request, consent or other communication is sent by fax or electronic mail, service of the notice, request, consent or other communication shall be deemed to be effected by properly addressing, and sending such notice, request, consent or other communication through a transmitting organization, with a written confirmation of delivery, and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day. Notwithstanding the foregoing, to the extent a "with a copy to" address is designated, notice must also be given to such address in the manner above for such notice, request, consent or other communication hereunder to be effective.

12.5 Survival of Representations, Warranties and Covenants. The representations and warranties of the Group Companies contained in this Agreement shall survive for a period of twenty-four (24) months after the Closing; provided, however, that the representations and warranties made pursuant to Section 3.1 to Section 3.6 shall survive indefinitely and the representations and warranties made pursuant to Sections 3.9, 3.11, 3.18 and 3.25 shall survive for the applicable statutory limitation period. The representations and warranties of the Principal Holding Companies and Principals contained in this Agreement shall survive indefinitely. Notwithstanding the foregoing, in case of fraud, intentional misrepresentation or willful misconduct of any of the Group Companies in connection with any of the representations and warranties made by it under Section 3 hereof, such representations and warranties shall survive the Closing indefinitely. The covenants of the Group Companies, the Principals and the Principal Holding Companies contained in this Agreement shall survive any investigation made by any Party hereto, and the consummation of the transactions contemplated hereby.

12.6 Rights Cumulative; Specific Performance. Each and all of the various rights, powers and remedies of a Party hereto will be considered to be cumulative with and in addition to any other rights, powers and remedies which such Party may have at laws or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power or remedy will neither constitute the exclusive election thereof nor the waiver of any other right, power or remedy available to such Party. Without limiting the foregoing, the Parties hereto acknowledge and agree irreparable harm may occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement.

12.7 Fees and Expenses. Each Party shall be responsible for and pay its own fees, costs and expenses incurred in connection with the negotiation, execution, delivery and performance of this Agreement and other Transaction Documents and the transactions contemplated hereby and thereby, including the fees, costs and expenses of its financial advisors, accountants and counsel. If any Action at Law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such Party may be entitled.

12.8 Finder's Fee. Each party represents that it neither is nor will be obligated for any finders' fee or commission in connection with this transaction. The Company agrees to indemnify and to hold harmless the Investors from any liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees, or representatives is responsible. Each Investor agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such liability or asserted liability) for which such Investor or any of its officers, employees, or representatives is responsible.

12.9 Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. If, however, any provision of this Agreement shall be invalid, illegal, or unenforceable under any such applicable Law in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such Law, or, if for any reason it is not deemed so modified, it shall be invalid, illegal, or unenforceable only to the extent of such invalidity, illegality, or limitation on enforceability without affecting the remaining provisions of this Agreement, or the validity, legality, or enforceability of such provision in any other jurisdiction.

12.10 Amendments and Waivers. Any term of this Agreement (except for The Schedule B (Investors), Schedule C (Investment Particulars) and Schedule G (Notices) which may be updated by the Company from time to time according to Section 12.21) may be amended, only with the written consent of the Company and each Investor. For the avoidance of doubt, prior to the Carlyle RMB Entity becoming a party to this Agreement, any term of this Agreement (including any schedules and exhibits hereto) relating to the Carlyle RMB Entity shall not be amended unless with the prior written consent of the Carlyle USD Entity. Any amendment effected in accordance with this paragraph shall be binding upon each of the Parties hereto. Notwithstanding the foregoing, (a) the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Party against whom such waiver is sought, and (b) any amendment to this Agreement that affects one Investor but not any other Investor shall only require the written consent of such affected Investor and the Company.

12.11 No Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right, power or remedy power hereunder at any one or more times be deemed a waiver or relinquishment of such right, power or remedy at any other time or times.

12.12 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any breach or default under this Agreement, and any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

12.13 No Presumption. The Parties acknowledge that any applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

12.14 Headings and Subtitles; Interpretation. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. Unless a provision hereof expressly provides otherwise: (a) the term "or" is not exclusive; (b) words in the singular include the plural, and words in the plural include the singular; (c) the terms "herein," "hereof," and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (d) the term "including" will be deemed to be followed by, "but not limited to," (e) the masculine, feminine, and neuter genders will each be deemed to include the others; (f) the terms "shall," "will," and "agrees" are mandatory, and the term "may" is permissive; (g) the term "day" means "calendar day," and "month" means calendar month, (h) all references in this Agreement to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, (i) all references in this Agreement to designated Schedules, Exhibits and Appendices are to the Schedules, Exhibits and Appendices attached to this Agreement, (j) the phrase "directly or indirectly" means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and "direct or indirect" has the correlative meaning, (k) references to laws include any such law modifying, re- enacting, extending or made pursuant to the same or which is modified, re- enacted, or extended by the same or pursuant to which the same is made, (l) each representation, warranty, agreement, and covenant contained herein will have independent significance, regardless of whether also addressed by a different or more specific representation, warranty, agreement, or covenant, (m) all accounting terms not otherwise defined herein have the meanings assigned under the Accounting Standards, (n) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms, (o) references to this Agreement, any other Transaction Documents and any other document shall be construed as references to such document as the same may be amended, supplemented, superseded, replaced or novated from time to time, and (p) all references to dollars or to "US$" are to currency of the United States of America and all references to RMB are to currency of the PRC (and each shall be deemed to include reference to the equivalent amount in other currencies).

12.15 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mailed copies of signatures shall be deemed to be originals for purposes of the effectiveness of this Agreement.

12.16 Entire Agreement. This Agreement and the other Transaction Documents, together with all schedules and exhibits hereto and thereto, constitute the full and entire understanding and agreement among the Parties with regard to the subjects hereof and thereof, and supersede all other agreements between or among any of the Parties with respect to the subject matters hereof and thereof.

12.17 Aggregation of Stock. All Preferred Shares held or acquired by any Person and its Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

12.18 Use of English Language. This Agreement has been executed and delivered in the English language. Any translation of this Agreement into another language shall have no interpretive effect. All documents or notices to be delivered pursuant to or in connection with this Agreement shall be in the English language or, if any such document or notice is not in the English language, accompanied by an English translation thereof, and the English language version of any such document or notice shall control for purposes thereof.

12.19 Independent Nature of Investors' Obligations and Rights. The purchase and sale of the Purchased Shares and the Series D Warrants by each of the Investors as set forth in this Agreement shall be a separate and independent transaction, and may be consummated or terminated separately and severally in accordance with the terms of this Agreement. The obligations of each Investor under this Agreement and the other Transaction Documents are several and not joint, and no Investor is responsible in any way for the performance or conduct of any other Investor in connection with the transactions contemplated hereby. Nothing contained herein or in any other Transaction Document, and no action taken by any Investor pursuant hereto or thereto, shall be or shall be deemed to constitute a partnership, association, joint venture, or joint group with respect to the Investors. Each Investor agrees that no other Investor has acted as an agent for such Investor in connection with the transactions contemplated hereby.

12.20 Confidentiality. Section 12.6 (*Confidentiality*) of the Shareholders Agreement shall apply to this Agreement *mutatis mutandis*.

12.21 Additional Investor. Carlyle RMB Entity may become a party to this Agreement and have the rights and obligations hereunder by executing and delivering to the Company its counterpart signature page to this Agreement. Carlyle RMB Entity may become a party to the related Transaction Documents, and have the rights and obligations thereunder, by executing and delivering to the Company the executed Joinder Agreements. Additional Investors may become a party to this Agreement and the related Transaction Documents, and have the rights and obligations hereunder and thereunder, by executing and delivering to the Company such purchaser's counterpart signature pages and/or such purchaser's deed of adherence or joinder agreement (as applicable) to this Agreement and the related Transaction Documents, including but not limited to the deed of adherence to this Agreement in substantially the form and substance attached hereto as Exhibit G and the Joinder Agreements. The Schedule B (Investors), Schedule C (Investment Particulars) and Schedule G (Notices) of this Agreement may be unilaterally amended by the Company to include each additional Investor and to reflect the number of Purchased Shares or the Series D Warrants sold to such Investor.

[*The remainder of this page has been left intentionally blank*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

PONY AI INC.

By: /s/ Jun Peng
Name: Jun Peng
Title: Director

PONY.AI, INC.

By: /s/ Jun Peng
Name: Jun Peng
Title: Director

HONGKONG PONY AI LIMITED

By: /s/ Jun Peng
Name: Jun Peng
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

GUANGZHOU PONY AI TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY AI TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

GUANGZHOU PONY HUIXING TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY HUIXING TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

GUANGZHOU BIBI TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU BIBI TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

GUANGZHOU PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

BEIJING PONY HUIXING TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY HUIXING TECHNOLOGY CO., LTD.

By: /s/ Hengyu Li
Name: Hengyu Li
Title: Legal Representative

BEIJING PONY AI TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY AI TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

BEIJING PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

JIANGSU HEIMAI DATA TECHNOLOGY CO., LTD.
Company seal: /s/ JIANGSU HEIMAI DATA TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

SHANGHAI PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ SHANGHAI PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Haojun Wang
Name: Haojun Wang
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

BEIJING PONY ZHIKA TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY ZHIKA TECHNOLOGY CO., LTD.

By: /s/ Hengyu Li
Name: Hengyu Li
Title: Legal Representative

BEIJING PONY RUIXING TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY RUIXING TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

GUANGZHOU PONY ZHIKA TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY ZHIKA TECHNOLOGY CO., LTD.

By: /s/ Hengyu Li
Name: Hengyu Li
Title: Legal Representative

GUANGZHOU PONY ZHIHUI LOGISTICS TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY ZHIHUI LOGISTICS TECHNOLOGY CO., LTD.

By: /s/ Xing He
Name: Xing He
Title: Legal Representative

SHENZHEN PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ SHENZHEN PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

PRINCIPALS AND PRINCIPAL HOLDING COMPNIES:

JUN PENG

/s/ Jun Peng

TIANCHENG LOU

/s/ TIANCHENG LOU

IWAY LLC

By: /s/ TIANCHENG LOU
Name: TIANCHENG LOU
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

PRINCIPALS AND PRINCIPAL HOLDING COMPNIES:

HENGYU LI

/s/ HENGYU LI

FREE PONY LIMITED

By: /s/ HENGYU LI
Name: HENGYU LI
Title: Director

[Signature Page to Series D Preferred Share and Warrant Purchase Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

Hainan Kaibeixin Investment Limited Partnership
Company seal: /s/ Hainan Kaibeixin Investment Limited Partnership

By: /s/ Dennis Wang
Name: Dennis Wang
Title: Authorized Signatory

[Signature Page to Series D Preferred Share and Warrant Purchase Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

Evodia Investments

By: /s/ Kshitish Ballah
Name: Kshitish Ballah
Title: Director

[Signature Page to Series D Preferred Share and Warrant Purchase Agreement – Pony AI Inc.]

SCHEDULE A

[**********]

SCHEDULE B

[**********]

SCHEDULE C

[**********]

SCHEDULE D

[**********]

SCHEDULE E

[**********]

SCHEDULE F

[**********]

SCHEDULE G

[**********]

EXHIBIT A

FORM OF SEVENTH AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION AND SEVENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION

[separately attached]

EXHIBIT B

FORM OF SIXTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

[separately attached]

EXHIBIT C

FORM OF SIXTH AMENDED AND RESTATED RIGHT OF FIRST REFUSAL & CO-SALE AGREEMENT

[separately attached]

EXHIBIT D

FORM OF SERIES D WARRANTS

[separately attached]

EXHIBIT E

FORM OF SHA JOINDER AGREEMENT

[separately attached]

EXHIBIT F

FORM OF ROFR JOINDER AGREEMENT

[separately attached]

EXHIBIT G

FORM OF SPA DEED OF ADHERENCE

[separately attached]

EXHIBIT H

FORM OF RMB LOAN AGREEMENT

[separately attached]

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY BRACKETS [****], HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

Exhibit 10.18

Deed of Adherence

To: Pony AI Inc.
Parties to the Series D SPA (as defined below)

From: Raumier Limited

Date: 24 January, 2022

Dear Sirs,

The undersigned hereby agrees and covenants with each of you pursuant to this deed of adherence (the **"Deed of Adherence")** that the undersigned will abide by all the provisions of, and be entitled to all rights and obligations under, the Series D Preferred Share Purchase Agreement entered into by and among the Company and each of the parties named therein, dated as of December 23, 2021, as amended from time to time (the **"Series D SPA"),** as an Investor of the number and type of the Equity Securities of the Company set forth in Annex A attached hereto under the terms of the Series D SPA and a party to the Series D SPA.

The undersigned hereby confirms that the representations and warranties contained in Section 3 of the Series D SPA are true and correct as to the undersigned as an Investor under the Series D SPA as of the date hereof.

The notice information for the undersigned is as follows:

Address:	[**********]
Telephone:	[**********]
Fax:	[**********]
E-mail:	[**********]
Attention:	Hazim Rahman

[remainder of this page intentionally left blank]

Annex A - Equity Securities to be Purchased

[**********]

IN WITNESS WHEREOF this Deed of Adherence is executed and delivered as a deed on the date first above written.

SIGNED, SEALED, AND DELIVERED)
AS A DEED by)
)
)
/s/: Dk Noorul Hayati Pg Julaihi)
Name: Dk Noorul Hayati Pg Julaihi)
Title: Director)
for and on behalf of)
Raumier Limited)
in the presence of:)

/s/: Ak Mohd Azam Pg Abdul Rahman
Signature of Witness

Name: Ak Mohd Azam Pg Abdul Rahman

Address: [**********]

Occupation: Legal Counsel

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY BRACKETS [****], HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

Exhibit 10.19

Deed of Adherence

To: Pony AI Inc.
Parties to the Series D SPA (as defined below)

From: Morningside China TMT Fund IV, L.P.

Date: February 4, 2022

Dear Sirs,

Deed of Adherence

The undersigned hereby agrees and covenants with each of you pursuant to this deed of adherence (the "**Deed of Adherence**") that the undersigned will abide by all the provisions of, and be entitled to all rights and obligations under, the Series D Preferred Share Purchase Agreement entered into by and among the Company and each of the parties named therein, dated as of December 23, 2021, as amended from time to time (the "**Series D SPA**"), as an Investor of the number and type of the Equity Securities of the Company set forth in Annex A attached hereto under the terms of the Series D SPA and a party to the Series D SPA.

The undersigned hereby confirms that the representations and warranties contained in Section 5 of the Series D SPA are true and correct as to the undersigned as an Investor under the Series D SPA as of the date hereof.

The notice information for the undersigned is as follows:

Address:	[**********]
Telephone:	[**********]
Fax:	[**********]
E-mail:	[**********]
Attention:	Stephanie, TANG

[signature page follows]

Annex A - Equity Securities to be Purchased

[**********]

IN WITNESS WHEREOF this Deed of Adherence is executed and delivered as a deed on the date first above written.

SIGNED, SEALED, AND DELIVERED)
AS A DEED by)
MORNINGSIDE CHINA TMT FUND IV, LP.,)
a Cayman Islands exempted limited partnership)
)
By:)
MORNINGSIDE CHINA TMT GP IV, LP.,)
a Cayman Islands exempted limited partnership,)
its general partner

By:
TMT GENERAL PARTNER LTD.,
a Cayman Islands exempted company,
its general partner
in on

/s/ Jill Marie Franklin
Jill Marie Franklin
Director/Authorised Signatory

)

in the presence of:

/s/ Geraldine VIALE
Signature of Witness

Name: **Geraldine VIALE**

Address: [**********]

Occupation: Admin Assistant

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY BRACKETS [****], HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

Exhibit 10.20

Deed of Adherence

To: Pony AI Inc.
Parties to the Series D SPA (as defined below)

From: Morningside China TMT Fund IV Co-investment, L.P.

Date: February 4, 2022

Dear Sirs,

Deed of Adherence

The undersigned hereby agrees and covenants with each of you pursuant to this deed of adherence (the "**Deed of Adherence**") that the undersigned will abide by all the provisions of, and be entitled to all rights and obligations under, the Series D Preferred Share Purchase Agreement entered into by and among the Company and each of the parties named therein, dated as of December 23, 2021, as amended from time to time (the "**Series D SPA**"), as an Investor of the number and type of the Equity Securities of the Company set forth in Annex A attached hereto under the terms of the Series D SPA and a party to the Series D SPA.

The undersigned hereby confirms that the representations and warranties contained in Section 5 of the Series D SPA are true and correct as to the undersigned as an Investor under the Series D SPA as of the date hereof.

The notice information for the undersigned is as follows:

Address:	[**********]
Telephone:	[**********]
Fax:	[**********]
E-mail:	[**********]
Attention:	Stephanie, TANG

[signature page follows]

Annex A - Equity Securities to be Purchased

[**********]

IN WITNESS WHEREOF this Deed of Adherence is executed and delivered as a deed on the date first above written.

SIGNED, SEALED, AND DELIVERED AS A DEED by)
)
)
MORNINGSIDE CHINA TMT FUND IV CO-INVESTMENT, LP.,)
a Cayman Islands exempted limited partnership)
By:)
MORNINGSIDE CHINA TMT GP IV, LP.,)
)
a Cayman Islands exempted limited partnership,)
By:)
TMT GENERAL PARTNER LTD.,)
a Cayman Islands exempted company,
its general partner
in on

/s/ Jill Marie Franklin
Jill Marie Franklin
Director/Authorised Signatory
)
in the presence of:

/s/ Geraldine VIALE
Signature of Witness

Name: **Geraldine VIALE**

Address: [**********]

Occupation: Admin Assistant

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY BRACKETS [****], HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

Exhibit 10.21

Deed of Adherence

Date: February 4, 2022

This deed of adherence is executed and delivered by ClearVue Pony AI Plus Holdings, Ltd. (the "**Investor**", or "**CVP AI Plus**") to Pony AI Inc. (the "**Company**") pursuant to Section 2.4.2 of the Series D Preferred Share Purchase Agreement, dated December 23, 2021, by and among the Company, China-UAE Investment Cooperation Fund, L.P. and the other parties named therein (the "**Series D SPA**").

The Investor hereby agrees and confirms that, by its execution and delivery of this deed of adherence, the Investor will become a party to the Series D SPA and will abide by all the provisions of, and be entitled to all rights and obligations under, the Series D SPA as an "Investor" of the number and type of the Equity Securities of the Company set forth in Annex A attached hereto under the terms of the Series D SPA. The Company hereby confirms that this deed of adherence is a deed of adherence in form and substance reasonably acceptable to it for purposes of the second to last sentence of Section 2.4.2 of the Series D SPA.

The Investor further hereby confirms that the representations and warranties contained in Section 5 of the Series D SPA are true and correct as to CVP AI Plus as an Investor under the Series D SPA as of the date hereof.

The notice information for the Investor is as follows:

Address:	[**********]
Tel.:	[**********]
E-Mail:	[**********]
Attention:	Rachel Hu

Annex A - Equity Securities to be Purchased

[**********]

IN WITNESS WHEREOF this Deed of Adherence is executed and delivered as a deed on the date first above written.

SIGNED, SEALED, AND DELIVERED AS A DEED by)
)
/s/ WILLIAM APOLLO CHEN)
Name: WILLIAM APOLLO CHEN)
Title: MANAGING DIRECTOR)
for and on behalf of)
ClearVue Pony AI Plus Holdings, Ltd.)
)
)
in the presence of:)

/s/ Liliye
Signature of Witness

Name: Liliye

Address: _____

Occupation: _____

IN WITNESS WHEREOF this Deed of Adherence is executed and delivered as a deed on the date first above written.

SIGNED, SEALED, AND DELIVERED AS A DEED by)
)
)
/s/ Jun Peng)
Name: Jun Peng)
Title: Director)
for and on behalf of)
Pony Al Inc.)
)
in the presence of:)

/s/ TZAN GAO
Signature of Witness

Name: TZAN GAO

Address: [**********]

Occupation: Lawyer

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY BRACKETS [****], HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

Exhibit 10.22

Deed of Adherence

To: Pony AI Inc.
Parties to the Series D SPA (as defined below)

From: Assets Key Limited

Date: January 28, 2022

Dear Sirs,

The undersigned hereby agrees and covenants with each of you pursuant to this deed of adherence (the "**Deed of Adherence**") that the undersigned will abide by all the provisions of, and be entitled to all rights and obligations under, the Series D Preferred Share Purchase Agreement entered into by and among the Company and each of the parties named therein, dated as of December 23, 2021, as amended from time to time (the "**Series D SPA**"), as an Investor of the number and type of the Equity Securities of the Company set forth in Annex A attached hereto under the terms of the Series D SPA and a party to the Series D SPA. Capitalized terms used but not defined herein shall have the meanings set forth in the Series D SPA.

The undersigned hereby confirms that the representations and warranties contained in Section 5 of the Series D SPA (other than, with respect to Section 5.1 and Section 5.6 of the Series D SPA, the Outbound Investment Approvals to be obtained by the undersigned for the exercise of the Series D Warrant and the payment of the exercise price of the Series D Warrant pursuant to its terms) are true and correct as to the undersigned as an Investor under the Series D SPA as of the date hereof. For the purpose hereof , "Outbound Investment Approvals" shall mean the necessary filing and/or registrations, with respect to the transaction contemplated under the Transaction Documents regarding the undersigned, with the competent local branch of the Ministry of Commerce of the PRC and the competent branch of the National Development and Reform Commission of the PRC, as well as necessary registrations and filings with the competent branch of the SAFE (or a bank competent to accept or effect such filing or registration under the Laws of the PRC).

The notice information for the undersigned is as follows:

Address: [**********]
Fax: [**********]
Attention: Chi Sing HO

Notwithstanding anything to the contrary contained in this Deed of Adherence or the Series D SPA, the undersigned hereby acknowledges and agrees that:

(i) the sale and issuance of Purchased Shares to the undersigned pursuant to the Series D SPA shall be made through the sale and issuance of certain Series D Warrant, which shall be substantially in the form attached hereto as Annex B, to the undersigned to purchase certain number of newly issued Series D Preferred Shares set forth opposite the undersigned's name in Annex A attached hereto in accordance with the terms of such Series D Warrant at the Purchase Price (payable in the form of the loan as contemplated under certain convertible loan agreement related to the undersigned) as set forth opposite the undersigned's name in Annex A attached hereto;

(ii) at the Closing, the Company shall deliver to the undersigned the Series D Warrant applicable to the undersigned against its payment of the Purchase Price in the form of the loan as contemplated under certain convertible loan agreement related to the undersigned; it being understood that the deliveries under Section 2.4.3(a) (*delivery of updated register of member*) and Section 2.4.3(b) (*delivery of share certificate*) of the Series D SPA are not applicable to the undersigned;

(iii) the obligations of the Company to issue and sell the relevant Series D Warrants to the undersigned at the Closing are subject to, among other conditions as set forth in the Series D SPA, the completion of the transactions contemplated by the convertible loan agreement related to the undersigned; and

(iv) with respect to the transactions as between the Company and the undersigned only, the term of "Transaction Documents" under the Series D SPA shall include, among other things, the Series D Warrant and the convertible loan agreement related to the undersigned.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF this Deed of Adherence is executed and delivered as a deed on the date first above written.

SIGNED, SEALED, AND DELIVERED)
AS A DEED by)
)
)
/s/ Chi Sing Ho)
Name: Chi Sing Ho)
Title: Authorized Signatory)
for and on behalf of)
ASSETS KEY LIMITED)
)
)
)
)
)

in the presence of:

/s/ Siu Yan Chan
Signature of Witness

Name: Siu Yan Chan

Address: [**********]

Occupation: HR & Admin Officer

Annex A - Equity Securities to be Purchased

[**********]

Annex B – Form of Series D Warrant

[separately attached]

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY BRACKETS [****], HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

Exhibit 10.23

Deed of Adherence

To: Pony AI Inc.
Parties to the Series D SPA (as defined below)

From: Shenzhen ZY Venture Investment Limited Corporation (深圳市卓袁创业投资有限公司)

Date: February 4, 2022

Dear Sirs,

The undersigned hereby agrees and covenants with each of you pursuant to this deed of adherence (the **"Deed of Adherence")** that the undersigned will abide by all the provisions of, and be entitled to all rights and obligations under, the Series D Preferred Share Purchase Agreement entered into by and among the Company and each of the parties named therein, dated as of December 23, 2021, as amended from time to time (the **"Series D SPA"),** as an Investor of the number and type of the Equity Securities of the Company set forth in Annex A attached hereto under the terms of the Series D SPA and a party to the Series D SPA. Capitalized terms used but not defined herein shall have the meanings set forth in the Series D SPA.

The undersigned hereby confirms that the representations and warranties contained in Section 5 of the Series D SPA (other than, with respect to Section 5.1 and Section 5.6 of the Series D SPA, the Outbound Investment Approvals to be obtained by the undersigned for the exercise of the Series D Warrant and the payment of the exercise price of the Series D Warrant pursuant to its terms) are true and correct as to the undersigned as an Investor under the Series D SPA as of the date hereof. For the purpose hereof, "Outbound Investment Approvals" shall mean the necessary filing and/or registrations, with respect to the transaction contemplated under the Transaction Documents regarding the undersigned, with the competent local branch of the Ministry of Commerce of the PRC and the competent branch of the National Development and Reform Commission of the PRC, as well as necessary registrations and filings with the competent branch of the SAFE (or a bank competent to accept or effect such filing or registration under the Laws of the PRC).

The notice information for the undersigned is as follows:

Address:	[**********]
Telephone:	[**********]
Email:	[**********]
Attention:	Haizhuo Lin

Notwithstanding anything to the contrary contained in this Deed of Adherence or the Series D SPA, the undersigned hereby acknowledges and agrees that:

(i) the sale and issuance of Purchased Shares to the undersigned pursuant to the Series D SPA shall be made through the sale and issuance of certain Series D Warrant, which shall be substantially in the form attached hereto as Annex B, to the undersigned to purchase certain number of newly issued Series D Preferred Shares set forth opposite the undersigned's name in Annex A attached hereto in accordance with the terms of such Series D Warrant at the Purchase Price (payable in the form of the loan as contemplated under certain loan agreement related to the undersigned) as set forth opposite the undersigned's name in Annex A attached hereto;

(ii) at the Closing, the Company shall deliver to the undersigned the Series D Warrant applicable to the undersigned against its payment of the Purchase Price in the form of the loan as contemplated under certain loan agreement related to the undersigned; it being understood that the deliveries under Section 2.4.3(a) (*delivery of updated register of member*) and Section 2.4.3(b) (*delivery of share certificate*) of the Series D SPA are not applicable to the undersigned;

(iii) the obligations of the Company to issue and sell the relevant Series D Warrants to the undersigned at the Closing are subject to, among other conditions as set forth in the Series D SPA, the completion of the transactions contemplated by the loan agreement related to the undersigned; and

(iv) with respect to the transactions as between the Company and the undersigned only, the term of "Transaction Documents" under the Series D SPA shall include, among other things, the Series D Warrant and the loan agreement related to the undersigned.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF this Deed of Adherence is executed and delivered as a deed on the date first above written.

SIGNED, SEALED, AND DELIVERED)
AS A DEED by)
)
)
/s/ Haizhuo Lin)
Name: Haizhuo Lin)
Title: Founding Partner & CEO)
for and on behalf of)
Shenzhen ZY Venture Investment Limited Corporation)
)
)
)
)
)

in the presence of:

/s/ Hongwei Yuan
Signature of Witness

Name: Hongwei Yuan

Address: [***]

Occupation: Founding Partner & Chairman

Annex A - Equity Securities to be Purchased

[***]

Annex B - Form of Series D Warrant

[separately attached]

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY BRACKETS [****], HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

Exhibit 10.24

SIXTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

THIS SIXTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT (this "Agreement") is entered into on March 4, 2022, by and among:

1. PONY AI INC., an exempted company organized under the Laws of the Cayman Islands (the "Company");

2. Pony.AI, Inc., a company incorporated under the Laws of the State of Delaware (the "U.S. Company");

3. Hongkong Pony AI Limited (香港小馬智行有限公司), a company incorporated under the Laws of Hong Kong (the "HK Company");

4. Beijing Pony Huixing Technology Co., Ltd. (北京小马慧行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Beijing WFOE");

5. Beijing Pony AI Technology Co., Ltd. (北京小马智行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Beijing Company");

6. Guangzhou Pony Huixing Technology Co., Ltd. (广州小马慧行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Guangzhou WFOE");

7. Shenzhen Pony Yixing Technology Co., Ltd. (深圳小马易行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Shenzhen WFOE");

8. Guangzhou Pony AI Technology Co., Ltd. (广州小马智行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Guangzhou Company");

9. Beijing Pony Yixing Technology Co., Ltd. (北京小马易行科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Beijing Yixing");

10. Jiangsu Heimai Data Technology Co., Ltd. (江苏黑麦数据科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Jiangsu Heimai");

11. Guangzhou Bibi Technology Co., Ltd. (广州哔哔出行科技服务有限公司) a limited liability company incorporated under the Laws of the PRC ("Guangzhou Bibi");

12. Shanghai Pony Yixing Technology Co., Ltd. (小马易行科技 (上海) 有限公司), a limited liability company incorporated under the Laws of the PRC ("Shanghai Yixing");

13. Guangzhou Pony Yixing Technology Co., Ltd. (广州小马易行科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Guangzhou Yixing");

14. Beijing Pony Zhika Technology Co., Ltd. (北京小马智卡科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Beijing Zhika");

15. Beijing Pony Ruixing Technology Co., Ltd. (北京小马睿行科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Beijing Ruixing");

16. Guangzhou Pony Zhika Technology Co., Ltd. (广州小马智卡科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Guangzhou Zhika");

17. Guangzhou Pony Zhihui Logistics Technology Co., Ltd. (广州小马智慧物流科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Guangzhou Zhihui");

18. each individual listed on Schedule A-1 hereto (each, a "Principal," and collectively, the "Principals");

19. each entity as set forth in Schedule A-1 attached hereto (collectively, the "Principal Holding Companies");

20. each Person listed on Schedule A-2 hereto (together with its successors, transferees and permitted assigns, each, an "Ordinary Shareholder" and collectively, the "Ordinary Shareholders")

21. each Person listed on Schedule B hereto (together with its successors, transferees and permitted assignees, each, a "Series A Investor" and collectively, the "Series A Investors");

22. each Person listed on Schedule C hereto (together with its successors, transferees and permitted assignees, each, a "Series B Investor" and collectively, the "Series B Investors");

23. each Person listed on Schedule D hereto (together with its successors, transferees and permitted assignees, each, a "Series B+ Investor" and collectively, the "Series B+ Investors");

24. each Person listed on Schedule E hereto (together with its successors, transferees and permitted assignees, each, a "Series B2 Investor" and collectively, the "Series B2 Investors");

25. each Person listed on Schedule F hereto (together with its successors, transferees and permitted assignees, each, a "Series C Investor" and collectively, the "Series C Investors");

26. each Person listed on Schedule G hereto (together with its successors, transferees and permitted assigns, each, a "Series C+ Investor" and collectively, the "Series C+ Investors"); and

27. each Person listed on Schedule H hereto (together with its successors, transferees and permitted assigns, each, a "Series D Investor" and collectively, the "Series D Investors", and for the avoidance of doubt, the Series D Investors shall include the investors who have purchased the Series D Warrants).

Each of the parties to this Agreement is referred to herein individually as a "Party" and collectively as the "Parties." Capitalized terms used herein without definition shall have the meanings set forth in the Purchase Agreement and Additional Purchase Agreements (as defined below).

RECITALS

A The Company seeks expansion capital to grow its business and, correspondingly, seeks to secure an investment from the Series D Investors, on the terms and conditions set forth herein.

B Certain Series D Investors have agreed to purchase from the Company, and the Company has agreed to sell to such Series D Investors certain Series D Preferred Shares (as defined below) of the Company on the terms and conditions set forth in a Series D Preferred Share Purchase Agreement dated December 23, 2021, by and among, among others, the Company and such Series D Investors (as amended from time to time, the "Purchase Agreement"). Pursuant to the Purchase Agreement, the Company may enter into one or more additional purchase agreements with one or more additional Series D Investors pursuant to which such Series D Investors shall agree to purchase from the Company, and the Company shall agree to sell or issue to such Series D Investors certain additional Series D Preferred Shares or certain Series D Warrants subject to the terms and conditions thereof (each such agreement, if any, as amended from time to time, an "Additional Purchase Agreement" and collectively, the "Additional Purchase Agreements").

C The Purchase Agreement and the Additional Purchase Agreements provide that the execution and delivery of this Agreement shall be a condition precedent to the consummation of the transactions contemplated under such Purchase Agreement or such Additional Purchase Agreements.

D The Investors desire to enter into this Agreement and to accept the rights, covenants and obligations hereunder.

E The Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and conditions set forth herein.

WITNESSETH

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound hereto, hereby agree as follows:

1. Definitions.

1.1 The following terms shall have the meanings ascribed to them below:

"Accounting Standards" means generally accepted accounting principles in the United States, applied on a consistent basis.

"Affiliate" means, with respect to a Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person. In the case of each Investor, the term "Affiliate" also includes (v) any direct or indirect shareholder of such Investor, (w) any of such shareholder's or such Investor's general partners or limited partners, (x) the fund manager managing or advising such shareholder or such Investor (and general partners, limited partners and officers thereof) and other funds managed or advised by such fund manager, and (y) trusts Controlled by or for the benefit of any such Person referred to in (v), (w) or (x), and (z) any fund or holding company formed for investment purposes that is promoted, sponsored, managed, advised or serviced by such Investor or any of its Affiliates, but excludes, for the avoidance of doubt, any portfolio companies of such Investor and portfolio companies of any affiliated investment fund or investment vehicle of such Investor. For the avoidance of doubt, unless the context requires otherwise, Affiliates of a Group Company shall not include any Investor and vice versa. Notwithstanding the foregoing and anything to the contrary in any Transaction Document, the Parties acknowledge and agree that (a) the name "Sequoia Capital" is commonly used to describe a variety of entities (collectively, the "Sequoia Entities") that are affiliated by ownership or operational relationship and engaged in a broad range of activities related to investing and securities trading and (b) notwithstanding any other provision of this Agreement and the other Transaction Documents to the contrary, this Agreement and the other Transaction Documents shall not be binding on, or restrict the activities of, (i) any Sequoia Entity outside of the Sequoia China Sector Group, (ii) any entity primarily engaged in investment and trading in the secondary securities market, (iii) the ultimate beneficial owner of an Sequoia Entity (or its general partner or ultimate general partner) who is a natural Person, and such Person's relatives (including but without limitation, such Person's spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law), (iv) any officer, director or employee of a Sequoia Entity (or its general partner or ultimate general partner) and such Person's relatives, and (v) for the avoidance of doubt, any portfolio companies of any Sequoia Entity and portfolio companies of any affiliated investment fund or investment vehicle of any Sequoia Entity. For purposes of the foregoing, the "Sequoia China Sector Group" means all Sequoia Entities (whether currently existing or formed in the future) that are principally focused on companies located in, or with connections to, the PRC that are exclusively managed by Sequoia Capital. For the avoidance of doubt, Eight Roads and ClearVue shall be deemed Affiliates to each other. In addition, an Eight Roads Person (as defined below) is also an affiliate of Eight Roads. For purposes of the foregoing, "Eight Roads Person(s)" means (1) FIL Limited ("FIL"), a company incorporated in Bermuda, and any subsidiary undertaking of FIL from time to time (FIL and its subsidiary undertakings being the "FIL Group"); (2) FMR LLC ("FMR"), a Delaware corporation, and any subsidiary undertaking of FMR from time to time (FMR and its subsidiary undertakings being the "FMR Group"); (3) any director, officer, employee or shareholder of the FIL Group and/or the FMR Group or members of his family and any company, trust, partnership or other entity ("Entities") formed for his or any of their benefit from time to time (any or all of such individuals and Entities being the "Closely Related Shareholders"); (4) any Entity controlled by Closely Related Shareholders where "control" shall mean the power to direct the management and policies or appoint or remove members of the board of directors or other governing body of the Entity, directly or indirectly, whether through the ownership of voting securities, contract or otherwise, and "controlled" shall be construed accordingly; (5) any affiliate of any member of the FIL Group and/or the FMR Group (where "affiliate" means any Entity controlled by any combination of any Closely Related Shareholders and any member of the FIL Group and/or the FMR Group, and includes the officers, partners and directors of any affiliate); and (6) any charitable organizations. For avoidance of doubt, Carlyle USD Entity and Carlyle RMB Entity shall be deemed an Affiliate of each other.

"Applicable Securities Laws" means (a) with respect to any offering of securities in the United States, or any other act or omission within that jurisdiction, the securities laws of the United States, including the Exchange Act and the Securities Act, and any applicable Law of any state of the United States, and (b) with respect to any offering of securities in any jurisdiction other than the United States, or any related act or omission in that jurisdiction, the applicable Laws of that jurisdiction.

"Approval of the Majority Preferred Holders" means in relation to the same matter, the approval, in the form of written consent, by the Majority Preferred Holders.

"Approval of the Preferred Directors" means the approval of no less than two-thirds (2/3) of the votes of all incumbent Preferred Directors.

"Board" or "Board of Directors" means the board of directors of the Company.

"Business" means the development of artificial intelligence solutions for autonomous driving.

"Business Day" means any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorized by law to be closed in the Cayman Islands, British Virgin Islands, the United States, Hong Kong, Toronto or the PRC.

"Carlyle" means, collectively, Carlyle USD Entity and Carlyle RMB Entity.

"Carlyle RMB Entity" means 海南凯贝信投资合伙企业(有限合伙) and its successors and permitted assigns.

"Carlyle USD Entity" means Evodia Investments and its successors and permitted assigns.

"CEO" means Chief Executive Officer.

"Charter Documents" means, with respect to a particular legal entity, the articles of incorporation, certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.

"Change of Control Event" means any event, action or transaction (either in a single transaction or a series of related transactions) that would result in a Person (other than the Principals and their respective Affiliates), together with its Affiliates, acquiring Control of the Company or otherwise acquiring the power to consolidate the financials of the Group Companies.

"China-UAE" means China-UAE Investment Cooperation Fund, L.P. and its successors, transferees and permitted assigns.

"Circular 37" means the Notice on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents to Engage in Overseas Investment and Financing and Round Trip Investment via Overseas Special Purpose Companies (关于境内居民通过境外 特殊目的公司境外投融资及返程投资外汇管理有关问题的通知) issued by SAFE on July 4, 2014, as amended from time to time, and any implementation or successor rule or regulation under the PRC Laws.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Commission" means (a) with respect to any offering of securities in the United States, the Securities and Exchange Commission of the United States or any other federal agency at the time administering the Securities Act, and (b) with respect to any offering of securities in a jurisdiction other than the United States, the regulatory body of the jurisdiction with authority to supervise and regulate the offering or sale of securities in that jurisdiction.

"Consent" means any consent, approval, authorization, release, waiver, permit, grant, franchise, concession, agreement, license, exemption or order of, registration, certificate, declaration or filing with, or report or notice to any Person, including any Governmental Authority.

"Contract" means, a contract, agreement, understanding, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, or other legally binding arrangement, whether written or oral.

"Control" of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by Contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person. The terms "Controlled" and "Controlling" have meanings correlative to the foregoing.

"Conversion Shares" means the Class A Ordinary Shares issuable upon conversion of the Preferred Shares (including without limitation the Purchased Shares).

"Class A Ordinary Shares" means the Company's class A ordinary shares, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Class B Ordinary Shares" means the Company's class B ordinary shares, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles, the ownership of which shall be limited to Jun Peng and Tiancheng Lou and their Principal Holding Companies.

"CPE" means CPE Investment (Hong Kong) 2018 Limited and its successors, transferees and permitted assignees.

"CTO" means Chief Technology Officer.

"CVP" means ClearVue Pony Holdings, Ltd. and its successors, transferees and permitted assignees.

"Deemed Liquidation Event" has the meaning given to such term in the Memorandum and Articles.

"Director" means a director serving on the Board.

"Domestic Companies" means, collectively, Beijing Company, Guangzhou Company, Jiangsu Heimai and Guangzhou Bibi.

"Each Series Majority Preferred Holders" means each and every Majority Series A Holders, Majority Series B Holders, Majority Series B+ Holders, Majority Series B2 Holders, Majority Series C Holders, Majority Series C+ Holders and Majority Series D Holders.

"Eight Roads" means ERVC Technology IV LP and its successors, transferees and permitted assignees.

"Equity Securities" means, with respect to any Person that is a legal entity, (a) any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person; (b) any equity appreciation, phantom equity, equity plans or similar rights with respect to such Person; (c) any security convertible into, exchangeable or exercisable for, or any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire, subscribe for or purchase any of the Equity Securities referred to in (a) and (b); or (d) any Contract providing for the acquisition of any of the foregoing, either directly or indirectly.

"ESOP" has the meaning given to such term in the Purchase Agreement.

"FCPA" means Foreign Corrupt Practices Act of the United States of America, as amended from time to time.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended from time to time.

"FAW" means Equity Investment Company Limited (一汽股权投资 (天津) 有限公 司 and its successors, transferees and permitted assignees.

"Fidelity" means Fidelity China Special Situations PLC and its successors, transferees and permitted assignees.

"Form F-3" means Form F-3 promulgated by the Commission under the Securities Act or any successor form or substantially similar form then in effect.

"Form S-3" means Form S-3 promulgated by the Commission under the Securities Act or any successor form or substantially similar form then in effect.

"Governmental Authority" means any government of any nation or any federation, province or state or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of the PRC, Hong Kong or any other country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization.

"Governmental Body" means (a) any government or political subdivision thereof, (b) any department, agency or instrumentality of any government or political subdivision thereof or (c) any sovereign wealth fund, state-owned enterprise or other entity or enterprise directly or indirectly Controlled by any Person referred to in (a) or (b) above (excluding car manufacturers and investment funds managed by managers not Controlled by any Person referred to in (a) or (b)).

"Governmental Order" means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.

"Group" or "Group Companies" means, collectively, the Company, the U.S. Company, the HK Company, the Domestic Companies, the Beijing WFOE, the Guangzhou WFOE, the Shenzhen WFOE, Beijing Yixing, Shanghai Yixing, Guangzhou Yixing, Beijing Zhika, Beijing Ruixing, Guangzhou Zhika, and Guangzhou Zhihui, together with each Subsidiary of any of the foregoing, and "Group Company" refers to any of the Group Companies.

"Holders" means the holders of Registrable Securities who are parties to this Agreement from time to time, and their respective permitted transferees that become parties to this Agreement from time to time.

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

"IDG" means IDG Investors, IDG Venture, IDG Capital and IDG Investors III.

"IDG Investors" means IDG China IV Investors L.P., and its successors, transferees and permitted assignees.

"IDG Venture" means IDG China Venture Capital Fund IV, L.P., and its successors, transferees and permitted assignees.

"IDG Capital" means IDG China Capital Fund III L.P., and its successors, transferees and permitted assignees.

"IDG Investors III" means IDG China Capital III Investors L.P., and its successors, transferees and permitted assignees.

"Indebtedness" of any Person means, without duplication, each of the following of such Person: (a) all indebtedness for borrowed money, (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business), (c) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced that are incurred in connection with the acquisition of properties, assets or businesses, (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (f) all obligations that are capitalized in accordance with Accounting Standards or any other applicable accounting standards, (g) all obligations under banker's acceptance, letter of credit or similar facilities, (h) all obligations to purchase, redeem, retire, defease or otherwise acquire for value any Equity Securities of such Person, (i) all obligations in respect of any interest rate swap, hedge or cap agreement, and (j) all guarantees issued in respect of the Indebtedness referred to in clauses (a) through (i) above of any other Person, but only to the extent of the Indebtedness guaranteed.

"Indemnification Agreements" means, with respect to each Investor that appoints a director in any Group Company pursuant to the Section 9.1.2, the Indemnification Agreement entered into among the Company, such Investor and the director appointed by such Investor.

"Initiating Holders" means, with respect to a request duly made under Section 2.1 or Section 2.2 to Register any Registrable Securities, the Holders initiating such request.

"Intellectual Property" means any and all (a) patents, patent rights and applications therefor and reissues, reexaminations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (b) inventions (whether patentable or not), discoveries, improvements, concepts, innovations and industrial models, (c) registered and unregistered copyrights, copyright registrations and applications, mask works and registrations and applications therefor, author's rights and works of authorship (including artwork, software, computer programs, source code, object code and executable code, firmware, development tools, files, records and data, and related documentation), (d) URLs, web sites, web pages and any part thereof, (e) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary processes, technology, formulae, and algorithms and other intellectual property, (f) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefor, and (g) the goodwill symbolized or represented by the foregoing.

"Investors" means the Series A Investors, the Series B Investors, the Series B+ Investors, the Series B2 Investors, the Series C Investors, the Series C+ Investors and the Series D Investors collectively, and an "Investor" means any one of them.

"IPO" means (a) the first firm underwritten registered public offering or a listing by the Company of its Ordinary Shares pursuant to a registration statement that is filed with and declared effective by either the Commission under the Securities Act or another Governmental Authority in a jurisdiction other than the United States, (b) a SPAC Transaction, or (c) a public offering by the Company of its Ordinary Shares in a jurisdiction and on an internationally recognized securities exchange or inter-dealer quotation system outside of the United States, including the SEHK. For the purpose hereof, a "SPAC Transaction" means a transaction or series of related transactions by merger, consolidation, share exchange or otherwise of the Company with a publicly-traded "special purpose acquisition company" or its subsidiary (a "SPAC"), immediately following the consummation of which the common stock or share capital of the SPAC or its successor entity is listed on an internationally recognized securities exchange.

"Kunlun" means Kunlun Group Limited and its successors, transferees and permitted assignees.

"Law" or "Laws" means any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, concession, grant, franchise, license, agreement, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as amended, and any and all applicable Governmental Orders.

"Legend Capital" means LC Fund VII, L.P. and LC Parallel Fund VII, L.P., and their respective successors, transferees and permitted assignees. For the sole purpose of determining Legend Capital's eligibility to appoint an Observer to the Board, all of the Preferred Shares held by Legend Capital, Vantage, Legendstar, and VMS shall be aggregated for the purpose of calculating the number of the Preferred Shares held by Legend Capital.

"Legendstar" means Legendstar Fund II, L.P., and its successors, transferees and permitted assignees.

"Liabilities" means, with respect to any Person, all liabilities, obligations and commitments of such Person of any nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due.

"Major Investor" means each Investor (or permitted transferee of such Investor) that holds at least one percent (1%) of all issued and outstanding shares of the Company (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains exercisable but not yet fully exercised, and calculated on a fully-diluted and as-converted basis, and including Conversion Shares converted therefrom, and appropriately adjusted for any share split, dividend, combination, recapitalization or other similar event). For the purpose of this term, (a) SCC Venture VI Holdco, Ltd. and SCC Venture VII Holdco, Ltd. shall be collectively deemed as one Investor, (b) all of the Shares held by SCC Venture VI Holdco, Ltd. and SCC Venture VII Holdco, Ltd. shall be aggregated together for the purpose of calculating the number of Shares held by SCC Venture VI Holdco, Ltd. or SCC Venture VII Holdco, Ltd, and (c) once an Investor becomes a Major Investor, such Investor shall not cease to be a Major Investor when its shareholding in the Company is diluted to below one percent (1%), so long as such dilution is not due to a direct or indirect Transfer of any of the Shares of the Company it then or thereafter holds.

"Majority Ordinary Holders" means the holders of fifty-one percent (51%) or more of the voting power of the outstanding Ordinary Shares (voting together as a single class and on an as converted basis)

"Majority Preferred Holders" means the holders of fifty-one percent (51%) or more of the voting power of the outstanding Preferred Shares (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains exercisable but not yet fully exercised, and voting together as a single class and on an as converted basis).

"Majority Series A Holders" means the holders of fifty-one percent (51%) or more of the voting power of the outstanding Series A Preferred Shares (voting together as a single class and on an as converted basis).

"Majority Series B Holders" means the holders of fifty-one percent (51%) or more of the voting power of the then outstanding Series B Preferred Shares (voting together as a single class and on an as converted basis).

"Majority Series B+ Holders" means the holders of fifty-one percent (51%) or more of the voting power of the then outstanding Series B+ Preferred Shares (voting together as a single class and on an as converted basis).

"Majority Series B2 Holders" means the holders of fifty-one percent (51%) or more of the voting power of the then outstanding Series B2 Preferred Shares (voting together as a single class and on an as converted basis).

"Majority Series C Holders" means the holders of fifty-one percent (51%) or more of the voting power of the then outstanding Series C Preferred Shares (voting together as a single class and on an as converted basis).

"Majority Series C+ Holders" means the holders of fifty-one percent (51%) or more of the voting power of the then outstanding Series C+ Preferred Shares (voting together as a single class and on an as converted basis).

"Majority Series D Holders" means, at any time, the following holders of the Series D Preferred Shares of the Company collectively: (i) the holders of fifty percent (50%) or more of the voting power of the then outstanding Series D Preferred Shares held by all of the Shareholders (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains exercisable but not yet fully exercised, and voting together as a single class and on an as converted basis); provided, that, the voting power of the outstanding Series D Preferred Shares held by China-UAE and its Affiliates among all of Shareholders shall be automatically reduced to 49%, if at any time after the date hereof the voting power of the outstanding Series D Preferred Shares held by China-UAE and its Affiliates is equal to or exceeds 50% of the voting power of the outstanding Series D Preferred Shares held by all of the Shareholders (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains exercisable but not yet fully exercised); and (ii) holders of fifty percent (50%) or more of the voting power of the then outstanding Series D Preferred Shares held by Shareholders who are not the Shareholders of the Company immediately prior to the Closing (as defined in the Purchase Agreement) (the "New Series D Shareholders") (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains exercisable but not yet fully exercised, and voting together as a single class and on an as converted basis); provided, that, the voting power of the outstanding Series D Preferred Shares held by China-UAE and its Affiliates among the New Series D Shareholders shall be automatically reduced to 49%, if at any time after the date hereof the voting power of the outstanding Series D Preferred Shares held by China-UAE and its Affiliates is equal to or exceeds 50% of the voting power of the outstanding Series D Preferred Shares held by all of the New Series D Shareholders (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains exercisable but not yet fully exercised).

"Memorandum and Articles" means the Seventh Amended and Restated Memorandum of Association of the Company and the Seventh Amended and Restated Articles of Association of the Company, as each may be amended and/or restated from time to time.

"Nio" means Miracle Mission Limited and its successors, transferees and permitted assignees.

"Observer" means a non-voting observer of the Board.

"Ordinary Share Equivalents" means any Equity Security which is by its terms convertible into or exchangeable or exercisable for Ordinary Shares or other share capital of the Company, including without limitation, the Preferred Shares.

"Ordinary Shares" means the Class A Ordinary Shares and/or the Class B Ordinary Shares.

"Original Shareholders Agreement" means the fifth amended and restated shareholders agreement entered into on November 16, 2020 by and among the Company, the Series A Investors, the Series B Investors, the Series B+ Investors, the Series B2 Investors, the Series C Investors, the Series C+ Investors and certain other parties thereof.

"OTPP" means 2774719 Ontario Limited and its successors, transferees and permitted assigns.

"Person" means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.

"PFIC" means passive foreign investment company as defined in Section 1296 of the Code.

"PRC" means the People's Republic of China, but solely for the purposes of this Agreement, excluding Hong Kong, the Macau Special Administrative Region and the islands of Taiwan.

"Preferred Shares" means the Series A Preferred Shares, the Series B Preferred Shares, the Series B+ Preferred Shares, the Series B2 Preferred Shares, the Series C Preferred Shares, Series C+ Preferred Shares, and Series D Preferred Shares (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants).

"Qualified IPO" has the meaning given to such term in the Memorandum and Articles.

"RedPoint" means ACE REDPOINT ASSOCIATES CHINA I, L.P., ACE REDPOINT CHINA STRATEGIC I, L.P. and ACE VENTURES CHINA I, L.P. collectively.

"Registrable Securities" means (a) the Ordinary Shares issued or issuable upon conversion of the Preferred Shares, (b) any Ordinary Shares issued or issuable as a dividend or other distribution with respect to, in exchange for, or in replacement of, the shares referenced in (a) herein, and (c) any Ordinary Shares owned or hereafter acquired by Investors (and their permitted transferees in connection with the transfer of the Equity Securities by such Investor that become parties to this Agreement from time to time), including Ordinary Shares issued in respect of the Ordinary Shares described in (a) and (b) above upon any share split, share dividend, recapitalization or a similar event; and (d) any depositary receipts issued by an institutional depositary upon receipt of any of the foregoing; excluding in all cases, however, any of the foregoing sold by a Person in a transaction other than an assignment pursuant to Section 13.3. For purposes of this Agreement, Registrable Securities shall cease to be Registrable Securities when such Registrable Securities have been disposed of pursuant to an effective Registration Statement.

"Registration" means a registration effected by preparing and filing a Registration Statement and the declaration or ordering of the effectiveness of that Registration Statement; and the terms "Register" and "Registered" have meanings concomitant with the foregoing.

"Registration Statement" means a registration statement prepared on Form F-1, F-3, S-1, or S-3 under the Securities Act, or on any comparable form in connection with registration in a jurisdiction other than the United States.

"Right of First Refusal & Co-Sale Agreement" has the meaning given to such term in the Purchase Agreement.

"SAFE" means the State Administration of Foreign Exchange of the PRC or, with respect to any reporting, filing or registration to be accepted or effected by or with the State Administration of Foreign Exchange, any of its branches which is competent to accept or effect such reporting, filing or registration under the Laws of the PRC.

"SAFE Rules and Regulations" means collectively, the Circular 37 and any other applicable SAFE rules and regulations.

"Securities Act" means the United States Securities Act of 1933, as amended from time to time.

"SEHK" means The Stock Exchange of Hong Kong Limited.

"Sequoia" means SCC Venture VI Holdco, Ltd. and SCC Venture VII Holdco, Ltd., and their respective successors, transferees and permitted assignees.

"Series A Preferred Shares" means the Series A Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B Preferred Shares" means the Series B Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B Purchase Agreement" means the Series B Preferred Shares Purchase Agreement, dated December 26, 2017, by and among the Company and certain other parties named therein, as amended from time to time.

"Series B+ Preferred Shares" means the Series B+ Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B2 Preferred Shares" means the Series B2 Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series C Preferred Shares" means the Series C Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series C+ Preferred Shares" means the Series C+ Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series D Preferred Shares" means the Series D Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series D Warrant" has the meaning given to such term in the Additional Purchase Agreement.

"Shareholders" means holders of any Shares, and "Shareholder" refers to any of the Shareholders, including for the avoidance of doubt the holders of the Series D Warrants.

"Shares" means the Ordinary Shares and the Preferred Shares (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants).

"Share Sale" means a transaction or series of related transactions in which a Person, or a group of related Persons, acquires any Equity Securities of the Company such that, immediately after such transaction or series of related transactions, such Person or group of related Persons holds Equity Securities of the Company representing more than fifty percent (50%) of the issued and outstanding voting power of the Company.

"Subsidiary" means, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person.

"TMC" means Toyota Motor Corporation, and its successors, transferees and permitted assignees.

"TMC Proceeds" has the meaning given to such term in the TMC Purchase Agreement.

"TMC Purchase Agreement" means the Series C Preferred Share Purchase Agreement dated February 5, 2020, by and among the Company, TMC and the other parties thereto.

"Trade Secrets" means Intellectual Property and other proprietary information of the Company which must satisfy or meet all the following standards: (a) that enjoys protection under applicable Laws (including technical information, know-how, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary processes, technology, formulae, algorithms, formula, practice, process, design, instrument, pattern, commercial method, proprietary business opportunities, and compilation of information); (b) that is not generally known or reasonably ascertainable by others; (c) that is subject to reasonable measures taken by the relevant Group Company to maintain its secrecy; and (d) that has independent and practicable value. For the avoidance of doubt, whether the relevant information is a Trade Secret shall be reasonably determined in good faith by the majority of the Board pursuant to all the foregoing standards.

"Transaction Documents" means the Purchase Agreement or Additional Purchase Agreement (as the case may be with respect to a Series D Investor), the Ancillary Agreements (as defined in the relevant Purchase Agreement or Additional Purchase Agreement, as the case may be with respect to a Series D Investor), the Memorandum and Articles, the exhibits attached to any of the foregoing and any other document, each of such agreements and documents as contemplated by, and/or annexed and exhibited to any of the foregoing, and each of the other agreements and documents entered into and executed concurrently or around the date hereof and thereof by the parties thereto (or any of them) or otherwise required in connection with implementing the transactions contemplated by any of the foregoing.

"US," "U.S." or "United States" means the United States of America.

"Vantage" means Vantage Estate Limited, and its successors, transferees and permitted assignees.

"VMS" means Dimension Vantage Limited, and its successors, transferees and permitted assignees.

"Warrant" has the meaning given to such term in the Purchase Agreement.

"5Y Capital" means Morningside China TMT Fund IV, L.P., Morningside China TMT Fund IV Co-Investment, L.P. and Morningside China TMT Special Opportunity II, L.P., and their respective successors, transferees and permitted assignees.

1.2 Other Defined Terms. The following terms shall have the meanings defined for such terms in the Sections set forth below:

Additional Number	Section 7.4.2
Additional Purchase Agreement	Preamble
Agreement	Preamble
Approved Sale	Section 11.1
Arbitration Notice	Section 13.5.1
Beijing Company	Preamble
Beijing Ruixing	Preamble
Beijing WFOE	Preamble
Beijing Yixing	Preamble
Beijing Zhika	Preamble
CEO Director	Section 9.2.1
CFC	Section 12.3.2
Company	Preamble
Compensation Committee	Section 9.5
Confidential Information	Section 12.6.1
Dispute	Section 13.5.1
Drag Holders	Section 11.1
Exempt Registrations	Section 3.4
First Participation Notice	Section 7.4.1
Guangzhou Bibi	Preamble
Guangzhou Company	Preamble
Guangzhou WFOE	Preamble
Guangzhou Yixing	Preamble
Guangzhou Zhihui	Preamble
Guangzhou Zhika	Preamble
HK Company	Preamble
HKIAC	Section 13.5.2
HKIAC Rules	Section 13.5.2

Jiangsu Heimai	Preamble
Mapping License	Section 12.2.4
Money Laundering Laws	Section 12.2.1
New Securities	Section 7.3
Non-competition Period	Section 12.8
Offeror	Section 11.1
Ordinary Director	Section 9.1.2
Ordinary Shareholder and Ordinary Shareholders	Preamble
Oversubscription Participants	Section 7.4.2
Party	Preamble
PRC Resident Enterprise	Section 12.4
Preemptive Right	Section 7.1
Preferred Directors	Section 9.1.2
Principal (Principals)	Preamble
Principal Holding Company (Companies)	Preamble
Pro Rata Share	Section 7.2
Proposed Sale	Section 11.2
Purchase Agreement	Recitals
QEF Election	Section 12.3.3
Required Governmental Consents	Section 12.2.4
Second Participation Notice	Section 7.4.2
Second Participation Period	Section 7.4.2
Security Holder	Section 12.1
Series A Investors	Preamble
Series B Investors	Preamble
Series B+ Investors	Preamble
Series B2 Investors	Preamble
Series C Investors	Preamble
Series C+ Investor and Series C+ Investors	Preamble
Series D Investors	Preamble
Shanghai Yixing	Preamble
Shenzhen WFOE	Preamble
Subsidiary Board	Section 9.4
TMC Purchase Agreement	Recitals
U.S. Company	Preamble
Violation	Section 5.1.1
Year-End Financials	Section 8.1.1

1.3 Interpretation. For all purposes of this Agreement, except as otherwise expressly herein provided, (a) the terms defined in this Section 1 shall have the meanings assigned to them in this Section 1 and include the plural as well as the singular, (b) all accounting terms not otherwise defined herein have the meanings assigned under the Accounting Standards, (c) all references in this Agreement to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, (d) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms, (e) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision, (f) all references in this Agreement to designated Schedules, Exhibits and Appendices are to the Schedules, Exhibits and Appendices attached to this Agreement, (g) references to this Agreement, any other Transaction Documents and any other document shall be construed as references to such document as the same may be amended, supplemented, superseded, replaced or novated from time to time, (h) the term "or" is not exclusive, (i) the term "including" will be deemed to be followed by ", but not limited to," (j) the terms "shall," "will," and "agrees" are mandatory, and the term "may" is permissive, (k) the phrase "directly or indirectly" means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and "direct or indirect" has the correlative meaning, (l) the term "voting power" refers to the number of votes attributable to the Shares (on an as-converted basis) in accordance with the terms of the Memorandum and Articles, (m) the headings used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement, (n) references to laws include any such law modifying, re- enacting, extending or made pursuant to the same or which is modified, re- enacted, or extended by the same or pursuant to which the same is made, and (o) all references to dollars or to "US$" are to currency of the United States of America and all references to RMB are to currency of the PRC (and each shall be deemed to include reference to the equivalent amount in other currencies).

2. Demand Registration.

2.1 Registration Other Than on Form F-3 or Form S-3. Subject to the terms of this Agreement, at any time or from time to time after the earlier of (a) December 28, 2024, or (b) the date that is six (6) months after the closing of the IPO, Holders holding thirty percent (30%) or more of the voting power of the then outstanding Registrable Securities held by all Holders may request in writing that the Company effect a Registration of at least thirty percent (30%) of all the then outstanding Registrable Securities. Upon receipt of such a request, the Company shall (i) promptly give written notice of the proposed Registration to all other Holders and (ii) as soon as practicable, use its commercially reasonable efforts to cause the Registrable Securities specified in the request, together with any Registrable Securities of any Holder who requests in writing to join such Registration within fifteen (15) days after the Company's delivery of written notice, to be Registered and/or qualified for sale and distribution in such jurisdiction as the Initiating Holders may request. The Company shall be obligated to effect no more than two (2) Registrations pursuant to this Section 2.1 that have been declared and ordered effective; provided, however, that if the sale of all of the Registrable Securities sought to be included pursuant to this Section 2.1 is not consummated, such Registration shall not be deemed to constitute one of the Registration rights granted pursuant to this Section 2.1.

2.2 Registration on Form F- 3 or Form S-3. The Company shall use its best efforts to qualify for registration on Form F-3 or Form S-3. Subject to the terms of this Agreement, if the Company qualifies for registration on Form F-3 or Form S-3 (or any comparable form for Registration in a jurisdiction other than the United States), Holders holding twenty percent (20%) or more of the voting power of the then outstanding Registrable Securities held by all Holders may request the Company to file, in any jurisdiction in which the Company has had a registered underwritten public offering, a Registration Statement on Form F-3 or Form S-3 (or any comparable form for Registration in a jurisdiction other than the United States), including without limitation any registration statement filed under the Securities Act providing for the registration of, and the sale on a continuous or a delayed basis by the Holders of, all of the Registrable Securities pursuant to Rule 415 under the Securities Act and/or any similar rule that may be adopted by the Commission. Upon receipt of such a request, the Company shall (a) promptly give written notice of the proposed Registration to all other Holders and (b) as soon as practicable, use its commercially reasonable efforts to cause the Registrable Securities specified in the request, together with any Registrable Securities of any Holder who requests in writing to join such Registration within fifteen (15) days after the Company's delivery of written notice, to be Registered and qualified for sale and distribution in such jurisdiction. There shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 2.2; provided, that the Company shall be obligated to effect no more than two (2) Registrations that have been declared and ordered effective within any twelve (12)-month period pursuant to this Section 2.2; provided, however, that if the sale of all of the Registrable Securities sought to be included pursuant to this Section 2.2 is not consummated pursuant to Section 2.4 or for any reason other than solely due to the action or inaction of the Holders including Registrable Securities in such Registration, such Registration shall not be deemed to constitute one of the Registration rights granted pursuant to this Section 2.2.

2.3 Right of Deferral.

2.3.1 The Company shall not be obligated to Register or qualify Registrable Securities pursuant to this Section 2:

2.3.1.1 if, within ten (10) days of the receipt of any request of the Holders to Register any Registrable Securities under Section 2.1 or Section 2.2, the Company gives notice to the Initiating Holders of its bona fide intention to effect the filing for its own account of a Registration Statement of Ordinary Shares within sixty (60) days of receipt of that request; provided, that the Company is actively employing in good faith its commercially reasonable efforts to cause that Registration Statement to become effective within sixty (60) days of receipt of that request; provided, further, that the Holders are entitled to join such Registration in accordance with Section 3 (other than an Exempt Registration (as defined below));

2.3.1.2 during the period starting with the date of filing by the Company of, and ending six (6) months following the effective date of any Registration Statement pertaining to Ordinary Shares of the Company other than an Exempt Registration; provided, that the Holders are entitled to join such Registration in accordance with Section 3;

2.3.1.3 with respect to any request of the Holders to Register any Registrable Securities pursuant to Section 2.1, if the Initiating Holders propose to dispose of Registrable Securities that may be registered on Form F-3 or Form S- 3 pursuant to Section 2.2 hereof; provided, that the Company Registers the Registrable Securities in accordance with Section 2.2;

2.3.1.4 in any jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such Registration or qualification, unless the Company is already subject to service of process in such jurisdiction; or

2.3.1.5 with respect to the registration on Form F-3 or Form S-3 (or any comparable form for Registration in a jurisdiction other than the United States), if Form F-3 or Form S-3 is not available for such offering by the Holders, or if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than US$10,000,000.

2.3.2 If, after receiving a request from Holders pursuant to Section 2.1 or Section 2.2 hereof, the Company furnishes to the Holders a certificate signed by the CEO of the Company stating that, in the good faith judgment of the Board, it would be materially detrimental to the Company for a Registration Statement to be filed in the near future, then the Company shall have the right to defer such filing for a period during which such filing would be materially detrimental, provided, that the Company may not utilize this right for more than ninety (90) days on any one occasion or more than once during any twelve (12) month period; provided, further, that the Company may not Register any other its Securities during such period (except for Exempt Registrations).

2.4 Underwritten Offerings. If, in connection with a request to Register the Registrable Securities under Section 2.1 or Section 2.2, the Initiating Holders seek to distribute such Registrable Securities in an underwritten offering, they shall so advise the Company as a part of the request, and the Company shall include such information in the written notice to the other Holders described in Section 2.1 and Section 2.2. In such event, the right of any Holder to include its Registrable Securities in such Registration shall be conditioned upon such Holder's participation in such underwritten offering and the inclusion of such Holder's Registrable Securities in the underwritten offering (unless otherwise mutually agreed by the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwritten offering shall enter into an underwriting agreement in customary form with the underwriter or underwriters of internationally recognized standing selected for such underwritten offering by the Company and reasonably acceptable to the holders of fifty-one percent (51%) or more of the voting power of all Registrable Securities proposed to be included in such Registration. Notwithstanding any other provision of this Agreement, if the managing underwriter advises the Company that marketing factors (including, without limitation, the aggregate number of securities requested to be Registered, the general condition of the market, and the status of the Persons proposing to sell securities pursuant to the Registration) require a limitation of the number of Registrable Securities to be underwritten in a Registration pursuant to Section 2.1 or Section 2.2, the underwriters may exclude up to eighty percent (80%) of the Registrable Securities requested to be Registered but only after first excluding all other Equity Securities from the Registration and underwritten offering and so long as the number of shares to be included in the Registration on behalf of the non-excluded Holders is allocated among all Holders in proportion, as nearly as practicable, to the respective amounts of Registrable Securities requested by such Holders to be included; provided, that any Initiating Holder shall have the right to withdraw its request for Registration from the underwriting by written notice to the Company and the underwriters delivered at least ten (10) days prior to (a) in the case of a Registration pursuant to Section 2.1, the effective date of the Registration Statement, and (b) in the case of a Registration pursuant to Section 2.2, the proposed date of filing a prospectus specific to the underwritten offering pursuant to Rule 424 under the Securities Act, and such withdrawn request for Registration shall not be deemed to constitute one of the Registration rights granted pursuant to Section 2.1 or Section 2.2, as the case may be. If any Holder disapproves the terms of any underwriting, the Holder may also elect to withdraw therefrom by written notice to the Company and the underwriters delivered at least ten (10) days prior to (i) in the case of a Registration pursuant to Section 2.1, the effective date of the Registration Statement, and (ii) in the case of a Registration pursuant to Section 2.2, the proposed date of filing a prospectus specific to the underwritten offering pursuant to Rule 424 under the Securities Act. Any Registrable Securities excluded or withdrawn from such underwritten offering shall be withdrawn from the Registration. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to a Holder to the nearest one hundred (100) shares.

3 Piggyback Registrations.

3.1 Registration of the Company's Securities. Subject to the terms of this Agreement, if the Company proposes to Register for its own account any of its Equity Securities, or for the account of any holder (other than a Holder) of Equity Securities any of such holder's Equity Securities, in connection with the public offering of such securities (except for Exempt Registrations), the Company shall promptly give each Holder written notice of such Registration and, upon the written request of any Holder given within fifteen (15) days after delivery of such notice, the Company shall use its reasonable best efforts to include in such Registration any Registrable Securities thereby requested to be Registered by such Holder. If a Holder decides not to include all or any of its Registrable Securities in such Registration by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent Registration Statement or Registration Statements as may be filed by the Company, all upon the terms and conditions set forth herein. Registration pursuant to this Section 3.1 shall not be deemed to be a demand registration as described in Section 2.1 or Section 2.2 above. There shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 3.1.

3.2 Right to Terminate Registration. The Company shall have the right to terminate or withdraw any Registration initiated by it under Section 3.1 prior to the effectiveness of such Registration, whether or not any Holder has elected to participate therein. The expenses of such withdrawn Registration shall be borne by the Company in accordance with Section 4.3.

3.3 Underwriting Requirements.

3.3.1 In connection with any offering involving an underwriting of the Company's Equity Securities, the Company shall not be required to Register the Registrable Securities of a Holder under this Section 3 unless such Holder's Registrable Securities are included in the underwritten offering and such Holder enters into an underwriting agreement in customary form with the underwriter or underwriters of internationally recognized standing selected by the Company and setting forth such terms for the underwritten offering as have been agreed upon between the Company and the underwriters. In the event the underwriters advise Holders seeking Registration of Registrable Securities pursuant to this Section 3 in writing that market factors (including the aggregate number of Registrable Securities requested to be Registered, the general condition of the market, and the status of the Persons proposing to sell securities pursuant to the Registration) require a limitation of the number of Registrable Securities to be underwritten, the underwriters may exclude all of the Registrable Securities requested to be Registered in the IPO and up to seventy percent (70%) of the Registrable Securities requested to be Registered in any other public offering, but in any case only after first excluding all other Equity Securities (except for securities sold for the account of the Company) from the Registration and underwriting and so long as the Registrable Securities to be included in such Registration on behalf of any non-excluded Holders are allocated among all Holders in proportion, as nearly as practicable, to the respective amounts of Registrable Securities requested by such Holders to be included. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to a Holder to the nearest one hundred (100) shares.

3.3.2 If any Holder disapproves the terms of any underwriting, the Holder may elect to withdraw therefrom by written notice to the Company and the underwriters delivered at least ten (10) days prior to (a) in the case of the IPO, the effective date of the Registration Statement, and (b) in the case of all other offerings, the proposed filing date of the final prospectus for such underwritten offering. Any Registrable Securities excluded or withdrawn from the underwritten offering shall be withdrawn from the Registration.

3.4 Exempt Registrations. The Company shall have no obligation to Register any Registrable Securities under this Section 3 in connection with a Registration by the Company (a) relating solely to the sale of securities to participants in the Company's ESOP, or (b) relating to a corporate reorganization or other transaction under Rule 145 of the Securities Act (or comparable provision under the Laws of another jurisdiction, as applicable), or (c) on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities and does not permit secondary sales (collectively, "Exempt Registrations").

4 Registration Procedures.

4.1 Registration Procedures and Obligations. Whenever required under this Agreement to effect the Registration of any Registrable Securities held by the Holders, the Company shall, as expeditiously as reasonably possible:

4.1.1 prepare and file with the Commission a Registration Statement with respect to those Registrable Securities and use its commercially reasonable efforts to cause that Registration Statement to become effective, and, upon the request of the Holders holding fifty-one percent (51%) or more in voting power of the Registrable Securities Registered thereunder, keep the Registration Statement effective until the distribution thereunder has been completed;

4.1.2 prepare and file with the Commission amendments and supplements to that Registration Statement and the prospectus used in connection with the Registration Statement as may be necessary to comply with the provisions of Applicable Securities Laws with respect to the disposition of all securities covered by the Registration Statement;

4.1.3 furnish to the Holders the number of copies of a prospectus, including a preliminary prospectus, required by Applicable Securities Laws, and any other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

4.1.4 use its commercially reasonable efforts to Register and qualify the securities covered by the Registration Statement under the securities Laws of any jurisdiction, as reasonably requested by the Holders, provided, that the Company shall not be required to qualify to do business or file a general consent to service of process in any such jurisdictions;

4.1.5 in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in customary form, with the managing underwriter(s) of the offering;

4.1.6 promptly notify each Holder of Registrable Securities covered by the Registration Statement at any time when a prospectus relating thereto is required to be delivered under Applicable Securities Laws of (a) the issuance of any stop order by the Commission, or (b) the happening of any event or the existence of any condition as a result of which any prospectus included in the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, or if in the opinion of counsel for the Company it is necessary to supplement or amend such prospectus to comply with law, and at the request of any such Holder promptly prepare and furnish to such Holder a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made or such prospectus, as supplemented or amended, shall comply with law;

4.1.7 furnish, at the request of any Holder requesting Registration of Registrable Securities pursuant to this Agreement, on the date that such Registrable Securities are delivered for sale in connection with a Registration pursuant to this Agreement, (a) an opinion, dated the date of the sale, of the counsel representing the Company for the purposes of the Registration, in form and substance as is customarily given to underwriters in an underwritten public offering; and (b) comfort letters dated as of (i) the effective date of the registration statement covering such Registrable Securities, and (ii) the date of the sale as contemplated in Rule 159 under the Securities Act, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters;

4.1.8 otherwise comply with all rules and regulations of the Commission to the extent applicable to the applicable registration statement and use its commercially reasonable efforts to make generally available to its security holders (or otherwise provide in accordance with Section 11(a) of the Securities Act) an earnings statement satisfying the provisions of Section 11(a) of the Securities Act, no later than forty-five (45) days after the end of a twelve (12) month period (or ninety (90) days, if such period is a fiscal year) beginning with the first month of the Company's first fiscal quarter commencing after the effective date of such registration statement, which statement shall cover such twelve (12) month period, subject to any proper and necessary extensions;

4.1.9 not, without the written consent of the holders of fifty-one percent (51%) or more of voting power of the Registrable Securities proposed to be included in the relevant Registration, make any offer relating to the Registrable Securities that would constitute a "free writing prospectus," as defined in Rule 405 promulgated under the Securities Act;

4.1.10 provide a transfer agent and registrar for all Registrable Securities Registered pursuant to the Registration Statement and, where applicable, a number assigned by the Committee on Uniform Securities Identification Procedures for all those Registrable Securities, in each case not later than the effective date of the Registration; and

4.1.11 take all reasonable action necessary to Register and list the Registrable Securities on the primary exchange on which the Company's securities are then traded or, in connection with an IPO, the primary exchange on which the Company's securities will be traded in order to facilitate the sale of the Registrable Securities as contemplated hereby.

4.2 Information from Holder. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Agreement with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required to effect the Registration of such Holder's Registrable Securities.

4.3 Expenses of Registration. All expenses, including the underwriting discounts and selling commissions applicable to the sale of Registrable Securities pursuant to this Agreement, incurred in connection with Registrations, filings or qualifications pursuant to this Agreement, including (without limitation) all Registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company, and reasonable fees and disbursement of one counsel for all selling Holders (not to exceed US$50,000), shall be borne by the Company. The Company shall not, however, be required to pay for any expenses of any Registration proceeding begun pursuant to Section 2.1 or Section 2.2 of this Agreement if the Registration request is subsequently withdrawn at the request of the Holders holding fifty-one percent (51%) or more of the voting power of the Registrable Securities requested to be Registered by all Holder in such Registration (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be thereby Registered in the withdrawn Registration) unless the Holders of fifty-one percent (51%) or more of the voting power of the Registrable Securities then outstanding agree that such registration constitutes the use by the Holders of one (1) demand registration pursuant to Section 2.1 or Section 2.2, as the case may be (in which case such registration shall also constitute the use by all Holders of Registrable Securities of one (1) such demand registration); provided, however, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change, then the Holders shall not be required to pay any of such expenses and the Company shall pay any and all such expenses.

5 Registration-Related Indemnification.

5.1 Company Indemnity.

5.1.1 To the maximum extent permitted by Law, the Company will indemnify and hold harmless each Holder, such Holder's partners, officers, directors, shareholders, members, and legal counsel, any underwriter (as defined in the Securities Act) and each Person, if any, who controls (as defined in the Securities Act) such Holder or underwriter, against any losses, claims, damages or Liabilities (joint or several) to which they may become subject under Laws which are applicable to the Company and relate to action or inaction required of the Company in connection with any Registration, qualification, or compliance, insofar as such losses, claims, damages, or Liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (each a "Violation"): (a) any untrue statement or alleged untrue statement of a material fact contained in such Registration Statement, on the effective date thereof (including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto), (b) the omission or alleged omission to state in the Registration Statement, on the effective date thereof (including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto), a material fact required to be stated therein or necessary to make the statements therein not misleading, or (c) any violation or alleged violation by the Company of Applicable Securities Laws, or any rule or regulation promulgated under Applicable Securities Laws. The Company will reimburse, as incurred, each such Holder, underwriter or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action.

5.1.2 The indemnity agreement contained in this Section 5.1 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld or delayed), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises solely out of or is solely based upon a Violation that occurs in reliance upon and in conformity with written information furnished for use in connection with such Registration by any such Holder, such Holder's partners, officers, directors, and legal counsel, any underwriter (as defined in the Securities Act) and each Person, if any, who controls (as defined in the Securities Act) such Holder or underwriter.

5.2 Holder Indemnity.

5.2.1 To the maximum extent permitted by Law, each selling Holder that has included Registrable Securities in a Registration will, severally and not jointly, indemnify and hold harmless the Company, its directors and officers, any other Holder selling securities in connection with such Registration and each Person, if any, who controls (within the meaning of the Securities Act) the Company, such underwriter or other Holder, against any losses, claims, damages or Liabilities (joint or several) to which any of the foregoing persons may become subject, under Applicable Securities Laws, or any rule or regulation promulgated under Applicable Securities Laws, insofar as such losses, claims, damages or Liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs solely in reliance upon and in conformity with written information furnished by such Holder for use in connection with such Registration; and each such Holder will reimburse, as incurred, any Person intended to be indemnified pursuant to this Section 5.2, for any legal or other expenses reasonably incurred by such Person in connection with investigating or defending any such loss, claim, damage, liability or action. No Holder's liability under this Section 5.2 (when combined with any amounts paid by such Holder pursuant to Section 5.4) shall exceed the net proceeds received by such Holder from the offering of securities made in connection with that Registration.

5.2.2 The indemnity contained in this Section 5.2 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder (which consent shall not be unreasonably withheld or delayed).

5.3 Notice of Indemnification Claim. Promptly after receipt by an indemnified party under Section 5.1 or Section 5.2 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under Section 5.1 or Section 5.2, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the indemnifying parties. An indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one (1) separate counsel, with the reasonably incurred fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party, to the extent so prejudiced, of any liability to the indemnified party under this Section 5, but the omission to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 5. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

5.4 Contribution. If any indemnification provided for in Section 5.1 or Section 5.2 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and of the indemnified party, on the other, in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case: (a) no Holder will be required to contribute any amount (after combined with any amounts paid by such Holder pursuant to Section 5.2) in excess of the net proceeds to such Holder from the sale of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement; and (b) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

5.5 Underwriting Agreement. To the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

5.6 Survival. The obligations of the Company and Holders under this Section 5 shall survive the completion of any offering of Registrable Securities in a Registration Statement under this Agreement, regardless of the expiration of any statutes of limitation or extensions of such statutes.

6 Additional Registration-Related Undertakings.

6.1 Reports under the Exchange Act. With a view to making available to the Holders the benefits of Rule 144 promulgated under the Securities Act and any comparable provision of any Applicable Securities Laws that may at any time permit a Holder to sell securities of the Company to the public without Registration or pursuant to a Registration on Form F-3 or Form S-3 (or any comparable form in a jurisdiction other than the United States), the Company agrees to:

6.1.1 make and keep public information available, as those terms are understood and defined in Rule 144 (or comparable provision, if any, under Applicable Securities Laws in any jurisdiction where the Company's securities are listed), at all times following ninety (90) days after the effective date of the first Registration under the Securities Act filed by the Company for an offering of its securities to the general public;

6.1.2 file with the Commission in a timely manner all reports and other documents required of the Company under all Applicable Securities Laws; and

6.1.3 at any time following ninety (90) days after the effective date of the first Registration under the Securities Act filed by the Company for an offering of its securities to the general public by the Company, promptly furnish to any Holder holding Registrable Securities, upon request (a) a written statement by the Company that it has complied with the reporting requirements of all Applicable Securities Laws at any time after it has become subject to such reporting requirements or, at any time after so qualified, that it qualifies as a registrant whose securities may be resold pursuant to Form F-3 or Form S-3 (or any form comparable thereto under Applicable Securities Laws of any jurisdiction where the Company's securities are listed), (b) a copy of the most recent annual or quarterly report of the Company and such other reports and documents as filed by the Company with the Commission, and (c) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the Commission, that permits the selling of any such securities without Registration or pursuant to Form F-3 or Form S-3 (or any form comparable thereto under Applicable Securities Laws of any jurisdiction where the Company's Securities are listed).

6.2 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the Approval of the Majority Preferred Holders, enter into any agreement with any holder or prospective holder of any Equity Securities of the Company that would allow such holder or prospective holder (a) to include such Equity Securities in any Registration filed under Section 2 or Section 3, unless under the terms of such agreement such holder or prospective holder may include such Equity Securities in any such Registration only to the extent that the inclusion of such Equity Securities will not reduce the amount of the Registrable Securities of the Holders that are included, (b) to demand Registration of their Equity Securities, or (c) cause the Company to include such Equity Securities in any Registration filed under Section 2 or Section 3 hereof on a basis pari passu with or more favorable to such holder or prospective holder than is provided to the Holders of Registrable Securities.

6.3 "Market Stand-Off" Agreement. Each holder of Registrable Securities agrees, if so required by the managing underwriter(s), that it will not during the period commencing on the date of the final prospectus relating to the Company's IPO and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days from the date of such final prospectus) (a) lend, offer, pledge, hypothecate, hedge, sell, make any short sale of, loan, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Equity Securities of the Company owned immediately prior to the date of the final prospectus relating to the Company's IPO (other than those included in such offering), or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such Equity Securities, whether any such transaction described in clause (a) or (b) above is to be settled by delivery of Equity Securities of the Company or such other securities, in cash or otherwise; provided, that (i) the forgoing provisions of this Section shall not apply to the sale of any securities of the Company to an underwriter pursuant to any underwriting agreement, and shall not be applicable to any Holder unless all directors, officers and all other holders of one percent (1%) or more of the outstanding share capital of the Company (calculated on an as-converted to Ordinary Share basis) are bound by restrictions at least as restrictive as those applicable to any such Holder pursuant to this Section, (ii) this Section shall not apply to a Holder to the extent that any other Person subject to substantially similar restrictions is released in whole or in part, and (iii) the lockup agreements shall permit a Holder to transfer their Registrable Securities to their respective Affiliates so long as the transferees enter into the same lock-up agreement. The Investors agree to execute and deliver to the underwriters a lock-up agreement containing substantially similar terms and conditions as those contained herein. Notwithstanding the foregoing, the Company and the managing underwriter may extend the market stand-off period specified above solely to the extent necessary to accommodate regulatory restrictions on (x) the publication or other distribution of research reports, and (y) analyst recommendations and opinions, including, without limitation, the restrictions, if any, contained in FINRA Rule 2241 or any successor provisions or amendments thereto.

6.4 Termination of Registration Rights. The registration rights set forth in Section 2 and Section 3 of this Agreement shall terminate on the earlier of (a) the date that is five (5) years from the date of closing of a Qualified IPO, (b) with respect to any Holder, the date on which such Holder may sell all of such Holder's Registrable Securities under Rule 144 of the Securities Act in any ninety (90) day period or (c) the consummation of a Deemed Liquidation Event.

6.5 Exercise of Ordinary Share Equivalents. Notwithstanding anything to the contrary provided in this Agreement, the Company shall have no obligation to Register Registrable Securities which, if constituting Ordinary Share Equivalents, have not been exercised, converted or exchanged, as applicable, for Ordinary Shares as of the effective date of the applicable Registration Statement, but the Company shall cooperate and facilitate any such exercise, conversion or exchange as requested by the applicable Holder.

6.6 Intent. The terms of Section 2 through Section 6 are drafted primarily in contemplation of an offering of securities in the United States of America. The parties recognize, however, the possibility that securities may be qualified or registered for offering to the public in a jurisdiction other than the United States of America where registration rights have significance or that the Company might effect an offering in the United States of America in the form of American Depositary Receipts or American Depositary Shares. Accordingly:

6.6.1 it is their intention that, whenever this Agreement refers to a Law, form, process or institution of the United States of America but the parties wish to effectuate qualification or registration in a different jurisdiction where registration rights have significance, reference in this Agreement to the Laws or institutions of the United States shall be read as referring, mutatis mutandis, to the comparable Laws or institutions of the jurisdiction in question; and

6.6.2 it is agreed that the Company will not undertake any listing of American Depositary Receipts, American Depositary Shares or any other security derivative of the Ordinary Shares unless arrangements have been made reasonably satisfactory to the holders of fifty-one percent (51%) or more of the voting power of the then outstanding Registrable Securities held by all Holders (calculated on an as-converted to Ordinary Share basis) to ensure that the spirit and intent of this Agreement will be realized and that the Company is committed to take such actions as are necessary such that the Holders will enjoy rights corresponding to the rights hereunder to sell their Registrable Securities in a public offering in the United States of America as if the Company had listed Ordinary Shares in lieu of such derivative securities.

7 Preemptive Right.

7.1 General. The Company hereby grants to each Investor the right of first refusal to purchase up to such Investor's Pro Rata Share (as defined below) (and any oversubscription, as provided below), of all (or any part) of any New Securities (as defined in the Memorandum and Articles) that the Company may from time to time issue after the date of this Agreement (the "Preemptive Right"). For purposes of this Section 7, the term "Investor" includes any Affiliates of an Investor. Each Investor shall be entitled to apportion the right of first refusal hereby granted it among itself and its partners and Affiliates in such proportions as it deems appropriate.

7.2 Pro Rata Share. Each Investor's "Pro Rata Share" for purposes of the Preemptive Rights is the ratio of (a) the number of Ordinary Shares (including Preferred Shares on an as-converted basis, assuming full conversion and exercise of all options and other outstanding convertible and exercisable securities) held by such Investor, to (b) the total number of Ordinary Shares (including Preferred Shares on an as-converted basis, assuming full conversion and exercise of all options and other outstanding convertible and exercisable securities) then outstanding immediately prior to the issuance of New Securities giving rise to the Preemptive Rights.

7.3 New Securities. For purposes hereof, "New Securities" shall mean any New Securities (as defined in the Memorandum and Articles) issued after the date hereof, except for issuances or deemed issuances of certain Equity Securities carved out from the definition of New Securities as provided in the Memorandum and Articles.

7.4 Procedures.

7.4.1 First Participation Notice. In the event that the Company proposes to undertake an issuance of New Securities (in a single transaction or a series of related transactions), it shall give to each Investor written notice of its intention to issue New Securities (the "First Participation Notice"), describing the identities of the proposed third party subscribers and their respective Controllers, the amount and type of New Securities, the price and the general terms upon which the Company proposes to issue such New Securities. Each Investor shall have thirty (30) days from the date of receipt of any such First Participation Notice to agree in writing to purchase up to such Investor's Pro Rata Share of such New Securities for the price and upon the terms and conditions specified in the First Participation Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Investor's Pro Rata Share of such New Securities). If any Investor fails to so respond in writing within such thirty (30) day period, then such Investor shall forfeit the right hereunder to purchase any of such New Securities, but shall not be deemed to forfeit any right with respect to any other issuance of New Securities.

7.4.2 Second Participation Notice; Oversubscription. If any Investor fails or declines to exercise, or if any New Securities remain available for subscription after any Investor has exercised, in full its Preemptive Rights under and in accordance with Section 7.4.1 above, the Company shall promptly give notice (the "Second Participation Notice") to the Investors who exercised in full their Preemptive Rights (the "Oversubscription Participants") under and in accordance with Section 7.4.1 above. Each Oversubscription Participant shall have fifteen (15) days from the date of the Second Participation Notice (the "Second Participation Period") to notify the Company of its desire to purchase more than its Pro Rata Share of the New Securities, stating the number of the additional New Securities it proposes to buy (the "Additional Number"). Such notice may be made by telephone if confirmed in writing within two (2) Business Days. If, as a result thereof, such oversubscription exceeds the total number of the remaining New Securities available for purchase, each Oversubscription Participant will be entitled to purchase in the oversubscription only the number of remaining New Securities equal to the lesser of (a) the Additional Number and (b) the product obtained by multiplying (i) the number of the remaining New Securities available for subscription by (ii) a fraction, the numerator of which is the number of Ordinary Shares (including Preferred Shares on an as-converted basis, assuming full conversion and exercise of all options and other outstanding convertible and exercisable securities) held by such Oversubscription Participant and the denominator of which is the total number of Ordinary Shares (including Preferred Shares on an as-converted basis, assuming full conversion and exercise of all options and other outstanding convertible and exercisable securities) held by all the Oversubscription Participants.

7.5 Failure to Exercise. Upon the expiration of the Second Participation Period, or in the event no Investor exercises the Preemptive Rights within thirty (30) days following the issuance of the First Participation Notice, the Company shall have ninety (90) days thereafter to complete the sale to one or more third parties of the New Securities described in the First Participation Notice with respect to which the Preemptive Rights hereunder were not exercised at the same or a higher price and upon non- price terms not more favorable to the purchasers thereof than specified in the First Participation Notice. In the event that the Company has not issued and sold such New Securities within such ninety (90) day period, then the Company shall not thereafter issue or sell any New Securities without again first offering such New Securities to the Investors pursuant to this Section 7.

8 Information and Inspection Rights.

8.1 Delivery of Financial Statements. The Company shall deliver to each Major Investor the following documents or reports:

8.1.1 within one hundred (100) days after the end of each fiscal year of the Company, a consolidated income statement and statement of cash flows for the Company for such fiscal year and a consolidated balance sheet for the Company as of the end of the fiscal year (collectively, the "Year-End Financials"), such Year- End Financials to be in reasonable detail, prepared in English and in accordance with the Accounting Standards consistently applied throughout the period. The foregoing notwithstanding, commencing with the fiscal year ended December 31, 2018, the Year-End Financials shall be audited and certified by a "Big Four" international accounting firm or other audit firm approved by the Board of Directors (including the Approval of the Preferred Directors);

8.1.2 within forty-five (45) days of the end of each fiscal quarter of each fiscal year of the Company, a consolidated unaudited income statement and statement of cash flows for such fiscal quarter and a consolidated balance sheet for the Company as of the end of such fiscal quarter, all prepared in English and in accordance with the Accounting Standards consistently applied throughout the period (except for customary year-end adjustments and except for the absence of notes);

8.1.3 within twenty-one (21) days of the end of each month, a consolidated unaudited income statement and statement of cash flows for such month and a consolidated balance sheet for the Company as of the end of such month, all prepared in English and in accordance with the Accounting Standards consistently applied throughout the period (except for customary year-end adjustments and except for the absence of notes);

8.1.4 an annual budget and business plan within thirty (30) days prior to the beginning of each fiscal year, setting forth: the projected annual budget, balance sheets, income statements and statements of cash flows for each month during such fiscal year of each Group Company and projected budgets of the Group Companies for each such month;

8.1.5 copies of all documents or other information sent to any other Shareholders and any reports publicly filed by the Company with any relevant securities exchange, regulatory authority or governmental agency, no later than five (5) days after such documents or information is distributed or filed by the Company;

8.1.6 as soon as practicable, any other information reasonably requested by any such Investor pursuant to this Section 8.1, including but not limited to information on the financial, legal, business operation, business strategy, and corporate governance aspects of the Group.

8.2 Inspection Rights. Each Major Investor shall have the right, at its own expenses, to, upon reasonable request, inspect facilities, properties, books of account, records and books of each Group Company at any time during regular working hours on reasonable prior notice to such Group Company and the right to discuss the business, operation and conditions of a Group Company with any of the Group Company's directors, officers, employees, accountants, legal counsels and investment bankers; provided, that without prejudice to the Major Investor's rights under this Section 8.2, the Company shall not be obligated to provide access to any Trade Secrets (excluding financial information of the Group Companies pursuant to the Section 8.1) of the Company.

8.3 Limitations. Notwithstanding anything to the contrary herein, Kunlun and China-UAE shall not be entitled to, and the Company will not provide Kunlun or China-UAE with any material nonpublic technical information," as defined in 31 C.F.R. § 800.232, or "sensitive personal data," as defined in 31 C.F.R. § 800.241, in the possession of the U.S. Company or any other U.S. Subsidiary of the Company.

9 Election of Directors.

a. Board of Directors.

9.1.1 Each Shareholder shall vote, or cause to be voted, at a regular or special meeting of Shareholders (or by written consent) all Shares owned by such Shareholder (or as to which such Shareholder has voting power) (i) to ensure that the size of the Board shall be no more than twelve (12) directors, (ii) to cause the election or re-election as Directors or Observers of the Board, and during such period to continue in office, each of the individuals designated pursuant to Section 9.1.2, Section 9.1.3 or Section 9.2, and (iii) against the election to the Board of any nominees not designated pursuant to Section 9.1.2, Section 9.1.3 or Section 9.2; provided, however, that subject to Section 10.1, such Board size may be subsequently increased or decreased pursuant to an amendment of this Agreement in accordance with Section 13.11.

9.1.2 (a) The holders of a majority of the Ordinary Shares (voting together as a single class and not including Class A Ordinary Shares issued upon conversion of Preferred Shares) shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time six (6) directors on the Board (each, an "Ordinary Director"), and (b) (i) the Majority Series A Holders, so long as the Majority Series A Holders hold Preferred Shares constituting no less than 4% of all issued and outstanding shares of the Company (calculated on a fully-diluted and an as-converted basis and including Conversion Shares converted therefrom), shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time one (1) director on the Board; (ii) the holders of fifty-one (51%) percent or more of the voting power of outstanding Ordinary Shares and Series A Preferred Shares (voting together as a single class and on an as-converted basis) shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time one (1) director on the Board; (iii) 5Y Capital, so long as it holds Preferred Shares constituting no less than 4% of all issued and outstanding shares of the Company (calculated on a fully-diluted and as-converted basis and including Conversion Shares converted therefrom), shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time one (1) director on the Board; (iv) CVP, so long as it holds Preferred Shares constituting no less than 4% of all issued and outstanding shares of the Company (calculated on an as-converted basis and including Conversion Shares converted therefrom), shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time one (1) director on the Board; (v) TMC, so long as it holds Preferred Shares constituting no less than 4% of all issued and outstanding shares of the Company (calculated on an as-converted basis and including Conversion Shares converted therefrom), shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time one (1) director on the Board; and (vi) OTPP, so long as it holds Preferred Shares constituting no less than 4% of all issued and outstanding shares of the Company (calculated on an as-converted basis and including Conversion Shares converted therefrom), shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time one (1) director on the Board (each such director appointed pursuant to (i), (ii), (iii), (iv), (v) and (vi) above, a "Preferred Director" and together, the "Preferred Directors"). The Parties further agree that, so long as OTPP does not, directly or indirectly, Transfer (as defined in the Right of First Refusal & Co-Sale Agreement) any of the Preferred Shares it now or thereafter directly or indirectly owns or holds, OTPP shall be entitled to designate, appoint, remove, replace and reappoint at any time or from time to time one (1) director on the Board during the period commencing from November 16, 2020 and ending on November 16, 2022 of this Agreement notwithstanding the shareholding requirement as set forth in Section 9.1.2(vi).

9.1.3 Each of the Majority Series A Holders, 5Y Capital, Nio, Legend Capital, CVP, TMC and OTPP, so long as it ceases to be entitled to designate, appoint, remove, replace and reappoint any director on the Board pursuant to Section 9.1.2 (if applicable) and so long as it holds Preferred Shares constituting no less than 2% of all issued and outstanding shares of the Company (calculated on a fully-diluted and as-converted basis and including Conversion Shares converted therefrom), shall be entitled to designate, appoint, remove, replace and reappoint one (1) Observer.

9.2 Election of Directors.

9.2.1 In any election of directors of the Company to elect the Ordinary Directors, Shareholders holding Ordinary Shares shall each vote at any regular or special meeting of Shareholders (or by written consent) all Ordinary Shares then owned by them (or as to which they then have voting power) to elect six (6) Ordinary Directors. One of the Ordinary Directors shall be the Company's CEO (the "CEO Director"), initially Jun Peng; provided, that if for any reason the CEO Director shall cease to serve as the Company's CEO, Shareholders holding Ordinary Shares shall promptly vote their respective shares (a) to remove the former CEO from the Board if such person has not resigned as a member of the Board and (b) to elect such person's replacement as CEO of the Company as appointed by the Board (excluding such former CEO Director) as the new CEO Director. The other Ordinary Directors shall be the designees of the holders of a majority of the then outstanding Ordinary Shares not issued upon conversion of Preferred Shares. The CEO Director shall initially have two (2) votes for any matters to be resolved by the Board and the other five (5) Ordinary Directors shall each have one (1) vote for any matters to be resolved by the Board; provided, however, if less than five (5) such other Ordinary Directors are actually appointed, then the CEO Director shall be entitled to such number of votes exceeding two (2) votes as would result in the Ordinary Directors having a total of seven (7) votes.

9.2.2 In any election of directors of the Company to elect the Preferred Directors, Shareholders holding Preferred Shares or Ordinary Shares shall each vote, as a separate class if applicable, at any regular or special meeting of Shareholders (or by written consent) all Preferred Shares or Ordinary Shares then owned by them (or as to which they then have voting power) in support of the election of the (a) Preferred Directors nominated or designated pursuant to Section 9.1.2 above; and (b) Observers nominated or designated pursuant to Section 9.1.3 above. Each Preferred Director shall have one (1) vote for any matters to be resolved by the Board.

9.3 Voting Agreements.

9.3.1 Any Director designated pursuant to Section 9.1.2 may be removed from the Board, either for or without cause, only upon the vote or written consent of the Person or group of Persons then entitled to designate such Director pursuant to Section 9.1.2, and the Parties agree not to seek, vote for or otherwise effect the removal of any such Director without such vote or written consent. Any Person or group of Persons then entitled to designate any individual to be elected as a Director on the Board shall have the exclusive right at any time or from time to time to remove any such Director occupying such position and to fill any vacancy caused by the death, disability, retirement, resignation or removal of any Director occupying such position or any other vacancy therein, and each other Party agrees to cooperate with such Person or group of Persons in connection with the exercise of such right. Each holder of voting securities of the Company agrees to always vote such holder's respective voting securities of the Company at a meeting of the members of the Company (and give written consents in lieu thereof) in support of the foregoing.

9.3.2 Each Shareholder agrees to vote or cause to be voted all Shares owned by such Shareholder, or over which such Shareholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to increase the number of authorized Class A Ordinary Shares from time to time to ensure that there will be sufficient Class A Ordinary Shares available for conversion of all of the Preferred Shares outstanding at any given time.

9.4 Subsidiary Board**.** Upon the request of Majority Preferred Holders, each Group Company shall, and the Parties hereto (other than the Investors) shall cause each Group Company to, (a) have a board of directors or similar governing body (the "Subsidiary Board"), (b) ensure that the authorized size of each Subsidiary Board at all times be the same authorized size as the board of directors of the Company, and (c) ensure that the composition of each Subsidiary Board to at all times consist of the same persons as directors as those then on the board of directors of the Company.

9.5 Committees of the Board. The Company shall establish and maintain thereafter a compensation committee of the board of directors (the "Compensation Committee") if deemed necessary by the Board. The Compensation Committee shall propose the key terms of the Company's share incentive plans (including the ESOP) and form award agreements to the board of directors of the Company for approval and adoption by the directors in accordance with Section 10.3 and (if required by applicable Laws or the Memorandum and Articles) the shareholders of the Company and shall have the power and authority to (a) administer the Company's share incentive plans (including the ESOP) and to grant options and other awards thereunder, and (b) approve the remuneration package, employment agreements, severance agreements, and stock option agreements for any legal representative or any member of the senior management of any Group Company, including without limitation the CEO, the chief operating officer, the chief financial officer, the CTO, and any other management member at or above the level of vice president or comparable position, and shall have such other powers and authorities as the board of directors of the Company shall delegate to it. In addition, the Company may also establish and maintain other committees of the board of directors if deemed to be necessary by the directors of the Board, and each director of the Board shall have the right, but not the obligation, to sit on the Compensation Committee and any such other committee. Without prejudice to Section 10, any actions taken by any committee of the board of directors of the Company (including the Compensation Committee) shall be approved by a majority of the members of such committee. The Preferred Directors shall have the right to be members of any committee of the Board and, without prejudice to Section 10, any matter to be approved by any committee of the Board requires the Approval of the Preferred Directors.

9.6 Expenses. The Company will promptly pay or reimburse each non-employee Board member (including the Observers) for all reasonable out-of-pocket expenses incurred in connection with attending board or committee meetings and otherwise performing their duties as directors, observers and committee members of the Board.

9.7 Director Indemnification. To the maximum extent permitted by the Law of the jurisdiction in which the Company is organized, the Company shall indemnify and hold harmless each of its Directors and shall comply with the terms of the Indemnification Agreements, and at the request of any Director who is not a party to an Indemnification Agreement, shall enter into an indemnification agreement with such director in similar form to the Indemnification Agreements.

9.8 Board Meetings. The Directors may participate in a meeting of the Board or of any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other at the same time. A Director may (as contemplated in the Memorandum and Articles) by a written instrument appoint an alternate who need not be a Director, and an alternate is entitled to attend meetings in the absence of the Director who appointed him and to vote or consent in place of the Director.

9.9 Power of Observers. The Observers shall be entitled to receive notices, minutes, and all other materials in relation to the meetings of the Board and of each committee thereof at the same time as such notices, minutes and other materials are provided to the members of the Board or such committee. The Observers may participate in a meeting of the Board by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other at the same time. An Observer may be represented at any meetings of the Board of Directors by a proxy appointed in writing by him. The Observers have the right to give advice and suggestions to the Board but have no right in any way to vote on any matters determined by any resolutions.

10 Protective Provisions.

10.1 Acts of the Group Companies Requiring Approval of the Preferred Holders. Regardless of anything else contained herein or in the Charter Documents of any Group Company, no Group Company shall take, permit to occur, approve, authorize, or agree or commit to do any of the following, and each Party (other than the Investors) shall procure each Group Company not to, and the shareholders of each Group Company (other than the Investors) shall procure such Group Company not to, take, permit to occur, approve, authorize, or agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless the written approval of the holders of seventy percent (70%) or more of the voting power of the then outstanding Preferred Shares (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains exercisable but not yet fully exercised, and voting together as a single class and on an as-converted basis) has been obtained:

10.1.1 any amendment or modification to or waiver under any of the Charter Documents of any Group Company, except such amendment, modification or waiver that is primarily in relation to the ordinary business of such Group Company and would not adversely affect the rights or preferences of the Preferred Shares;

10.1.2 any change of the authorized size or composition of the board of directors of any Group Company, other than any change to the composition of such board of directors in compliance with Section 9, or the manner in which any Group Company's directors are appointed;

10.1.3 any declaration, setting aside or payment of a dividend or other distribution on any Ordinary Share or Preferred Share;

10.1.4 any transaction outside the ordinary course of business involving any Group Company and any of such Group Company's employees, officers, directors or shareholders or any Affiliate of any of such employees, officers, directors or shareholders;

10.1.5 any change to the number of Shares reserved for issuance under the ESOP;

10.1.6 effect any of the foregoing with respect to any Group Company, as applicable; or

10.1.7 agree or commit to do any of the foregoing.

Notwithstanding anything to the contrary contained herein or in the Charter Documents of any Group Company, where any act listed in Sections 10.1.1 through 10.1.7 above may be approved by a Special Resolution (as defined in the Memorandum and Articles pursuant to the Statute (as defined in the Memorandum and Articles)), and if the Shareholders vote in favor of such act but the approval of the holders of seventy percent (70%) or more of the voting power of the then outstanding Preferred Shares (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains exercisable but not yet fully exercised, and voting together as a single class and on an as-converted basis) has not yet been obtained, then each holder of the Preferred Shares who voted against such act shall, in such vote, have the voting rights equal to the aggregate voting power of all the Shareholders who voted in favor of such act plus one (1).

10.2 Acts of the Group Companies Requiring Approval by Each Series Majority Preferred Holders. Regardless of anything else contained herein or in the Charter Documents of any Group Company, no Group Company shall take, permit to occur, approve, authorize, or agree or commit to do any of the following, and each Party (other than the Investors) shall procure each Group Company not to, and the shareholders of each Group Company (other than the Investors) shall procure such Group Company not to, take, permit to occur, approve, authorize, or agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless approved in writing by Each Series Majority Preferred Holders; provided, further, that (x) for the matters set out in subsections 10.2.1 and 10.2.2 below, to the extent that such action would not reasonably be expected to change the rights, preferences, privileges or powers of any series of Preferred Shares, then the approval of the holders of fifty-one percent (51%) or more of the voting power of the then outstanding Preferred Shares of such series (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains exercisable but not yet fully exercised) voting together as a single class and on an as converted basis would not be required and (y) the approval of the Majority Series C+ Holders shall not be required for any matter referred to in subsection 10.2.7 unless such matter also constitutes a matter referred to in subsection 10.2.8:

10.2.1 any amendment or change of the rights, preferences, privileges, powers, limitations or restrictions of or concerning, or the limitations or restrictions provided for the benefit of, the Preferred Shares;

10.2.2 any action that reclassifies any outstanding shares into shares having rights, preferences, privileges, powers, limitations or restrictions senior to or on a parity with any series of Preferred Shares in issue, whether as to liquidation, conversion, dividend, voting, redemption or otherwise;

10.2.3 any action that creates, authorizes or issues (a) any class or series of Equity Securities having rights, preferences, privileges or powers superior to or on a parity with any Preferred Shares, whether as to liquidation, conversion, dividend, voting, redemption, or otherwise, or any Equity Securities convertible into, exchangeable for, or exercisable into any Equity Securities having rights, preferences, privileges or powers superior to or on a parity with any Preferred Shares, whether as to liquidation, conversion, dividend, voting, redemption or otherwise, (b) any additional Preferred Shares, (c) any other Equity Securities of the Company except for the Conversion Shares, or (d) any Equity Securities of any other Group Company; provided, however, that this restriction shall not apply to: (i) the creation, authorization or issuance of Class A Ordinary Shares issuable upon conversion of the Preferred Shares, or (ii) the issuance of options or other equity-based awards and the Shares underlying such awards to any Group Company's employees, directors and consultants pursuant to the ESOP, (iii) issuance of any Equity Securities of the Company pursuant to the Series D Warrants and the Warrant, or (iv) the issuance of Equity Securities in connection with any equity fundraising of the Company that does not otherwise require the approval of Each Series Majority Preferred Holders pursuant to subsection 10.2.9 or the approval of the Majority Series C+ Holders pursuant to subsection 10.2.11;

10.2.4 any purchase, repurchase, redemption or retirements of any Equity Security of any Group Company other than (a) the purchase, repurchase or redemption of Equity Securities from employees, officers, directors, consultants or other persons performing services for the Company or any of its Subsidiaries pursuant to agreements approved by the Board (including the Approval of the Preferred Directors) under which the Company has the option to purchase, repurchase or redeem such Equity Securities upon the occurrence of certain events, such as the termination of employment or service, or pursuant to a right of first refusal, or (b) the conversion or redemption of Preferred Shares pursuant to the Memorandum and Articles (including any purchase or repurchase of Shares to effect the conversion of the Preferred Shares into Class A Ordinary Shares); provided, however, that this restriction shall not apply to the issuance of Equity Securities in connection with any equity fundraising of the Company that does not otherwise require the approval of Each Series Majority Preferred Holders pursuant to subsection 10.2.9 or the approval of the Majority Series C+ Holders pursuant to subsection 10.2.11;

10.2.5 any liquidation, dissolution or winding up of any Group Company, Share Sale, Change of Control Event, Deemed Liquidation Event or any merger, amalgamation, scheme of arrangement or consolidation of any Group Company with any Person, the division of any Group Company, the purchase or other acquisition by any Group Company of all or substantially all of the assets, equity or business of another Person, or the reduction of share capital of any Group Company;

10.2.6 any IPO other than Qualified IPO concerning any of the Group Companies;

10.2.7 any appointment, change or replacement of the Company's CEO or CTO;

10.2.8 with respect to the vote or consent of the Majority Series C+ Holders only, any appointment, change or replacement outside of the ordinary course of business of the Company's CEO or CTO within two years from November 16, 2020;

10.2.9 any equity or equity-linked fundraising of the Company with a pre-money valuation of the Company for such fundraising of lower than US$2,960,500,000 (or, with respect to the vote or consent of the Majority Series C+ Holders only, lower than US$4,000,000,000, or, with respect to the veto or consent of the Majority Series D Holders only, not more than US$8,500,000,000), and the proposed proceeds from such fundraising of more than US$50,000,000;

10.2.10 cease to conduct or carry on the business of any Group Company substantially as now conducted; or

10.2.11 with respect to the vote or consent of the Majority Series C+ Holders only, any equity or equity-linked fundraising of the Company which would result in OTPP ceasing to constitute the Majority Series C+ Holders.

Notwithstanding anything to the contrary contained herein or in the Charter Documents of any Group Company, where any act listed in Sections 10.2.1 through 10.2.11 above may be approved by a Special Resolution (as defined in the Memorandum and Articles pursuant to the Statute (as defined in the Memorandum and Articles)), and if the Shareholders vote in favor of such act but the approval of Each Series Majority Preferred Holders and/or the Majority Series C+ Holders (as applicable) has not yet been obtained, then each holder of the Preferred Shares who voted against such act shall, in such vote, have the voting rights equal to the aggregate voting power of all the Shareholders who voted in favor of such act plus one (1).

10.3 Acts of the Group Companies Requiring Board Approval. Regardless of anything else contained herein or in the Charter Documents of any Group Company, no Group Company shall take, permit to occur, approve, authorize, or agree or commit to do any of the following, and each Party (other than the Investors) shall procure each Group Company not to, and the shareholders of each Group Company shall procure such Group Company not to, take, permit to occur, approve, authorize, or agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless approved by the Board (in the case of Section 10.3.1 to Section 10.3.7, which approval shall also include the Approval of the Preferred Directors; in the case of Section 10.3.8, which approval shall also include the approval of more than one half (1/2) of the Preferred Directors; in the case of Section 10.3.9, which approval shall also include the approval of more than one half (1/2) of the Preferred Directors who do not have any conflict of interest with respect to such matter; in the case of Sections 10.3.10 and 10.3.11, which approval shall also include the Approval of the Preferred Directors, the approval of more than one half (1/2) of the Preferred Directors or the approval of more than one half (1/2) of the Preferred Directors who do not have any conflict of interest with respect to such matter (as applicable); and, in the case of adoption or amendment of annual budget in Section 10.3.2, to the extent the use of the TMC Proceeds is involved in the annual budget, includes the approval of the director appointed by TMC, which approval shall not be unreasonably withheld to the extent that the use of the TMC Proceeds in such annual budget is consistent with the provisions of Schedule H to the TMC Purchase Agreement):

10.3.1 the adoption or termination of the ESOP, or equivalent, for the benefit of the Company's employees, directors and consultants and the amendment to any terms and conditions thereof;

10.3.2 adopt or amend any Group Company's annual budget or business plan;

10.3.3 enter into any of the following transactions (in a single transaction or a series of related transactions): (i) the incurrence of any Indebtedness exceeding US$20,000,000 in the aggregate; (ii) the purchase or disposal of any Group Company's business or assets exceeding US$20,000,000 in the aggregate; (iii) the extension by any Group Company of any loan or guarantee for Indebtedness to any third-party in an amount exceeding US$20,000,000 in the aggregate; (iv) an equity or equity-linked investment in any third-party other than the Group Companies in an amount exceeding US$20,000,000; or (v) any transaction that is outside the ordinary course of business in an amount exceeding US$20,000,000 or involves an exclusive relationship;

10.3.4 increase the compensation of any of the five (5) most highly compensated employees of any Group Company by more than fifty percent (50%) within any twelve (12) month period, or increase the compensation of any Principals by more than fifty percent (50%) within any twelve (12) month period;

10.3.5 appoint or remove the auditors of any Group Company, or make any material change in any Group Company's Accounting Standards, accounting and financial policies and procedures;

10.3.6 change any material part of any Group Company's business or enter into any new businesses substantially outside of its business as currently conducted;

10.3.7 initiate or settle any material litigation or arbitration;

10.3.8 any material amendment or modification to, or waiver under, any Control Document which would result in the Company losing Control of any Domestic Company, or termination of any Control Document;

10.3.9 any equity or equity-linked fundraising of the Company from any Governmental Body of the PRC;

10.3.10 effect any of the foregoing, as applicable, with respect to any Group Company, or any Subsidiary or Affiliate of the Company; or

10.3.11 agree or commit to do any of the foregoing.

Notwithstanding anything to the contrary contained herein or in the Charter Documents of any Group Company, where any act listed in Sections 10.3.1 through 10.3.11 above may be approved by a Special Resolution (as defined in the Memorandum and Articles pursuant to the Statute (as defined in the Memorandum and Articles)), and if the Approval of the Preferred Directors, the approval of more than one half (1/2) of the Preferred Directors who do not have any conflict of interest with respect to such act and/or the approval of the director appointed by TMC (as applicable) has not yet been obtained, and where a meeting of shareholders is convened to consider such matters, the holders of the then outstanding Shares voting against the resolution shall have, in such vote, the same number of votes as all Shareholders of the Company who vote in favor of the resolution plus one (1).

10.4 Acts of the Company Requiring Consultation with the Majority Series C+ Holders. Regardless of anything else contained herein or in the Charter Documents of any Group Company, the Company shall not take, permit to occur, approve, authorize, or agree or commit to do any of the following, and each Party (other than the Investors) shall procure the Company not to, and the shareholders of the Company (other than the Investors) shall procure the Company not to, take, permit to occur, approve, authorize, or agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless the Company has consulted with the Majority Series C+ Holders in good faith:

10.4.1 any appointment, change or replacement within the ordinary course of business of the Company's CEO or CTO within two years from November 16, 2020; or

10.4.2 any appointment, change or replacement of the Company's CEO or CTO after the expiry of two years from November 16, 2020.

10.5 Acts of the Group Companies Requiring Approval by Majority Series D Holders. Regardless of anything else contained herein or in the Charter Documents of any Group Company, no Group Company shall take, permit to occur, approve, authorize, or agree or commit to do any of the following, and each Party (other than the Investors) shall procure each Group Company not to, and the shareholders of each Group Company (other than the Investors) shall procure such Group Company not to, take, permit to occur, approve, authorize, or agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless approved in writing by Majority Series D Holders:

10.5.1 any action by any Group Company in violation of applicable Law or requirement or order of competent Government Authorities, which is reasonably expected to cause a material adverse change in the prospects, condition or business of the Group, taken as a whole; or

10.5.2 any decision by the Company to pursue an IPO in the U.S. which (a) is in violation of applicable PRC Laws or (b) will or could reasonably be expected to result in investigation on the Group by any PRC Governmental Authority.

11 Drag-Along Right

11.1 In the event that (a) Majority Preferred Holders and (b) the holders of a majority of the Ordinary Shares (voting together as a single class, and not including Class A Ordinary Shares issued upon conversion of Preferred Shares or otherwise held by any holder of Preferred Shares), each voting as separate classes (collectively, the "Drag Holders") approve a Deemed Liquidation Event to any Person (the "Offeror") that values the Company at no less than US$10,000,000,000 (the "Approved Sale"), then at the written request of the Drag Holders the Company shall promptly notify in writing each other holder of Equity Securities of the Company that is a Party of such approval and the material terms and conditions of such proposed Approved Sale, whereupon each such holder shall, in accordance with written instructions received from the Company at the written direction of the Drag Holders:

11.1.1 in the event such transaction is to be brought to a vote at a shareholder meeting, after receiving proper notice of any meeting of shareholders of the Company, vote on the approval of the Approved Sale, be present, in person or by proxy, as a holder of shares of voting securities, at all such meetings and be counted for the purposes of determining the presence of a quorum at such meetings;

11.1.2 vote (in person, by proxy or by action by written consent, as applicable) all Shares in favour of such Approved Sale and in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of the Company to consummate such Approved Sale;

11.1.3 refrain from exercising any dissenters' rights or rights of appraisal under applicable Law at any time with respect to such Approved Sale;

11.1.4 execute and deliver all related documentation and take such other action in support of the Approved Sale of the Company as shall reasonably be requested in writing by the Company;

11.1.5 execute and deliver all related documentation and take such other action in support of the Approved Sale as shall reasonably be requested in writing by the Company or the Drag Holders;

11.1.6 if the Approved Sale is structured as a Share Sale, sell all (but not part) of his, her or its Shares, and, except as permitted in Section 11.2 below, on the same terms and conditions as the Drag Holders; and

11.1.7 not deposit, and shall cause its Affiliates not to deposit, except as provided in this Agreement, any Shares owned by such shareholder or Affiliate in a voting trust or subject any such Shares to any arrangement or agreement with respect to the voting of such Shares, unless specifically requested in writing to do so by the Offeror in connection with the Approved Sale.

11.2 Notwithstanding the foregoing, a shareholder will not be required to comply with Section 11.1 above in connection with any proposed Deemed Liquidation Event (the "Proposed Sale") unless (a) upon the consummation of the Proposed Sale, (i) each holder of each class or series of the Company's share capital will receive the same form of consideration for its shares of such class or series as is received by other holders in respect of their shares of such same class or series of share capital, (ii) each holder of a series of Preferred Shares will receive the same amount of consideration per share of such series of Preferred Shares as is received by other holders in respect of their shares of such same series, (iii) each holder of Ordinary Shares will receive the same amount of consideration per Ordinary Share as is received by other holders in respect of their Ordinary Shares, and (iv) the aggregate consideration receivable by all holders of Preferred Shares and Ordinary Shares shall be allocated among the holders of Preferred Shares and Ordinary Shares on the basis of the relative liquidation preferences to which the holders of each respective series of Preferred Shares and the holders of Ordinary Shares are entitled in a Deemed Liquidation Event in accordance with the Memorandum and Articles in effect immediately prior to the Proposed Sale and (b) such shareholder will (x) only be required to provide customary fundamental representations and warranties relating to its capacity, the enforceability of the relevant transaction documents against it and the title and ownership of the Shares to be transferred by it and will not be required to provide representations and warranties on the business or assets of the Group or on any Group Company and (y) not be obliged to pay any amount with respect to any liabilities arising from the representations and warranties made by it in excess of its share of the total consideration paid by the Offeror.

11.3 To the extent that any Shareholder is obligated but fails to take any of the actions set out in Section 11.1 after reasonable written notice thereof by the Company, such Shareholder hereby grants an irrevocable power of attorney and proxy to any Director approving the Approved Sale to take all necessary actions and execute and deliver all documents deemed by such Director to be reasonably necessary to effectuate the terms of this Section 11.

11.4 None of the transfer restrictions set forth in the Right of First Refusal & Co-Sale Agreement, the Memorandum and Articles and any other Transaction Documents shall apply in connection with an Approved Sale, notwithstanding anything in the Right of First Refusal & Co-Sale Agreement, the Memorandum and Articles and any other Transaction Documents to the contrary.

12 Additional Covenants.

12.1 SAFE Registration. If any holder or beneficial owner of any Equity Security of the Company (other than any direct or indirect holder or beneficial owner of any of the Investors) (each, a "Security Holder") is a "Domestic Resident (境内居民)" as defined in Circular 37 or any other applicable SAFE Rules and Regulations and is subject to the SAFE registration or reporting requirements under Circular 37, each such Security Holder shall, and the Parties (other than the Investors) shall use their commercially reasonable efforts to cause such Security Holder to, comply with the applicable SAFE registration or reporting requirements under SAFE Rules and Regulations.

12.2 Compliance with Laws.

12.2.1 Each of the Group Companies shall, and the Principals and the Principal Holding Companies shall use their commercially reasonable efforts to cause the Group Companies to, conduct their respective businesses in compliance with all applicable Laws in all material respects, including but not limited to the California Vehicle Code, the California Adopted Regulations for Testing of Autonomous Vehicles by Manufacturers, any requirements for filing, renewal or keeping validity of Required Governmental Consents (as defined in Section 12.2.4 below), applicable PRC and U.S. Laws regarding corporate governance, surveying and mapping, road testing, software, advertisement, anti-monopoly and competition, cybersecurity and data protection, foreign investments, corporate registration and filing, import, economic sanctions and export controls, customs administration, foreign exchange, telecommunications and artificial intelligence, intellectual property rights, labor and social welfare and benefit (including housing fund contribution), taxation, and applicable anti-money laundering statutes of all jurisdictions, including, without limitation, all U.S. anti-money laundering Laws, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental or regulatory agency (collectively, the "Money Laundering Laws"). The Group Companies shall duly and promptly obtain, make and maintain in effect all material Consents from the relevant Governmental Authority or other Person required in respect of the due and proper establishment and operations of each Group Company as conducted from time to time in accordance with applicable Laws.

12.2.2 Each of the Group Companies covenants that it shall not, and shall not permit any of its Subsidiaries or Affiliates or any of its or their respective directors, administrators, officers, managers, board of directors, (supervisory and management) members, employees, independent contractors, representatives or agents to, promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, any third party, including any non-U.S. official, in each case, in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further covenants that it shall, and shall cause each of its Subsidiaries and Affiliates to, cease all of its or their respective activities, as well as remediate any actions taken by the Company, its Subsidiaries or Affiliates, or any of its or their respective directors, administrators, officers, managers, board of directors, (supervisory and management) members, employees, independent contractors, representatives or agents, that may be considered to be in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further covenants that it shall, and shall cause each of its Subsidiaries and Affiliates to, maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure it maintains accurate books and records and is in compliance with the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law.

12.2.3 None of the Group Companies shall directly or indirectly (a) take any action in furtherance of any boycott unsanctioned by the United States; (b) engage in transactions or dealings with any Governmental Authority, agent, representative or resident, domicile or national of, or any entity based, located or resident in any of the following countries and regions: Crimea, Cuba, Iran, Syria, the Democratic People's Republic of Korea, Venezuela or any other country or region sanctioned by the Office of Foreign Assets Control of the U.S. Department of Treasury ("OFAC"); or (c) otherwise engage in transactions with any entity or person that is on or affiliated with any target on the United States Commerce Department's Denied Parties List, Entity List or Unverified List; the U.S. Department of Treasury's Specially Designated Nationals and Blocked Persons List, or any other list of sanctioned Persons maintained by OFAC; the United States Department of State's Debarred List; any sanctions list administered by the United Kingdom, Canada, the European Union, or the United Nations; or (d) otherwise engage in transactions or dealings with any Person with whom such transactions or dealings, including exports and re-exports, are restricted by a United States Governmental Authority, including, in each clause above, any updates or revisions to the foregoing and any newly published rules and any person that is owned or controlled by any one or more Persons described in clause (b) or (c) above; or (e) receive unlicensed donations or engage in financial transactions with respect to which the Company or any Group Company knows or has reasonable cause to believe that the financial transaction poses a risk of furthering terrorist attacks anywhere in the world.

12.2.4 Without limiting the generality of the foregoing, each of the Group Companies shall ensure that all the required Consents and registrations with the relevant Governmental Authorities so required by them shall be duly obtained or completed in accordance with the relevant rules and regulations, including without limitation any such filings and registrations with the Ministry of Commerce, the Ministry of Industry and Information Technology, China Company Registration Authority (including the State Administration of Industry and Commerce or the State Administration for Market Regulation as the successor of the foregoing, as the case may be), the SAFE, National Development and Reform Commission, the Ministry of Culture and Tourism, the Ministry of Natural Resources, the Ministry of Public Security, the Ministry of Transport, the State Radio and Television Administration, any tax bureau, customs authorities, the Department of Motor Vehicles of the State of California, the Public Utilities Commission of the State of California, the U.S. Department of Commerce's Bureau of Industry and Security and the local counterpart of each of the aforementioned Governmental Authorities, in each case, as applicable (or any predecessors thereof, as applicable) (collectively, the "Required Governmental Consents"). To the extent that operations of any Group Company rely on the navigation digital map production and survey license ("Mapping License") of the Mapping Service Provider as defined in the Purchase Agreement, and such Group Company's contractual relationship with such Mapping Service Provider, each such Group Company shall use its commercially reasonable efforts to monitor the validity of the Mapping Service Provider's Mapping License and exercise its rights under the contract with the Mapping Service Provider and seek another Mapping Service Provider promptly or apply for the Mapping License on its own or any other available approaches without causing disruption to the Business if the current Mapping Service Provider loses its qualification.

12.3 United States Tax Matters.

12.3.1 Unless approved by Each Series Majority Preferred Holders and China-UAE, the Company will not take any action inconsistent with the treatment of the Company as a corporation for U.S. federal income tax purposes and will not elect to be treated as an entity other than a corporation for U.S. federal income tax purposes.

12.3.2 The Company shall promptly provide each Investor that either has provided a U.S. mailing address to the Company or has requested in writing to be treated as a "U.S. Shareholder" for purposes of Section 12.3 of this Agreement, with written notice if it (or any Group Company) becomes aware that it is a "controlled foreign corporation" (within the meaning of Section 957 of the Code) ("CFC"). The Company shall be treated as having become aware that it is a CFC only upon determination by and notification to it by its U.S. tax advisors, which determination shall be deemed conclusive for purposes of this Section 12.3.2. Each Investor shall cooperate with the Company to provide information about such Investor and their partners in order to enable the Company to determine the status of each Investor and/or any of their partners as a U.S. Shareholder. The Company shall, upon the reasonable request of an Investor, furnish on a timely basis all necessary information reasonably requested by such Investor in writing to satisfy its U.S. federal income tax return filing requirements, if any, arising from its investment in the Company and relating to the Company or any Group Company's classification as a CFC. If any Group Company ceases to be a CFC at any time, the Company will provide prompt written notice to Investors. To the extent the Company deems necessary, the Company shall appoint any designated accounting firm, or any successor to a combination of any one of these firms with another public accounting firm, to determine its status as a CFC based on available information, and to prepare and to submit such information to its Investors.

12.3.3 The Company shall (a) annually make a reasonable determination, within one-hundred and twenty (120) days after the end of each taxable year, with respect to such taxable year, as to whether it believes that the Company is a PFIC (including whether any exception to PFIC status may apply), and (b) if the Company so determines that it believes that it is a PFIC for such taxable year, then the Company shall inform each Investor of its determination and, with respect to each Investor who establishes to the satisfaction of the Company that such Investor is, or would be but for the QEF Election defined below, a Person to whom the PFIC rules of Section 1291 of the Code apply, provide such information reasonably available to the Company as such Investor may reasonably request (or has reasonably requested in prior years) in writing to permit such Investor to elect to treat the Company and/or any such entity (including a subsidiary of the Company) as a "qualified electing fund" (within the meaning of Section 1295 of the Code) (a "QEF Election") for U.S. federal income tax purposes with respect to such Investor. The Company shall also make commercially reasonable efforts to provide any and all other information that is reasonably deemed necessary by such Investor to comply with the provisions of this Section 12.3.3 or any U.S. federal income tax law. To the extent the Company deems necessary, the Company shall appoint any designated accounting firm, or any successor to a combination of any one of these firms with another public accounting firm, to determine its status as a PFIC and to prepare and to submit such information.

12.3.4 The Company shall, upon a reasonable written request of any Investor, comply and cause the Group Companies to comply with all record-keeping, reporting, and other requests reasonably necessary for the Company and each Group Company to allow such Investor to comply with any applicable U.S. federal income tax law.

12.4 PRC Tax Matters. In the event that, during the period in which Investors or any of its successors or assigns holds Shares in the Company, the Company is classified by the PRC tax authority in charge as a "resident enterprise" of China, as defined by Article 2 of the PRC Enterprise Income Tax Law, as amended from time to time (a "PRC Resident Enterprise"), the Company shall provide each of such Investors or its successors or assigns written notice as soon as reasonably practicable. The Company will use its commercially reasonable efforts to arrange its management activities in such a way as to avoid being a PRC Resident Enterprise in each taxable year during the period in which Investors or any of its successors or assigns holds Shares in the Company, including holding all meetings of the board of directors of the Company outside the PRC and such additional efforts as are deemed prudent under applicable Laws; provided, however, that such additional efforts do not cause undue burden on the Company or its officers including but not limited to requiring the officers of the Company to move their residency outside the PRC.

12.5 Stock Option Plan.

12.5.1 Without prejudice to Section 10, unless otherwise approved by the Board (including the Approval of the Preferred Directors or the Compensation Committee), all future shares, options or other securities or awards granted or issued under the ESOP shall vest as follows: twenty five percent (25%) thereof shall vest at the first anniversary of the date when such shares, options or other securities or awards are granted or issued with the remaining vesting evenly in monthly installments over the next thirty-six (36) months.

12.5.2 Without prejudice to Section 10, no issuances or grants will be made under any ESOP unless such ESOP contains terms and conditions reasonably satisfactory to the Approval of the Preferred Directors or the Compensation Committee, which, among other things, shall provide for the Company's right to repurchase any and all unvested Shares, options or other securities or awards granted thereunder at a price equivalent to the actual cost under certain circumstances and shall include transfer restrictions prior to a Qualified IPO.

12.5.3 As soon as practicable after the date hereof, each of the Group Companies shall obtain all authorizations, consents, orders and approvals of all Governmental Authorities that may be or become necessary to effectuate the Company's share incentive plan in the PRC in accordance with PRC Law; provided, that the Company shall not grant any awards or issue any Shares pursuant to the Company's share incentive plan to any grantee in the PRC if any required or appropriate authorization, consent, order or approval of any Governmental Authority in connection with such grant or issuance has not been obtained.

12.6 Confidentiality.

12.6.1 The terms and conditions of the Transaction Documents and all exhibits, restatements and amendments hereto and thereto (collectively, the "Confidential Information"), including their existence, shall be considered confidential information and shall not be disclosed by any of the Parties to any other Person except as permitted in accordance with the provisions set forth below.

(a) Press Release. None of the Parties hereto shall issue a press release or make any public announcement or other public disclosure with respect to any of the transactions contemplated herein or in any other Transaction Document without obtaining the prior written consent of each Investor, or use the name of such Investor or any of its Affiliates without obtaining in each instance the prior written consent of such Investor, in each instance such consent not to be unreasonably withheld.

(b) Permitted Disclosure. Notwithstanding the foregoing: (i) the Company may disclose the existence or content of any of the Confidential Information to its current or bona fide prospective investors, employees, investment bankers, lenders, accountants and attorneys, in each case only where such Persons are under appropriate nondisclosure obligations imposed by professional ethics law or otherwise; (ii) each Investor may, without any Party's consent and with the prior written notification to the other Parties hereto (it being acknowledged by the Parties that OTPP hereby notifies the other Parties that OTPP will disclose its investment in the Company and use the Company's logo and trademark in relation thereto on or after the date hereof), disclose such Investor's investment in the Company to other Persons or to the public at its sole discretion and in relation thereto may use the Company's logo and trademark (without requiring the Company's further consent), and if it does so, the other Parties shall have the right to disclose to other Persons any such information disclosed in a press release or other public announcement by such Investor; (iii) each Investor may disclose the existence or content of any of the Confidential Information to its Affiliate, fund manager, auditor, insurer, accountant, or consultant or an officer, director, general partner, limited partner, shareholder, investor, bona fide potential investor, counsel, advisor, or employee of such Investor and/or any of its Affiliates, and bona fide prospective purchasers/investors of any Equity Securities of the Company, so long as such Persons are under appropriate nondisclosure obligations imposed by professional ethics law or otherwise; (iv) each Investor may disclose the existence or content of any of the Confidential Information for fund and inter-fund reporting purposes and any information contained in press releases or public announcements of the Company in compliance with Section 12.6.1(a); and (v) any Party hereto may also provide disclosure in order to comply with applicable Laws, as set forth in Section 12.6.1(c) below.

(c) Legally Compelled Disclosure. If any Party is requested by any Governmental Authority or becomes legally compelled (including without limitation pursuant to any applicable tax, securities or other Laws and regulations of any jurisdiction or by subpoena or any requirement by governmental, judicial or regulatory body or any stock exchange) to disclose the existence or content of any of the Confidential Information, such Party shall, to the extent legally permissible, promptly provide the other Parties with written notice of that fact so that such other Parties may seek a protective order, confidential treatment or other appropriate remedy and in any event shall furnish only that portion of the information that is legally required and shall exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such information.

(d) Other Exceptions. The confidentiality obligations of the Parties set out in this Section 12.6 shall not apply to (i) information which was in the public domain or otherwise known to the relevant Party before it was furnished to it by another Party hereto or, after it was furnished to that Party, entered the public domain otherwise than as a result of (x) a breach by that Party of this Section 12.6, or (y) a breach of a confidentiality obligation by a third party discloser, where the breach was actually known to that relevant Party; and (ii) information disclosed by any Director or Observer of the Company to its appointer or any of its Affiliates or to any Person to whom disclosure would be permitted in accordance with the foregoing provisions of this Section 12.6.

12.6.2 The provisions of this Section 12.6 shall terminate and supersede the provisions of any separate nondisclosure agreement executed by any of the Parties hereto with respect to the transactions contemplated hereby, including without limitation any term sheet, letter of intent, memorandum of understanding or other similar agreement entered into by the Company and the Investors in respect of the transactions contemplated hereby.

12.6.3 Each Investor agrees to use, and to use commercially reasonable efforts to ensure that its authorized representatives use, the same degree of care as such recipient uses to protect its own confidential information to keep confidential any information furnished to it which the Company identifies in writing as being proprietary, confidential or like trade secrets except such information referred to in Sections 12.6.1(d).

12.7 Agreement with Employees. Each of the Group Companies will cause (a) each officer, director and employee of it or any Group Company (or engaged by the Company or any Group Company as a consultant/independent contractor) to enter into a proprietary information and inventions agreement in a form reasonably acceptable to the Company and the Preferred Directors; (b) each key technical employee of it or any Group Company to execute an assignment of inventions acceptable to the Company and the Preferred Directors; and (c) each Key Employee (as defined in the Purchase Agreement) to enter into a one (1) year noncompetition and non-solicitation agreement to the extent enforceable in the jurisdictions in which such Key Employee is located, substantially in a form reasonably acceptable to the Preferred Directors.

12.8 Non-compete. Each Principal undertakes to all holders of the Preferred Shares and the Company that (a) as long as such Principal is an employee of a Group Company, he shall devote commercially reasonable time and attention to the business of the Group Companies and will use his best efforts to develop the business and interests of the Group Companies, and (b) commencing from the date of this Agreement until twelve (12) months after the date he ceases to own directly or indirectly any Shares or ceases to be employed by any Group Company, whichever is the later (the "Non-competition Period"), he will not, without Approval of the Majority Preferred Holders, either on his own account or through any of his Affiliates, or in conjunction with or on behalf of any other Person: (i) be concerned with, participate in, be engaged or interested in, consult with, or render services for directly or indirectly any business in any manner in competition with the business engaged by any Group Company; or (ii) solicit or entice away, or attempt to solicit or entice away from any Group Company, any employee, officer, director, consultant, supplier, customer, client, representative, or agent of such Group Company.

12.9 Insurance.

12.9.1 If requested by no less than two-thirds (2/3) of the Preferred Directors, the Group Companies shall promptly purchase and maintain in effect worker's injury compensation insurance, key man insurance, and other insurance, in any case with respect to the Group's properties, employees, products, operations, and/or business, each in the amounts not less than those that are customarily obtained by companies of similar size, in a similar line of business, and with operations in the PRC.

12.9.2 The Company shall, reasonably in advance prior to the consummation of an IPO, purchase and maintain directors' and officers' liability insurance in an amount, and from an insurer, approved by the Board (including the Approval of the Preferred Directors). The Charter Documents of the Company shall at all times provide that the Company shall indemnify the members of the Board to the maximum extent permitted by applicable law.

12.10 Intellectual Property Protection. Except with the Approval of the Majority Preferred Holders, the Group Companies shall at all times take all reasonable steps to protect their respective material intellectual property rights, including without limitation (a) timely registering their respective material patents, trademarks, brand names, domain names and copyrights, and using reasonable best efforts to prosecute, maintain, and defend the validity of all Intellectual Property, (b) requiring each employee and consultant of each Group Company to enter into an employment agreement in form and substance reasonably acceptable to the Majority Preferred Holders, a confidential information and intellectual property assignment agreement and a non-competition and non-solicitation agreement requiring such persons to protect and keep confidential such Group Company's confidential information, intellectual property and trade secrets, prohibiting such persons from competing with such Group Company for a reasonable time after their termination of employment with any Group Company, and requiring such persons to assign all ownership rights in their work product to such Group Company, in each case in form and substance reasonably acceptable to the Investors, and (c) requiring service providers of the Group Companies to delete or return all materials when their services to the Group are finished or terminated.

12.11 Internal Control System. The Group Companies shall maintain their respective books and records in accordance with sound business practices and implement and maintain an adequate system of procedures and controls with respect to finance, management, and accounting that meets the standards of good practice generally applied to other companies in the similar industry and incorporated in the same jurisdictions where each such Group Company is incorporated and is reasonably satisfactory to the Majority Preferred Holders to provide reasonable assurance that (a) transactions by them are executed in accordance with management's general or specific authorization, (b) transactions by them are recorded as necessary to permit preparation of financial statements in conformity with the Accounting Standards and to maintain asset accountability, (c) access to their respective assets is permitted only in accordance with management's general or specific authorization, (d) their recorded inventory of assets is compared with the existing tangible assets at reasonable intervals and appropriate action is taken with respect to any material differences, (e) segregating duties for cash deposits, cash reconciliation, cash payment, and proper approval is established, and (f) no personal assets or bank accounts of the employees, directors, or officers are mingled with the corporate assets or corporate bank account, and no Group Company uses any personal bank accounts of any employees, directors, or officers thereof during the operation of its business.

12.12 Control of Subsidiaries. The Company shall institute and keep in place such arrangements as are reasonably satisfactory to the Majority Preferred Holders such that the Company will at all times Control the operations of each other Group Company. In the event that any provision under the Control Documents (as defined in the Purchase Agreement) is ruled by any relevant Governmental Authority as invalid or unenforceable under the Laws of the PRC, the Principals, the Principal Holding Companies and the Group Companies shall, subject to the Laws of the PRC and satisfaction of the Investors, use their best efforts to take, or cause to be taken, such action to execute and deliver, or cause to be executed and delivered, such documents and instruments and to do, or cause to be done, all things necessary, proper or advisable to ensure that substantially all of the income, assets and interests generated by the Domestic Companies and their respective Subsidiaries are consolidated into those of the Group Companies.

13 Miscellaneous.

13.1 Termination. This Agreement shall terminate upon mutual consent of the Parties hereto, and all rights and obligations of a Party (other than the Group Companies) set forth hereunder shall cease if such Party no longer holds, directly or indirectly, any Equity Securities of the Company. Subject to Section 13.38.1, the provisions of Sections 7 shall terminate on the consummation of the earlier of (a) an IPO and (b) a liquidation or winding up of the Company, and the provisions of Sections 8, 9, 10, 11 (except for Sections 9.7) shall terminate on the consummation of a Qualified IPO. If this Agreement terminates or terminates with respect to a Party, the Parties or such Party shall be released from their respective or its obligations under this Agreement, except (i) in respect of any obligation under Section 12.6, Section 12.8 and Section 13 (other than Sections 13.2, 13.16 and 13.20) or stated explicitly to continue to exist after the termination of this Agreement (including without limitation those relevant obligations under Sections 2 through 6) and (ii) if any Party breaches this Agreement before the termination of this Agreement, it shall not be released from its obligations relating to such breach on termination.

13.2 Further Assurances. Upon the terms and subject to the conditions herein, each of the Parties hereto agrees to use its or his commercially reasonable efforts to take or cause to be taken all action, to do or cause to be done all things, to execute such further instruments, and to assist and cooperate with the other Parties hereto in doing all things necessary, proper or advisable under applicable Laws or otherwise to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement.

13.3 Assignments and Transfers; No Third-Party Beneficiaries. Except as otherwise provided herein, this Agreement and the rights and obligations of the Parties hereunder shall inure to the benefit of, and be binding upon, the Parties' respective successors, assigns and legal representatives, but shall not otherwise be for the benefit of any third party. The rights of any Investor hereunder (including, without limitation, registration rights) are assignable (together with the related obligations) without the consent of any other Party in connection with the transfer of Equity Securities of the Company held by such Investor. This Agreement and the rights and obligations of each other Party hereunder shall not otherwise be assigned or transferred without the mutual written consent of the other Parties except as expressly provided herein.

13.4 Governing Law. This Agreement shall be governed by and construed under the Laws of Hong Kong, without regard to principles of conflict of laws thereunder.

13.5 Dispute Resolution.

13.5.1 Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of any party to the Dispute with notice (the "Arbitration Notice") to the other parties thereto.

13.5.2 The Dispute shall be settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre (the "HKIAC") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the "HKIAC Rules") in force when the Arbitration Notice is submitted in accordance with the HKIAC Rules. There shall be three (3) arbitrators, all of whom shall be qualified to practice law in Hong Kong.

13.5.3 The arbitral proceedings shall be conducted in English. To the extent that the HKIAC Rules are in conflict with the provisions of this Section 13.5, including the provisions concerning the appointment of the arbitrators, the provisions of this Section 13.5 shall prevail.

13.5.4 Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents reasonably requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party receiving the request and except for any information and documents subject to legal professional privilege.

13.5.5 The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award.

13.5.6 The arbitral tribunal shall decide any Dispute submitted by the parties to the arbitration strictly in accordance with the substantive Laws of Hong Kong, without regard to principles of conflict of Laws thereunder, and shall not apply any other substantive Law.

13.5.7 Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal.

13.5.8 During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

13.6 Notices. Any notice, request, consent or other communication required or permitted pursuant to this Agreement shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, fax, electronic mail or similar means to the address of the relevant Party as shown on Schedule I (or at such other address or number as such Party may designate by fifteen (15) days' advance written notice to the other Parties to this Agreement given in accordance with this Section 13.6). Where a notice, request, consent or other communication is sent by next-day or second-day courier service, service of the notice, request, consent or other communication shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, request, consent or other communication, with a written confirmation of delivery, and to have been effected at the earlier of (a) delivery (or when delivery is refused) and (b) expiration of two (2) Business Days after the letter containing the same is sent as aforesaid. Where a notice, request, consent or other communication is sent by fax or electronic mail, service of the notice, request, consent or other communication shall be deemed to be effected by properly addressing, and sending such notice, request, consent or other communication through a transmitting organization, with a written confirmation of delivery, and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day. Notwithstanding the foregoing, to the extent a "with a copy to" address is designated, notice must also be given to such address in the manner above for such notice, request, consent or other communication hereunder to be effective.

13.7 Expenses. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such Party may be entitled.

13.8 Rights Cumulative; Specific Performance. Each and all of the various rights, powers and remedies of a Party hereto will be considered to be cumulative with and in addition to any other rights, powers and remedies which such Party may have at Law or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power or remedy will neither constitute the exclusive election thereof nor the waiver of any other right, power or remedy available to such Party. Without limiting the foregoing, the Parties hereto acknowledge and agree irreparable harm may occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement.

13.9 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Memorandum and Articles, or elsewhere, as the case may be.

13.10 Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. If, however, any provision of this Agreement shall be invalid, illegal, or unenforceable under any such applicable Law in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such Law, or, if for any reason it is not deemed so modified, it shall be invalid, illegal, or unenforceable only to the extent of such invalidity, illegality, or limitation on enforceability without affecting the remaining provisions of this Agreement, or the validity, legality, or enforceability of such provision in any other jurisdiction.

13.11 Amendments and Waivers. Any provision in this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only by (a) the written consent of the Company and (b) approval of the Each Series Majority Preferred Holders. Notwithstanding the foregoing, (i) the provisions of Section 9.1.2(a), Section 9.2.1 and Section 13.11(i) may be amended and the observance of any term thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Majority Ordinary Holders, (ii) the provisions of Section 9.1.2(b)(i), Section 9.2.2 and Section 13.11(ii) may be amended and the observance of any term thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Majority Series A Holders, (iii) the provisions of Section 9.1.2(b)(iii), Section 9.2.2 and Section 13.11(iii) may be amended and the observance of any term thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Majority Series B Holders, (iv) the provisions of Section 9.1.2(b)(v), Section 9.2.2 and Section 13.11(iv) may be amended and the observance of any term thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Majority Series C Holders, (v) the provisions of Section 9.1.2(b)(vi), Section 9.2.2 and Section 13.11(v) may be amended and the observance of any term thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Majority Series C+ Holders, and (vi) the provisions of Section 9.2.2, Section 10.5 and Section 13.11(vi) may be amended and the observance of any term thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Majority Series D Holders; provided, that no amendment or waiver shall be effective or enforceable in respect of a holder of any particular series of Preferred Shares of the Company if such amendment or waiver affects such holder materially and adversely differently from the other holders of such particular series of Preferred Shares of the Company, unless such holder consents in writing to such amendment or waiver in advance. Notwithstanding the foregoing, any Party may waive the observance as to such Party of any provision of this Agreement (either generally or in a particular instance and either retroactively or prospectively) by an instrument in writing signed by such Party without obtaining the consent of any other Party. Any amendment or waiver effected in accordance with this Section 13.11 shall be binding upon all the Parties hereto.

13.12 No Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right, power or remedy hereunder at any one or more times be deemed a waiver or relinquishment of such right, power or remedy at any other time or times.

13.13 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any breach or default under this Agreement, and any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

13.14 No Presumption. The Parties acknowledge that any applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

13.15 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mailed copies of signatures shall be deemed to be originals for purposes of the effectiveness of this Agreement.

13.16 Control. In the event of any conflict or inconsistency between any of the terms of this Agreement and any of the terms of any of the Charter Documents for any of the Group Companies, or in the event of any dispute related to any such Charter Document, the terms of this Agreement shall prevail in all respects as between the Parties (other than the Company only), the Parties (other than the Company only) shall give full effect to and act in accordance with the provisions of this Agreement over the provisions of the Charter Documents, and the Parties hereto (other than the Company only) shall exercise all voting and other rights and powers (including to procure any required alteration to such Charter Documents to resolve such conflict or inconsistency) to make the provisions of this Agreement effective, and not to take any actions that impair any provisions in this Agreement.

13.17 Adjustments for Share Splits, Etc. Wherever in this Agreement there is a reference to a specific number of Shares of the Company, then, upon the occurrence of any share split, share subdivision, share combination, share dividend, recapitalization or other similar event affecting any class or series of the Shares, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted, as appropriate, to reflect the effect on the outstanding Shares by such share split, share subdivision, share combination, share dividend, recapitalization or other similar event .

13.18 Aggregation of Shares. All Shares held or acquired by each Investor and/or its Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement, and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

13.19 Use of English Language. This Agreement has been executed and delivered in the English language. Any translation of this Agreement into another language shall have no interpretive effect. All documents or notices to be delivered pursuant to or in connection with this Agreement shall be in the English language or, if any such document or notice is not in the English language, accompanied by an English translation thereof, and the English language version of any such document or notice shall control for purposes thereof.

13.20 Deed of Adherence. Promptly following the formation of a new Subsidiary of any Group Company, the Group Companies shall cause such new Subsidiary to execute and deliver a deed of adherence to accede to the terms of this Agreement in form and substance satisfactory to the Preferred Directors and join this Agreement as a Party and a Group Company.

13.21 Restriction on the Use of "Sequoia" and Confidentiality. Without the written consent of Sequoia, the Group Companies and their shareholders (excluding Sequoia) shall not use the name or brand of Sequoia or its Affiliate, claim itself as a partner of Sequoia or its Affiliate, or make any similar representations. Without the written approval of Sequoia, the Group Companies and their shareholders (excluding Sequoia) shall not make or cause to be made any press release, public announcement or other disclosure to any third party in respect of this Agreement, any other Transaction Documents, the term sheet or Sequoia's subscription of share interest of the Company.

13.22 Restriction on the Use of "IDG" and Confidentiality. Without the written consent of IDG, the Group Companies and their shareholders (excluding IDG) shall not use the name or brand of IDG or its Affiliate, claim itself as a partner of IDG or its Affiliate, or make any similar representations. Without the written approval of IDG, the Group Companies and their shareholders (excluding IDG) shall not make or cause to be made, any press release, public announcement or other disclosure to any third party in respect of this Agreement, any other Transaction Documents, the term sheet or IDG's subscription of share interest of the Company.

13.23 Restriction on the Use of "5Y Capital" and Confidentiality. Without the written consent of 5Y Capital, the Group Companies and their shareholders (excluding 5Y Capital) shall not use the name or brand of 5Y Capital or its Affiliate, claim itself as a partner of 5Y Capital or its Affiliate, or make any similar representations. Without the written approval of 5Y Capital, the Group Companies and their shareholders (excluding 5Y Capital) shall not make or cause to be made any press release, public announcement or other disclosure to any third party in respect of this Agreement, any other Transaction Documents, the term sheet or 5Y Capital's subscription of share interest of the Company.

13.24 Restriction on the Use of "Legend Capital" and Confidentiality. Without the written consent of Legend Capital, the Group Companies and their shareholders (excluding Legend Capital) shall not use the name or brand of Legend Capital or its Affiliate, claim itself as a partner of Legend Capital or its Affiliate, or make any similar representations. Without the written approval of Legend Capital, the Group Companies and their shareholders (excluding Legend Capital) shall not make or cause to be made any press release, public announcement or other disclosure to any third party in respect of this Agreement, any other Transaction Documents, the term sheet or Legend Capital's subscription of share interest of the Company.

13.25 Restriction on the Use of "Nio" and Confidentiality. Without the written consent of Nio, the Group Companies and their shareholders (excluding Nio) shall not use the name or brand of Nio or its Affiliate, claim itself as a partner of Nio or its Affiliate, or make any similar representations. Without the written approval of Nio, the Group Companies and their shareholders (excluding Nio) shall not make or cause to be made any press release, public announcement or other disclosure to any third party in respect of this Agreement, any other Transaction Documents, the term sheet or Nio's subscription of share interest of the Company.

13.26 Restriction on the Use of "Eight Roads" and Confidentiality. Without the written consent of Eight Roads, the Group Companies and their shareholders (excluding Eight Roads) shall not use the name or brand of Eight Roads (including but not limited to "Fidelity," "Eight Roads" and "斯道") or its Affiliate, claim itself as a partner of Eight Roads or its Affiliate, or make any similar representations. Without the written approval of Eight Roads, the Group Companies and their shareholders (excluding Eight Roads) shall not make or cause to be made any press release, public announcement or other disclosure to any third party in respect of this Agreement, any other Transaction Documents, the term sheet or Eight Roads' subscription of share interest of the Company.

13.27 Restriction on the Use of "Fidelity" and Confidentiality. Without the written consent of Fidelity, the Group Companies and their shareholders (excluding Fidelity) shall not use the name or brand of Fidelity (including but not limited to "Fidelity," "Fidelity International," "富达" and "富达国际") or its Affiliate, claim itself as a partner of Fidelity or its Affiliate, or make any similar representations. Without the written approval of Fidelity, the Group Companies and their shareholders (excluding Fidelity) shall not make or cause to be made any press release, public announcement or other disclosure to any third party in respect of this Agreement, any other Transaction Documents, the term sheet or Fidelity's subscription of share interest of the Company.

13.28 Restriction on the Use of "Kunlun" and Confidentiality. Without the written consent of Kunlun, the Group Companies and their shareholders (excluding Kunlun) shall not use the name or brand of Kunlun (including but not limited to "Kunlun," "昆仑万维" and "昆 仑 资 本 ") or its Affiliate, claim itself as a partner of Kunlun or its Affiliate, or make any similar representations. Without the written approval of Kunlun, the Group Companies and their shareholders (excluding Kunlun) shall not make or cause to be made any press release, public announcement or other disclosure to any third party in respect of this Agreement, any other Transaction Documents, the term sheet or Kunlun's subscription of share interest of the Company.

13.29 Restriction on the Use of "Toyota" and "Lexus" and Confidentiality. Without the written consent of TMC, the Group Companies and their shareholders (excluding TMC) shall not use the name or brand of TMC (including but not limited to "Toyota" and "Lexus") or its Affiliate, claim itself as a partner of TMC or its Affiliate, or make any similar representations. Without the written approval of TMC, the Group Companies and their shareholders (excluding TMC) shall not make or cause to be made any press release, public announcement or other disclosure to any third party in respect of this Agreement, any other Transaction Documents, the term sheet or TMC's subscription of share interest of the Company.

13.30 Restriction on the Use of "OTPP" and Confidentiality. Without the prior written consent of OTPP, none of the Group Companies nor their respective shareholders (excluding OTPP and its Affiliates) shall use the name or brand of OTPP or any of its Affiliates, claim itself as a partner of OTPP or any of its Affiliates, or make any similar representations. Without the prior written approval of OTPP, none of the Group Companies nor their respective shareholders (excluding OTPP and its Affiliates) shall make or cause to be made any press release, public announcement or other disclosure to any third party in respect of this Agreement, any other Transaction Documents, the term sheet or OTPP's subscription or acquisition of share interest of the Company. Notwithstanding anything to the contrary contained in this Agreement, any restriction on the business and activity of OTPP in Section 13 of this Agreement shall only apply to such business and activity carried out by OTPP under any name, brand or logo of a Shareholder (other than OTPP) and its Affiliates and nothing in Section 13 of this Agreement shall otherwise restrict the business or activity of OTPP or its Affiliates.

13.31 Restriction on the Use of "FAW" and Confidentiality. Without the prior written consent of FAW, none of the Group Companies nor their respective shareholders (excluding FAW and its Affiliates) shall use the name or brand of FAW (including but not limited to "一汽", "一汽集团" and "红旗") or any of its Affiliates, claim itself as a partner of FAW or any of its Affiliates, or make any similar representations. Without the prior written approval of FAW, none of the Group Companies nor their respective shareholders (excluding FAW and its Affiliates) shall make or cause to be made any press release, public announcement or other disclosure to any third party in respect of this Agreement, any other Transaction Documents, the term sheet or FAW's subscription or acquisition of share interest of the Company.

13.32 Restriction on the Use of "CPE" and Confidentiality. Without the prior written consent of CPE, regardless whether CPE or any of its Affiliates holds any Equity Securities of the Company, none of the Principals, the Principal Holding Companies and the Group Companies shall (or shall permit any Affiliate thereof to) (i) use, publish, distribute, display (whether public or private) or reproduce the name or any similar trade name, trademark, product name, service name, domain name, sign or logo of CPE or any specific description enabling any Person to identify CPE and/or any of their Affiliates (including the names " 中 信", "中信集团", "中信产业基金", "CITIC", "CPE", "CITICPE" and the logo "  ", (each being used individually or in combination with the other(s)) and any logos or marks related thereto) in any manner, context or format (including references on or links to websites, in press releases, or in other public announcements); or (ii) represent, directly or indirectly, that any product or services provided by any Principal, Principal Holding Company or Group Company has been approved or endorsed by CPE.

13.33 Restriction on the Use of China-UAE-related Names and Confidentiality. Without the prior written consent of China-UAE or any of the Underlying Investors (as defined below), none of the Group Companies nor their respective shareholders (excluding China-UAE and the Underlying Investors) shall use, publish or reproduce the name or logo of China-UAE, any of the Underlying Investors or any China-UAE's Affiliate or of "Mubadala", "China Development Bank Capital", "China Development Bank", "China-UAE Investment Cooperation", "开行", " 开发银行", " 国开行", "国开", " 国家开发银行", " 国开金融", "CDB", "CDB Capital", any derivative of any of the foregoing or the name of any director, officer or employee of China-UAE, any of the Underlying Investors or any China-UAE's Affiliate, for (a) any promotional purpose, whether orally or in writing, including in any sales materials, offering documents or press releases, or otherwise indicate that any product or service provided by any Group Company or its Affiliates has been approved or endorsed by China-UAE, any of the Underlying Investors or any China-UAE's Affiliate, or (b) any registration of any trademark or domain similar in any manner to the name or logo of China-UAE, any of the Underlying Investors or any China-UAE's Affiliate. Without limiting the generality of the foregoing, none of the Group Companies nor their respective shareholders (excluding China-UAE and the Underlying Investors) shall carry out any business and activity that damages or will damage the reputation and rights of China-UAE, any of the Underlying Investors or any China-UAE's Affiliate. "Underlying Investors" means (A) Mubadala Investment Company PJSC, a wholly-owned subsidiary of the Government of Abu Dhabi; (B) China Development Bank, an indirectly wholly-owned subsidiary of the Government of the People's Republic of China; (C) China Development Bank Capital Corporation Ltd, an indirectly wholly-owned subsidiary of the Government of the People's Republic of China; (D) Upright Rhythm Limited, an indirectly wholly-owned subsidiary of the Government of the People's Republic of China; and (E) China-UAE Investment Cooperation Fund, L.P.

13.34 Restriction on the Use of "Carlyle" and Confidentiality. Without the prior written consent of Carlyle, regardless whether Carlyle USD Entity, Carlyle RMB Entity or any of its Affiliates holds any Equity Securities of the Company, none of the Principals, the Principal Holding Companies and the Group Companies shall (or shall permit any Affiliate thereof to) (i) use, publish, distribute, display (whether public or private) or reproduce the name or any similar trade name, trademark, product name, service name, domain name, sign or logo of Carlyle or any specific description enabling any Person to identify Carlyle and/or any of their Affiliates (including the names "Carlyle", "The Carlyle Group", "凯雷" or "凯雷 集团", (each being used individually or in combination with the other(s)) and any logos or marks related thereto) in any manner, context or format (including references on or links to websites, in press releases, or in other public announcements); or (ii) represent, directly or indirectly, that any product or services provided by any Principal, Principal Holding Company or Group Company has been approved or endorsed by Carlyle.

13.35 Independent Nature of Investors' Obligations and Rights. The obligations of each Investor under this Agreement and the other Transaction Documents are several and not joint, and no Investor is responsible in any way for the performance or conduct of the other parties in connection with the transactions contemplated hereby. Nothing contained herein or in any other Transaction Document, and no action taken by any Investor pursuant hereto or thereto, shall be or shall be deemed to constitute a partnership, association, joint venture, or joint group with respect to the Investors. Each Investor agrees that no other party has acted as an agent for such Investor in connection with the transactions contemplated hereby.

13.36 Holders of Series D Warrants. Subject to the terms and conditions set forth in the Series D Warrants, the rights, privileges and obligations pertaining to holders of the Series D Preferred Shares set forth in the Transaction Documents shall be also applicable to such Series D Preferred Shares issuable under the Series D Warrants as if such Series D Warrants have been exercised to the extent that any Series D Warrant remains outstanding. The Parties acknowledge and agree that for the purpose of the Transaction Documents, subject to the terms and conditions set forth in such Series D Warrants, each Party holding the Series D Warrant shall be deemed as having duly exercised such Series D Warrant in full such that it shall be deemed as a holder of the corresponding Series D Preferred Shares of the Company under such Series D Warrants to the extent that such relevant Series D Warrant remains outstanding.

13.37 Additional Series D Investors. Each additional purchaser of the Series D Preferred Shares or the Series D Warrants sold pursuant to the Purchase Agreement and the Additional Purchase Agreements at the Closing and at the Additional Closings (as defined in the Purchase Agreement) may become a party to this Agreement and the related Transaction Documents, and have the rights and obligations hereunder and thereunder, by executing and delivering to the Company such purchaser's counterpart signature pages and/or such purchaser's joinder agreement or deed of adherence to this Agreement and the related Transaction Documents, in form and substance reasonably acceptable to the Company. Each such additional purchaser so acquiring the Series D Preferred Shares or the Series D Warrants shall be considered a "Series D Investor" for purposes of this Agreement and the related Transaction Documents, and any Series D Preferred Shares (including the Series D Preferred Shares issuable under the Series D Warrants) so acquired by such additional purchaser shall be considered "Shares" for purposes of this Agreement and all other agreements contemplated hereby. Notwithstanding Section 13.11 of this Agreement, Schedule H and Schedule I to this Agreement shall be updated by the Company without need for consent of any other party to reflect the parties purchasing such Series D Preferred Shares, the Series D Warrant (or the Series D Preferred Shares issuable under the Series D Warrants) and their addresses for notices.

13.38 Suspension and Termination of Rights and Privileges for Listing on the SEHK.

13.38.1 Notwithstanding anything to the contrary provided herein, the provisions of Sections 7, 8, 9, 10 and 11 shall terminate on the listing of the Shares on the SEHK.

13.38.2 Notwithstanding anything to the contrary provided herein and in the Memorandum and Articles, as from the date on which the Company submits its first IPO application (the "First IPO Application Date") to the SEHK and the Securities and Futures Commission (collectively, the "HK Listing Authorities"), the Parties hereby agree that except with written consent of the Company:

(a) no holder of Shares shall be entitled to directly or indirectly transfer any Share;

(b) no holder of Shares shall be entitled to request the redemption of any Share held by it in accordance with provisions set out herein or in the Memorandum and Articles; and

(c) no holder of Shares shall be entitled to, where applicable, exercise any privilege, preference or right provided under Section 11 (Drag-Along Right) or any divestment rights in the form of put option, redemption or otherwise, as set out herein or in the Memorandum and Articles.

(collectively, the "Divestment Rights"); provided, that any Divestment Right shall be restored to the fullest effect upon the earlier of (i) such IPO application being rejected by any HK Listing Authority or otherwise withdrawn by the Company, and (ii) the twelve (12) month anniversary of the First IPO Application Date if such IPO fails to be consummated by such time.

13.38.3 In the case of an IPO application having been made to the SEHK, the Parties hereby agree to, promptly after the receipt by the Company of a "post-hearing letter" from the SEHK together with a request to post a "Post Hearing Information Pack", procure that all necessary resolutions are passed to adopt further amended and restated Articles in such form that is customary for the purpose of listing the Shares on the SEHK.

13.38.4 For avoidance of doubt, upon conversion of the Preferred Shares into Ordinary Shares in accordance with the Memorandum and Articles, all privileges, preferences and rights attached to such Preferred Shares, including but not limited to the privileges, preferences and rights set out in Articles 8, 63 and 64 thereof and Schedule A thereto, shall lapse and be terminated in their entirety, whereupon the obligations of the Company to the Shareholders under the Articles shall be determined in accordance with the Articles then in effect.

13.39 Entire Agreement. This Agreement (including the Exhibits hereto) constitutes the full and entire understanding and agreement among the Parties with regard to the subjects hereof, and supersedes all other agreements between or among any of the Parties with respect to the subject matter hereof, whether in writing or orally. Without limiting the generality of this Section 13.39, in consideration of the mutual covenants and promises contained herein, each of the parties to the Original Shareholders Agreement hereby confirms and covenants with each of the other parties thereto that, with effect immediately on the date hereof: (a) the Original Shareholders Agreement shall be absolutely terminated; (b) none of the parties to the Original Shareholders Agreement have or shall have any rights, claims, interests, causes of actions, liabilities, and costs and expenses of whatever nature against any of the other parties thereto under or in respect of the Original Shareholders Agreement; and (c) to the extent that any of the parties to the Original Shareholders Agreement now has, has at any time had, or may in future have any rights, claims, interests, causes of actions, liabilities, and costs and expenses of whatever nature against any of the other parties thereto under or in respect of the Original Shareholders Agreement, such rights, claims, interests, causes of actions, liabilities, and costs and expenses are hereby absolutely, irrevocably and unconditionally waived, discharged and released by such party concerned.

[*The remainder of this page has been intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

PONY AI INC.

By: /s/ Jun Peng
Name: Jun Peng
Title: Director

PONY.AI, INC.

By /s/ Jun Peng
Name: Jun Peng
Title: Director

HONGKONG PONY AI LIMITED

By: /s/ Jun Peng
Name: Jun Peng
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

BEIJING PONY AI TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY AI TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

BEIJING PONY HUIXING TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY HUIXING TECHNOLOGY CO., LTD.

By: /s/ Hengyu Li
Name: Hengyu Li
Title: Legal Representative

BEIJING PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

JIANGSU HEIMAI DATA TECHNOLOGY CO., LTD.
Company seal: /s/ JIANGSU HEIMAI DATA TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

SHANGHAI PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ SHANGHAI PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Haojun Wang
Name: Haojun Wang
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

GUANGZHOU PONY AI TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY AI TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

GUANGZHOU PONY HUIXING TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY HUIXING TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

GUANGZHOU BIBI TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU BIBI TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

GUANGZHOU PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

BEIJING PONY ZHIKA TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY ZHIKA TECHNOLOGY CO., LTD.

By: /s/ Hengyu Li
Name: Hengyu Li
Title: Legal Representative

BEIJING PONY RUIXING TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY RUIXING TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

GUANGZHOU PONY ZHIKA TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY ZHIKA TECHNOLOGY CO., LTD.

By: /s/ Hengyu Li
Name: Hengyu Li
Title: Legal Representative

GUANGZHOU PONY ZHIHUI LOGISTICS TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY ZHIHUI LOGISTICS TECHNOLOGY CO., LTD.

By: /s/ Hexing
Name: Hexing
Title: Legal Representative

SHENZHEN PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ SHENZHEN PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES A INVESTORS:

L4AI INC.

By: /s/ Jin Zhou
Name: Jin Zhou
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES A INVESTORS:

L4AI INC.

By:/s/ Jian Peng
Name: Jian Peng
Title:

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

PRINCIPALS AND PRINCIPAL HOLDING COMPANIES:

JUN PENG

/s/ Jun Peng

TIANCHENG LOU

/s/ Tiancheng Lou

IWAY LLC

By:/s/ Tiancheng Lou
Name: TIANCHENG LOU
Tile: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

PRINCIPALS AND PRINCIPAL HOLDING COMPANIES:

HENGYU LI

/s/ Hengyu Li

FREE PONY LIMITED

By: /s/ Hengyu Li
Name: HENGYU LI
Tile: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SHAREHOLDERS:

CHIU, WEI-YANG

/s/ Jun Peng

LEE, KUN-HAN

/s/ Jun Peng

ROBERT JOSEPH DINGLI

/s/ Jun Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SHAREHOLDER:

CYRUS F ABARI

/s/ Jun Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SHAREHOLDER:

STEPHEN LEE

/s/ Jun Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SHAREHOLDER:

Starburst Limited

By:/s/ Jun Peng
Name: JUN PENG
Tile: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SHAREHOLDER:

Stephanie A. Bruno, as trustee of BOLE 2021 Family Trust

/s/ Jun Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SHAREHOLDER:

Juan Xu, as trustee of the Alicia Peng Irrevocable Trust

/s/ Juan Xu

Juan Xu, as trustee of the Selena Peng Irrevocable Trust

/s/ Juan Xu

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SHAREHOLDER:

JIALIN JIAO

/s/ Jun Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SHAREHOLDER:

KEVIN CHIHPEI SHEU

/s/ Jun Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SHAREHOLDER:

YUI-HONG MATTHIAS TAN

/s/ Jun Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SHAREHOLDER:

KELVIN KAI WANG CHAN

/s/ Jun Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SHAREHOLDER:

CHUN-YU, CHUNG

/s/ Jun Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B+/B2/C INVESTORS:

ERVC Technology IV LP

By: EVRC Technology Advisors IV LP,
its General Partner
By: Eight Roads GP, as General Partner

By: /s/ Driaan Viljoen
Name: Driaan Viljoen
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B/B+ INVESTORS:

ACE Redpoint China Strategic I, L.P.

By: ACE Redpoint Ventures China I GP, L.P.,
its general partner

By: ACE Redpoint Ventures China I GP, Ltd.,
its general partner

By: /s/ David Egglishaw
Name: David Egglishaw
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B/B+ INVESTORS:

ACE Redpoint Associates China I, L.P.

By: ACE Redpoint Ventures China I GP, Ltd.,
its general partner

By: /s/ David Egglishaw
Name: David Egglishaw
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B/B+ INVESTORS:

ACE Redpoint Ventures China I, L.P.

By: ACE Redpoint Ventures China I GP, L.P.,
its general partner

By: ACE Redpoint Ventures China I GP, Ltd.,
its general partner

By: /s/ David Egglishaw
Name: David Egglishaw
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SHAREHOLDER:

Alpha Plus Holdings, Ltd.

By: /s/ WILLIAM APOLLO CHEN
Name: WILLIAM APOLLO CHEN
Title: MANAGING DIRECTOR

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES C INVESTORS:

City Ace Investment Corporation

By: /s/ Michelle Zhoy
Name: Michelle Zhoy

[Signature Page to SIXTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES C+ INVESTORS:

CPE Investment (Hong Kong) 2018 Limited

By: /s/ YONG Leong Chu, Yonn
Name: YONG Leong Chu, Yonn
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES C INVESTORS:

Fidelity China Special Situations PLC

By: /s/ Natalia de Sousa
Name: Natalia de Sousa
Title: Company Secretary and authorised signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B/B+ INVESTORS:

HONTAI CAPITAL FUND I LIMITED PARTNERSHIP

By: /s/ Yuntao Ma
Name: Yuntao Ma
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES A/B/B+/B2 INVESTORS:

IDG CHINA VENTURE CAPITAL FUND IV L.P.

By: **IDG CHINA VENTURE CAPITAL FUND IVASSOCIATES L.P.,**
its General Partner

By: **IDG CHINA VENTURE CAPITAL FUND GP IV ASSOCIATES LTD.,**
its General Partner

By: /s/ Chi Sing HO
Name: Chi Sing HO
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES A/B/B+/B2 INVESTORS:

IDG CHINA IV INVESTORS L.P.

By: **IDG CHINA VENTURE CAPITAL FUND GP IV ASSOCIATES LTD.,**
its General Partner

By: /s/ Chi Sing HO
Name: Chi Sing HO
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B INVESTORS:

IDG CHINA CAPITAL FUND III L.P.

By: IDG China Capital Fund III Associates L.P.,
its General Partner
By: IDG China Capital Fund GP III Associates Ltd.,
its General Partner

By: /s/ Chi Sing HO
Name: Chi Sing HO
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B INVESTORS:

IDG CHINA CAPITAL III INVESTORS L.P.

By: IDG China Capital Fund GP III Associates Ltd.,
its General Partner

By: /s/ Chi Sing Ho
Name: Chi Sing Ho
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B2 INVESTORS:

Kunlun Group Limited
Company seal: /s/ Kunlun Group Limited

By: /s/ Yahui Zhou
Name: Yahui Zhou
Title:

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B INVESTORS:

For and on behalf of LC Fund VII, L.P.

By: /s/ Qifeng Fan
Name: Qifeng Fan
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B INVESTORS:

For and on behalf of LC Parallel Fund VII, L.P.

By: /s/ Qifeng Fan
Name: Qifeng Fan
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B INVESTORS:

LEGENDSTAR FUND II, L.P.

By: /s/ WANG Mingyao
Name: WANG Mingyao
Title: Managing partner

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B INVESTORS:

VANTAGE ESTATE LIMITED

By: /s/ WANG Mingyao
Name: WANG Mingyao
Title: Managing partner

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B INVESTORS:

Cassini Partners, L.P.
By: Neumann Advisory Hong Kong Limited
Power of Attorney

By: /s/ ZHANG Fei
Name: ZHANG Fei
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B INVESTORS:

Favor Star Limited
By: Neumann Advisory Hong Kong Limited

Power of Attorney

By: /s/ ZHANG Fei

Name: ZHANG Fei

Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B INVESTORS:

Neumann Capital

By: /s/ ZHANG Fei
Name: ZHANG Fei
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B INVESTORS:

MIRACLE MISSION LIMITED

/s/ Yan Zhu

By: Yan Zhu
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES C/C+/D INVESTORS:

2774719 ONTARIO LIMITED

By: /s/ Ken Ling Kelvin YU
Name: Ken Ling Kelvin YU
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES A/B INVESTORS:

SCC VENTURE VI HOLDCO, LTD.

By: /s/ Ip Siu Wai Eva
Name: Ip Siu Wai Eva
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B+/B2 INVESTORS:

SCC VENTURE VII HOLDCO, LTD.

By: /s/ Ip Siu Wai Eva
Name: Ip Siu Wai Eva
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B INVESTORS:

Shixiang Founders Capital IV Limited

By: /s/ Li Guangmi
Name: Li Guangmi
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B+ INVESTORS:

Songhe Xiaoma Investment Ltd.

By: /s/ LI Wei
Name: LI Wei
Title:

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B INVESTORS:

SILICON VALLEY FUTURE CAPITAL LLC

By: /s/ Miao Hong
Name: Miao Hong
Title: Managing Partner

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B/B+/B2 INVESTORS:

DIMENSION VANTAGE LIMITED

By: /s/ CHONG Tin Lung Benny
Name: CHONG Tin Lung Benny
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B+ INVESTORS:

Talent Plus Group Limited

By: /s/ ZHAO JING
Name: ZHAO JING
Title: DIRECTOR

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES C INVESTORS:

FAW Equity Investment Company Limited

By: /s/ HUI WANG
Name: HUI WANG
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B+/B2 INVESTORS:

Main Star Investment Limited

By: /s/ Wang Xiaoding
Name: Wang Xiaoding
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B/B+/B2/C/D INVESTORS:

MORNINGSIDE CHINA TMT FUND IV CO-INVESTMENT, L.P.,
a Cayman Islands exempted limited partnership

By:
MORNINGSIDE CHINA TMT GP IV, L.P.,
a Cayman Islands exempted limited partnership,
its general partner

By:
TMT GENERAL PARTNER LTD.,
a Cayman Islands exempted company,
its general partner

in on

/s/ Jill Marie Franklin
Jill Marie Franklin
Director/Authorised Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B/B+/B2/D INVESTORS:

MORNINGSIDE CHINA TMT FUND IV, L.P.,
a Cayman Islands exempted limited partnership

By:
MORNINGSIDE CHINA TMT GP IV, L.P.,
a Cayman Islands exempted limited partnership,
its general partner

By:
TMT GENERAL PARTNER LTD.,
a Cayman Islands exempted company,
its general partner

in on

/s/ Jill Marie Franklin
Jill Marie Franklin
Director/Authorised Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES C INVESTORS:

Morningside China TMT Special Opportunity Fund II, L.P.,
a Cayman Islands exempted limited partnership

By:
MORNINGSIDE CHINA TMT GP IV, L.P.,
a Cayman Islands exempted limited partnership,
its general partner

By:
TMT GENERAL PARTNER LTD.,
a Cayman Islands exempted company,
its general partner

in on

/s/ Jill Marie Franklin
Jill Marie Franklin
Director/Authorised Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES C+/D INVESTORS:

Raumier Limited

By: /s/ Dk Noorul Hayati Pg Julaihi
Name: Dk Noorul Hayati Pg Julaihi
Title: **Director**

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B/B+/C/D INVESTORS:

ClearVue Pony AI Plus Holdings, Ltd.

By: /s/ WILLIAM APOLLO CHEN
Name: WILLIAM APOLLO CHEN
Title: MANAGING DIRECTOR

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES B/B+/B2 INVESTORS:

ClearVue Pony Holdings, Ltd.

By: /s/ WILLIAM APOLLO CHEN
Name: WILLIAM APOLLO CHEN
Title: MANAGING DIRECTOR

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES C INVESTORS:

TOYOTA MOTOR CORPORATION

By: /s/ Keiji Yamamoto
Name: Keiji Yamamoto
Title: Operating Officer

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES D INVESTORS:

China-UAE Investment Cooperation Fund, L.P.

By: /s/ Khaled Al SHAMLAN
Khaled Al SHAMLAN
Director of China-UAE Investment Cooperation General Partner Ltd, general partner of China-UAE Investment Cooperation Fund, L.P.

By: /s/ LI Yixuan
LI Yixuan
Director of China-UAE Investment Cooperation General Partner Ltd, general partner of China-UAE Investment Cooperation Fund, L.P.

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES D INVESTORS:

Evodia Investments

By: /s/ Kshitish Ballah
Name: Kshitish Ballah
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES D INVESTORS:

Hainan Kaibeixin Investment Limited Partnership
Company seal: /s/ Hainan Kaibeixin Investment Limited Partnership

By: /s/ Dennis Wang
Name: Dennis Wang
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES D INVESTORS:

ASSETS KEY LIMITED

By: Chi Sing Ho
Name: Chi Sing Ho
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

SERIES D INVESTORS:

Shenzhen ZY Venture Investment Limited Corporation
Company seal: /s/ Shenzhen ZY Venture Investment Limited Corporation

By: /s/ Haizhuo Lin
Name: Haizhuo Lin
Title: Founding Partner & CEO

SCHEDULE A-1

[**********]

SCHEDULE A-2

[**********]

SCHEDULE B

[**********]

SCHEDULE C

[**********]

SCHEDULE D

[**********]

SCHEDULE E

[**********]

SCHEDULE F

[**********]

SCHEDULE G

[**********]

SCHEDULE H

[**********]

SCHEDULE I

[**********]

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY BRACKETS [****], HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

Exhibit 10.25

SIXTH AMENDED AND RESTATED

RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT

THIS SIXTH AMENDED AND RESTATED RIGHT OF FIRST REFUSAL AND CO SALE AGREEMENT (this "Agreement") is entered into on March 4, 2022, by and among:

1. PONY AI INC., an exempted company organized under the Laws of the Cayman Islands (the "Company"),

2. Pony.AI, Inc., a company incorporated under the Laws of the State of Delaware, the United States (the "U.S. Company"),

3. Hongkong Pony AI Limited (香港小馬智行有限公司), a company incorporated under the Laws of Hong Kong (the "HK Company"),

4. Beijing Pony Huixing Technology Co., Ltd. (北京小马慧行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Beijing WFOE"),

5. Beijing Pony AI Technology Co., Ltd. (北京小马智行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Beijing Company"),

6. Guangzhou Pony Huixing Technology Co., Ltd. (广州小马慧行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Guangzhou WFOE"),

7. Shenzhen Pony Yixing Technology Co., Ltd. (深圳小马易行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Shenzhen Yixing"),

8. Guangzhou Pony AI Technology Co., Ltd. (广州小马智行科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Guangzhou Company"),

9. Beijing Pony Yixing Technology Co., Ltd. (北京小马易行科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Beijing Yixing"),

10. Jiangsu Heimai Data Technology Co., Ltd. (江苏黑麦数据科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Jiangsu Heimai"),

11. Guangzhou Bibi Technology Co., Ltd. (广州哔哔出行科技服务有限公司) a limited liability company incorporated under the Laws of the PRC ("Guangzhou Bibi"),

12. Shanghai Pony Yixing Technology Co., Ltd. (小马易行科技 (上海) 有限公司), a limited liability company incorporated under the Laws of the PRC ("Shanghai Yixing"),

13. Guangzhou Pony Yixing Technology Co., Ltd. (广州小马易行科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Guangzhou Yixing"),

14. Beijing Pony Zhika Technology Co., Ltd. (北京小马智卡科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Beijing Zhika"),

15. Beijing Pony Ruixing Technology Co., Ltd. (北京小马睿行科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Beijing Ruixing"),

16. Guangzhou Pony Zhika Technology Co., Ltd. (广州小马智卡科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Guangzhou Zhika"),

17. Guangzhou Pony Zhihui Logistics Technology Co., Ltd. (广州小马智慧物流科技有限公司), a limited liability company incorporated under the Laws of the PRC ("Guangzhou Zhihui"),

18. each of the individuals listed on Schedule A-1 attached hereto (each, a "Principal," and collectively, the "Principals"),

19. each of the entities as set forth in Schedule A-1 attached hereto (each, a "Principal Holding Company," collectively, the "Principal Holding Companies"),

20. each of the Persons named on Schedule A-2 attached hereto (each, an "Ordinary Shareholder" and collectively the "Ordinary Shareholders"),

21. each of the Persons named on Schedule B-1 attached hereto (each, a "Series A Investor" and collectively the "Series A Investors"),

22. each of the individuals listed on Schedule B-2 attached hereto (each, an "Individual Holder" and collectively, the "Individual Holders"),

23. each of the Persons named on Schedule B-3 attached hereto (each, a "Series B Investor" and collectively, the "Series B Investors"),

24. each of the Persons named on Schedule B-4 attached hereto (each, a "Series B+ Investor" and collectively, the "Series B+ Investors"),

25. each of the Persons named on Schedule B-5 attached hereto (each, a "Series B2 Investor" and collectively, the "Series B2 Investors"),

26. each Person listed on Schedule B-6 attached hereto (each, a "Series C Investor" and collectively, the "Series C Investors");

27. each Person listed on Schedule B-7 attached hereto (each, a "Series C+ Investor" and collectively, the "Series C+ Investors"); and

28. each Person listed on Schedule B-8 attached hereto (together with its successors, transferees and permitted assigns, each, a "Series D Investor" and collectively, the "Series D Investors", and for the avoidance of doubt, the Series D Investors shall include the investors who have purchased the Series D Warrants).

Each of the parties to this Agreement is referred to herein individually as a "Party" and collectively as the "Parties." The Series A Investors, the Series B Investors, the Series B+ Investors, the Series B2 Investors, the Series C Investors, the Series C+ Investors and the Series D Investors are referred to herein collectively as the "Investors." Capitalized terms used herein without definition shall have the meanings set forth in the Shareholders Agreement (as defined below).

RECITALS

A. The Group Companies, the Principals, the Principal Holding Companies, the Investors (other than the Series D Investors) and certain other parties entered into a FIFTH AMENDED AND RESTATED RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT dated as of November 16, 2020 (the "Prior ROFR Agreement").

B. Certain Series D Investors have agreed to purchase from the Company, and the Company has agreed to sell to such Series D Investors certain Series D Preferred Shares (as defined below) of the Company on the terms and conditions set forth in a Series D Preferred Share Purchase Agreement dated December 23, 2021, by and among, among others, the Company and such Series D Investors (as amended from time to time, the "Purchase Agreement"). Pursuant to the Purchase Agreement, the Company may enter into one or more additional purchase agreements with one or more additional Series D Investors pursuant to which such Series D Investors shall agree to purchase from the Company, and the Company shall agree to sell or issue to such Series D Investors certain additional Series D Preferred Shares or certain Series D Warrants subject to the terms and conditions thereof (each such agreement, if any, as amended from time to time, an "Additional Purchase Agreement" and collectively, the "Additional Purchase Agreements").

C. The Purchase Agreement and the Additional Purchase Agreements provide that it is a condition precedent to the consummation of the transactions contemplated under such Purchase Agreement or such Additional Purchase Agreements that the Parties enter into this Agreement.

D. The Parties desire to enter into this Agreement to supersede and replace the Prior ROFR Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and conditions set forth hereunder.

WITNESSETH

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound hereto hereby agree as follows:

1. Definitions.

1.1 The following terms shall have the meanings ascribed to them below:

"Affiliate" means, with respect to a Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person. In the case of an Investor, the term "Affiliate" also includes (v) any direct or indirect shareholder of such Investor, (w) any of such shareholder's or such Investor's general partners or limited partners, (x) the fund manager managing or advising such shareholder or such Investor (and general partners, limited partners and officers thereof) and other funds managed or advised by such fund manager, and (y) trusts Controlled by or for the benefit of any such Person referred to in (v), (w) or (x), and (z) any fund or holding company formed for investment purposes that is promoted, sponsored, managed, advised or serviced by such Investor or any of its Affiliates, but excludes, for the avoidance of doubt, any portfolio companies of such Investor and portfolio companies of any affiliated investment fund or investment vehicle of such Investor. For the avoidance of doubt, unless the context requires otherwise, Affiliates of a Group Company shall not include any Investor and vice versa. Notwithstanding the foregoing and anything to the contrary in any Transaction Document, the Parties acknowledge and agree that (a) the name "Sequoia Capital" is commonly used to describe a variety of entities (collectively, the "Sequoia Entities") that are affiliated by ownership or operational relationship and engaged in a broad range of activities related to investing and securities trading and (b) notwithstanding any other provision of this Agreement and the other Transaction Documents to the contrary, this Agreement and the other Transaction Documents shall not be binding on, or restrict the activities of, (i) any Sequoia Entity outside of the Sequoia China Sector Group, (ii) any entity primarily engaged in investment and trading in the secondary securities market, (iii) the ultimate beneficial owner of an Sequoia Entity (or its general partner or ultimate general partner) who is a natural Person, and such Person's relatives (including but without limitation, such Person's spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law), (iv) any officer, director or employee of a Sequoia Entity (or its general partner or ultimate general partner) and such Person's relatives, and (v) for the avoidance of doubt, any portfolio companies of any Sequoia Entity and portfolio companies of any affiliated investment fund or investment vehicle of any Sequoia Entity. For purposes of the foregoing, the "Sequoia China Sector Group" means all Sequoia Entities (whether currently existing or formed in the future) that are principally focused on companies located in, or with connections to, the PRC that are exclusively managed by Sequoia Capital.For the avoidance of doubt, Eight Roads and ClearVue shall be deemed Affiliates to each other. In addition, an Eight Roads Person (as defined below) is also an affiliate of Eight Roads. Eight Roads Person(s) means (1) FIL Limited ("FIL"), a company incorporated in Bermuda, and any subsidiary undertaking of FIL from time to time (FIL and its subsidiary undertakings being the "FIL Group"); (2) FMR LLC ("FMR"), a Delaware corporation, and any subsidiary undertaking of FMR from time to time (FMR and its subsidiary undertakings being the "FMR Group"); (3) any director, officer, employee or shareholder of the FIL Group and/or the FMR Group or members of his family and any company, trust, partnership or other entity ("Entities") formed for his or any of their benefit from time to time (any or all of such individuals and Entities being the "Closely Related Shareholders"); (4) any Entity controlled by Closely Related Shareholders where "control" shall mean the power to direct the management and policies or appoint or remove members of the board of directors or other governing body of the Entity, directly or indirectly, whether through the ownership of voting securities, contract or otherwise, and "controlled" shall be construed accordingly; (5) any affiliate of any member of the FIL Group and/or the FMR Group (where "affiliate" means any Entity controlled by any combination of any Closely Related Shareholders and any member of the FIL Group and/or the FMR Group, and includes the officers, partners and directors of any affiliate); and (6) any charitable organizations. For avoidance of doubt, Carlyle USD Entity and Carlyle RMB Entity shall be deemed an Affiliate of each other.

"Approval of the Preferred Directors" means the approval of no less than two-thirds (2/3) of the votes of all incumbent Preferred Directors.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorized by Law to be closed in the Cayman Islands, British Virgin Islands, the United States, Japan, Hong Kong, Toronto or the PRC.

"Charter Documents" means, with respect to a particular legal entity, the articles of incorporation, certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.

"China-UAE" means China-UAE Investment Cooperation Fund, L.P. and its successors, transferees and permitted assigns.

"Circular 37" means the Notice on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents to Engage in Overseas Investment and Financing and Round Trip Investment via Overseas Special Purpose Companies (《关于境内居民通过境 外特殊目的公司境外投融资及返程投资外汇管理有关问题的通知》) issued by the SAFE on July 4, 2014, as amended from time to time, and any implementation or successor rule or regulation under the PRC Laws.

"Class A Ordinary Shares" means the Company's class A ordinary shares, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Class B Ordinary Shares" means the Company's class B ordinary shares, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles, the ownership of which shall be limited to Jun Peng and Tiancheng Lou.

"Competitor" means any of the following: (a) each Person listed in Schedule D attached hereto, and (b) each of the foregoing Persons' respective Restricted Affiliates. Subject to the approval of the Board of Directors (including the affirmative approval of at least half (1/2) of the Preferred Directors, which shall not be unreasonably withheld or delayed), the Company is entitled to update Schedule D once every six (6) months by adding in or replacing existing Person(s) with new competitors of the Group Companies; provided, that the number of the Persons listed in Schedule D shall not be more than thirty-two (32).

"Control" of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by Contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person. The terms "Controlled" and "Controlling" have meanings correlative to the foregoing.

"Domestic Companies" means, collectively, Beijing Company, Guangzhou Company, Jiangsu Heimai and Guangzhou Bibi.

"Deemed Liquidation Event" has the meaning given to such term in the Memorandum and Articles.

"Each Series Majority Preferred Holders" means each and every Majority Preferred A Holders, Majority Preferred B Holders, Majority Preferred B+ Holders, Majority Preferred B2 Holders, Majority Preferred C Holders, Majority Preferred C+ Holders and Majority Preferred D Holders.

"Eight Roads" means ERVC Technology IV LP and its successors, transferees and permitted assigns.

"Equity Securities" means, with respect to any Person that is a legal entity, (a) any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person; (b) any equity appreciation, phantom equity, equity plans or similar rights with respect to such Person; (c) any security convertible into, exchangeable or exercisable for, or any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire, subscribe for or purchase any of the Equity Securities referred to in (a) and (b); or (d) any Contract providing for the acquisition of any of the foregoing, either directly or indirectly.

"Governmental Authority" means any government of any nation, federation, province or state or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any governmental authority, agency, department, board, commission or instrumentality of the PRC, Hong Kong or any other country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization.

"Governmental Order" means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.

"Group" or "Group Companies" means, collectively, the Company, the U.S. Company, the HK Company, the Domestic Companies, the Beijing WFOE, the Guangzhou WFOE, the Shenzhen WFOE, Beijing Yixing, Shanghai Yixing, Guangzhou Yixing, Beijing Zhika, Beijing Ruixing, Guangzhou Zhika, and Guangzhou Zhihui, together with each Subsidiary of any of the foregoing, and "Group Company" refers to any of the Group Companies.

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

"IDG" means IDG Investors, IDG Venture, IDG Capital and IDG Investors III.

"IDG Investors" means IDG China IV Investors L.P., and its successors, transferees and permitted assigns.

"IDG Venture" means IDG China Venture Capital Fund IV, L.P., and its successors, transferees and permitted assigns.

"IDG Capital" means IDG China Capital Fund III L.P., and its successors, transferees and permitted assignees.

"IDG Investors III" means IDG China Capital III Investors L.P., and its successors, transferees and permitted assignees.

"Kunlun" means Kunlun Group Limited and its successors, transferees and permitted assigns.

"L4AI" means L4AI Inc., a company incorporated under the Laws of the British Virgin Islands.

"Law" or "Laws" means any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, concession, grant, franchise, license, agreement, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as amended, and any and all applicable Governmental Orders.

"Major Investor" means each Investor (or permitted transferee of such Investor) that holds at least one percent (1%) of all issued and outstanding shares of the Company (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains exercisable but not yet fully exercised, and calculated on a fully-diluted and as-converted basis and including Conversion Shares converted therefrom, and appropriately adjusted for any share split, dividend, combination, recapitalization or other similar event). For the purpose of this term, (a) SCC Venture VI Holdco, Ltd. and SCC Venture VII Holdco, Ltd. shall be collectively deemed as one Investor, (b) all of the Shares held by SCC Venture VI Holdco, Ltd. and SCC Venture VII Holdco, Ltd. shall be aggregated together for the purpose of calculating the number of Shares held by SCC Venture VI Holdco, Ltd. or SCC Venture VII Holdco, Ltd, and (c) once an Investor becomes a Major Investor, such Investor shall not cease to be a Major Investor when its shareholding in the Company is diluted to below one percent (1%), so long as such dilution is not due to a direct or indirect Transfer of any of the Shares of the Company it then or thereafter holds.

"Majority Preferred A Holders" means the holders of fifty-one percent (51%) or more of the voting power of the outstanding Series A Preferred Shares (voting together as a single class and on an as converted basis).

"Majority Preferred B Holders" means the holders of fifty-one percent (51%) or more of the voting power of the outstanding Series B Preferred Shares (voting together as a single class and on an as converted basis).

"Majority Preferred B+ Holders" means the holders of fifty-one percent (51%) or more of the voting power of the outstanding Series B+ Preferred Shares (voting together as a single class and on an as converted basis).

"Majority Preferred B2 Holders" means the holders of fifty-one percent (51%) or more of the voting power of the outstanding Series B2 Preferred Shares (voting together as a single class and on an as converted basis).

"Majority Preferred C Holders" means the holders of fifty-one percent (51%) or more of the voting power of the outstanding Series C Preferred Shares (voting together as a single class and on an as converted basis).

"Majority Preferred C+ Holders" means the holders of fifty-one percent (51%) or more of the voting power of the outstanding Series C+ Preferred Shares (voting together as a single class and on an as converted basis).

"Majority Preferred D Holders" means, at any time, the following holders of the Series D Preferred Shares of the Company collectively: (i) the holders of fifty percent (50%) or more of the voting power of the then outstanding Series D Preferred Shares held by all of the Shareholders (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains exercisable but not yet fully exercised, and voting together as a single class and on an as converted basis); provided, that, the voting power of the outstanding Series D Preferred Shares held by China-UAE and its Affiliates among all of Shareholders shall be automatically reduced to 49%, if at any time after the date hereof the voting power of the outstanding Series D Preferred Shares held by China-UAE and its Affiliates is equal to or exceeds 50% of the voting power of the outstanding Series D Preferred Shares held by all of the Shareholders (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains exercisable but not yet fully exercised); and (ii) holders of fifty percent (50%) or more of the voting power of the then outstanding Series D Preferred Shares held by Shareholders who are not the Shareholders of the Company immediately prior to the Closing (as defined in the Purchase Agreement) (the "New Series D Shareholders") (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains exercisable but not yet fully exercised, and voting together as a single class and on an as converted basis); provided, that, the voting power of the outstanding Series D Preferred Shares held by China-UAE and its Affiliates among the New Series D Shareholders shall be automatically reduced to 49%, if at any time after the date hereof the voting power of the outstanding Series D Preferred Shares held by China-UAE and its Affiliates is equal to or exceeds 50% of the voting power of the outstanding Series D Preferred Shares held by all of the New Series D Shareholders (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains exercisable but not yet fully exercised).

"Majority Preferred Holders" means the holders of fifty-one percent (51%) or more of the voting power of the outstanding Preferred Shares (assuming the full exercise of the Series D Warrants to the extent that any Series D Warrant remains exercisable but not yet fully exercised and voting together as a single class on an as converted basis).

"Memorandum and Articles" means the Seventh Amended and Restated Memorandum of Association of the Company and the Seventh Amended and Restated Articles of Association of the Company, as each may be amended and/or restated from time to time.

"OEM" means any original equipment manufacturer of vehicles.

"Ordinary Share Equivalents" means any Equity Security which is by its terms convertible into or exchangeable or exercisable for Ordinary Shares or other share capital of the Company, including without limitation, the Preferred Shares.

"Ordinary Shares" means the Class A Ordinary Shares and/or the Class B Ordinary Shares.

"OTPP" means 2774719 Ontario Limited and its successors, transferees and permitted assigns.

"Person" means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.

"PRC" means the People's Republic of China, but solely for the purposes of this Agreement, excluding Hong Kong, the Macau Special Administrative Region and the islands of Taiwan.

"Preferred Directors" has the meaning given to such term in the Shareholders Agreement.

"Preferred Shares" means the Series A Preferred Shares, the Series B Preferred Shares, the Series B+ Preferred Shares, the Series B2 Preferred Shares, the Series C Preferred Shares, the Series C+ Preferred Shares and the Series D Preferred Shares (including the Series D Preferred Shares issuable upon the exercise of the Series D Warrants by the holders thereof).

"Qualified IPO" has the meaning given to such term in the Memorandum and Articles.

"Restricted Affiliates" of a specified Person means each other Person where such specified Person (a) owns, directly or indirectly, the Equity Securities representing more than 25% in voting power or economic interest of the outstanding equity interests of such Person (provided that, for the purpose of this limb (a), where such specified Person is Google, Amazon or any other conglomerate as may be added to Schedule D from time to time, Restricted Affiliates of such specified Person shall be each other Person where such specified Person owns, directly or indirectly, the Equity Securities representing more than 50% in voting power or economic interest of the outstanding equity interests of such Person); (b) has the direct or indirect power to designate, appoint or remove a majority of the board of directors of such Person, (c) has the direct or indirect power to designate, appoint or remove (or cause to be designated, appointed or removed) the chief executive officer (or general manager and other equivalent positions) of such Person, (d) has the power to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; or (e) otherwise has a relationship with such other Person that enables the financial statements of such Person to be consolidated into the financial statements of the specified Person under the accounting conventions adopted by the specified Person.

"SAFE" means the State Administration of Foreign Exchange of the PRC or, with respect to any reporting, filing or registration to be accepted or effected by or with the State Administration of Foreign Exchange, any of its branches which is competent to accept or effect such reporting, filing or registration under the Laws of the PRC.

"SAFE Rules and Regulations" means collectively, the Circular 37 and any other applicable SAFE rules and regulations.

"SEHK" means The Stock Exchange of Hong Kong Limited.

"Sequoia" means SCC Venture VI Holdco, Ltd. and SCC Venture VII Holdco, Ltd., and their respective successors, transferees and permitted assigns.

"Series A Preferred Shares" means the Series A Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B Preferred Shares" means the Series B Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B+ Preferred Shares" means the Series B+ Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series B2 Preferred Shares" means the Series B2 Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series C Preferred Shares" means the Series C Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series C+ Preferred Shares" means the Series C+ Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series D Preferred Shares" means the Series D Preferred Shares of the Company, par value US$0.0005 per share, with the rights and privileges as set forth in the Memorandum and Articles.

"Series D Warrant" has the meaning given to such term in the Additional Purchase Agreement.

"Shareholders Agreement" means the Shareholders Agreement, as defined in the Purchase Agreement and as amended from time to time.

"Shares" means the Ordinary Shares and the Preferred Shares.

"Share Restriction Agreements" means the following contracts: (a) the Share Restriction Agreement by and between the Company, Hengyu Li and Free Pony Limited as of February 23, 2017; (b) the Share Restriction Agreement by and between the Company and Jun Peng as of March 13, 2020; and (c) the Share Restriction Agreement by and between the Company, Tiancheng Lou and iWay LLC as of March 13, 2020.

"Subsidiary" means, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person.

"Trade Secrets" means Intellectual Property and other proprietary information of the Company which must satisfy or meet all the following standards: (a) that enjoys protection under applicable Laws (including technical information, know-how, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary processes, technology, formulae, algorithms, formula, practice, process, design, instrument, pattern, commercial method, proprietary business opportunities, and compilation of information); (b) that is not generally known or reasonably ascertainable by others; (c) that is subject to reasonable measures taken by the relevant Group Company to maintain its secrecy; and (d) that has independent and practicable value.

"Transaction Documents" has the meaning given to such term in the Shareholders Agreement.

"TMC" means Toyota Motor Corporation and its successors, transferees and permitted assignees.

"US," "U.S." or "United States" means the United States of America.

"5Y Capital" means Morningside China TMT Fund IV, L.P., Morningside China TMT Fund IV Co-Investment, L.P. and Morningside China TMT Special Opportunity II, L.P., and their respective successors, transferees and permitted assignees.

1.2 Other Defined Terms. The following terms shall have the meanings defined for such terms in the Sections set forth below:

Agreement	Preamble
Arbitration Notice	Section 4.6.1
Beijing Company	Preamble
Beijing Ruixing	Preamble
Beijing WFOE	Preamble
Beijing Yixing	Preamble
Beijing Zhika	Preamble
Company	Preamble
Company Option Period	Section 2.2.2
Competitor ROFR Notice	Section 2.1.3
Competitor Transfer Notice	Section 2.1.3
Dispute	Section 4.6.1
Exercising Shareholder	Section 2.2.3.3
First IPO Application Date	Section 4.2
Guangzhou Bibi	Preamble
Guangzhou Company	Preamble
Guangzhou WFOE	Preamble
Guangzhou Yixing	Preamble
Guangzhou Zhihui	Preamble
Guangzhou Zhika	Preamble
HK Company	Preamble
HKIAC	Section 4.6.2
HKIAC Rules	Section 4.6.2
HK Listing Authorities	Section 4.2
Individual Holder or Individual Holders	Preamble
Investor Co-Sale Notice	Section 2.3.1
Investors	Preamble
Jiangsu Heimai	Preamble
Offered Shares	Section 2.2.1
Option Period	Section 2.2.3.1
Ordinary Shareholder and Ordinary Shareholders	Preamble
Other Restriction Agreements	Section 2.1.6
Party or Parties	Preamble
Permitted Transferee or Permitted Transferees	Section 2.5
Prior ROFR Agreement	Recitals
Principal or Principals	Preamble

Principal Holding Company or Principal Holding Companies	Preamble
Principal's ROFR Agreement	Section 4.18
Prohibited Transfer	Section 2.6
Pro Rata Share	Section 2.2.3.2
Purchase Agreement	Recitals
Remaining Shares	Section 2.3.1
Second Notice	Section 2.2.3.1
Selling Investor	Section 2.3.1
Series A Investor and Series A Investors	Preamble
Series B Investor and Series B Investors	Preamble
Series B+ Investor and Series B+ Investors	Preamble
Series B2 Investor and Series B2 Investors	Preamble
Series C Investor and Series C Investors	Preamble
Series C+ Investor and Series C+ Investors	Preamble
Series D Investor and Series D Investors	Preamble
Shanghai Yixing	Preamble
Shenzhen Yixing	Preamble
Third Notice	Section 2.2.3.3
Transfer	Section 2.1.1
Transferor	Section 2.2.1
Transfer Notice	Section 2.2.1
U.S. Company	Preamble

1.3 Interpretation. For all purposes of this Agreement, except as otherwise expressly herein provided, (a) the terms defined in this Section 1 shall have the meanings assigned to them in this Section 1 and include the plural as well as the singular, (b) all accounting terms not otherwise defined herein have the meanings assigned under the Accounting Standards (as defined in the Shareholders Agreement), (c) all references in this Agreement to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, (d) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms, (e) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision, (f) all references in this Agreement to designated Schedules, Exhibits and Appendices are to the Schedules, Exhibits and Appendices attached to this Agreement, (g) references to this Agreement, any other Transaction Documents and any other document shall be construed as references to such document as the same may be amended, supplemented, superseded, replaced or novated from time to time, (h) the term "or" is not exclusive, (i) the term "including" will be deemed to be followed by ", but not limited to," (j) the terms "shall," "will," and "agrees" are mandatory, and the term "may" is permissive, (j) the phrase "directly or indirectly" means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and "direct or indirect" has the correlative meaning, (l) the term "voting power" refers to the number of votes attributable to the Shares (on an as-converted basis) in accordance with the terms of the Memorandum and Articles, (m) the headings used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement, (n) references to laws include any such law modifying, re- enacting, extending or made pursuant to the same or which is modified, re-enacted, or extended by the same or pursuant to which the same is made, and (o) all references to dollars or to "US$" are to currency of the United States and all references to RMB are to currency of the PRC (and each shall be deemed to include reference to the equivalent amount in other currencies).

2. Restriction on Transfers; Rights of First Refusal and Co-Sale Rights.

2.1 Restriction on Transfers.

2.1.1 Principals. Each Principal, each Principal Holding Company or each of Permitted Transferees under Section 2.5(A)(a), regardless of such Principal's employment status with the Group Companies, shall not directly or indirectly sell, assign, transfer, pledge, hypothecate, or otherwise encumber or dispose of in any way or otherwise grant any interest or right with respect to ("Transfer") all or any part of any interest in any Equity Securities of the Company now or hereafter directly or indirectly owned or held by such Principal, in a single or series of related transactions, at any time prior to a Qualified IPO, without the prior written consent of the Board of Directors (including the Approval of the Preferred Directors).

2.1.2 Investors. For the avoidance of doubt, each Investor may freely Transfer any Equity Securities of the Company now or hereafter owned or held by such Investor without any limitation; provided, however, that (a) such Transfer is effected in compliance with all applicable Laws and (b) the transferee shall execute and deliver such documents and take such other actions as may be necessary for the transferee to join in and be bound by all the duties, burdens and obligations of the transferor imposed pursuant to this Agreement (if not already a Party hereto) and the Shareholders Agreement (if not already a party thereto) upon and after such Transfer. The Company will update its register of members upon the consummation of any such permitted Transfer. Subject to the Company's prior written consent, which shall be deemed to have been automatically given other than with respect to any proposed disclosure of any Trade Secret or any information related to business collaborations with any OEM, each Investor shall be entitled to disclose to any bona fide proposed transferee any information, documents or materials concerning the Company known to or in possession of such Investor, and the Company shall use its commercially reasonable efforts to provide any assistance or cooperation reasonably requested by such Investor or the proposed transferee in connection with such proposed transferee's due diligence investigation of the Company. The Company may request such transferees to enter into a confidentiality agreement with the Company in a form and substance customary for transactions of a similar nature or otherwise satisfactory to the Company (acting reasonably).

2.1.3 Transfer to Competitors. If any Investor intends to directly or indirectly Transfer any Equity Securities of the Company to any Competitor (except for a Transfer of partnership interest by a limited partner of any Investor or a limited partner of any direct or indirect shareholder of any Investor; provided, that such limited partner of an Investor is not recorded as a direct shareholder in the register of members of the Company, which Transfer shall not be subject to the restrictions under this Section 2.1.3), then such Investor shall promptly give a written notice (the "Competitor Transfer Notice") to the Company and the Principals prior to such Transfer. The Competitor Transfer Notice shall describe in reasonable detail the proposed Transfer including, without limitation, the number of Equity Securities to be sold, the consideration to be paid and the identity of each prospective purchaser or transferee. Upon receipt of such Competitor Transfer Notice, the Company and the Principals shall have the right of first refusal, exercisable upon a written notice (the "Competitor ROFR Notice") to the relevant Investor within fifteen (15) days of the date of the Competitor Transfer Notice of its election to exercise its right of first refusal hereunder, to purchase all of the Equity Interests to be sold on the same terms and conditions as set forth in the Competitor Transfer Notice. If the Company or any Principal fails to give a Competitor ROFR Notice within fifteen (15) days of the date of the Competitor Transfer Notice or gives a written notice stating that it/he will not exercise its right of first refusal or if such Company or Principal gave a Competitor ROFR Notice but failed to complete the purchase of the relevant Equity Securities set out in the Competitor Transfer Notice in accordance with this Section 2.1.3 within thirty (30) days of the Competitor ROFR Notice due to reasons attributable to the Company or such Principal, the relevant Investor shall be entitled to Transfer the Equity Securities proposed to be sold to the Competitor; provided, that such Transfer is bona fide and on the terms and conditions no more favorable than those set forth in the Competitor Transfer Notice.

2.1.4 Prohibited Transfers Void. Any Transfer of Equity Securities of the Company not made in compliance with this Agreement shall be null and void as against the Company, shall not be recorded on the books of the Company and shall not be recognized by the Company or any other Party.

2.1.5 No Indirect Transfers. Each Principal agrees not to circumvent or otherwise avoid the Transfer restrictions or intent thereof set forth in this Agreement, whether by holding the Equity Securities of the Company indirectly through another Person or by causing or effecting, directly or indirectly, the Transfer or issuance of any Equity Securities by any such Person, or otherwise.

2.1.6 Cumulative Restrictions. For purposes of clarity, the restrictions on Transfer set forth in this Agreement on a Party are cumulative with, and in addition to, the restrictions set forth in each other agreement imposing restrictions on Transfer by such Person of Equity Securities of the Company (collectively, the "Other Restriction Agreements"), including the Shareholders Agreement, the Share Restriction Agreements, and the Memorandum and Articles, and not in lieu thereof.

2.1.7 Exempt Transaction. Regardless of anything else contained herein, Section 2 and Section 3 of this Agreement shall not apply with respect to a Transfer made pursuant to Section 2.5 of this Agreement, Section 11 of the Shareholders Agreement or Articles 121 and 122 of the Memorandum and Articles.

2.2 Rights of First Refusal.

2.2.1 Transfer Notice. To the extent the applicable consent of the Board of Directors (including the Approval of the Preferred Directors) is given pursuant to Section 2.1, if any Principal or any other Ordinary Shareholder that is subject to this Agreement (a "Transferor") proposes to Transfer any Equity Securities of the Company or any interest therein to one or more third parties, then the Transferor shall give the Company and each Major Investor written notice of the Transferor's intention to make the Transfer (the "Transfer Notice"), which shall include (a) a description of the Equity Securities to be transferred (the "Offered Shares"), (b) the identity and address of the prospective transferee, and (c) the consideration and the material terms and conditions upon which the proposed Transfer is to be made. The Transfer Notice shall certify that the Transferor has received a definitive offer from the prospective transferee and in good faith believes a binding agreement for the Transfer is obtainable on the terms set forth in the Transfer Notice. The Transfer Notice shall also include a copy of any written proposal, term sheet or letter of intent or other agreement relating to the proposed Transfer.

2.2.2 Option of the Company. The Company shall have an option for a period of ten (10) days following receipt of the Transfer Notice (the "Company Option Period") to elect to purchase all or any portion of the Offered Shares, at the same price and subject to the same terms and conditions as described in the Transfer Notice, exercisable by written notice to the Transferor (with a copy to the Major Investors) before expiration of the Company Option Period.

2.2.3 Option of Investors.

2.2.3.1 To the extent the Company does not timely elect to purchase all of the Offered Shares pursuant to Section 2.2.2 above, then the Transferor and the Company shall deliver to each Major Investor written notice (the "Second Notice") thereof within five (5) days after the expiration of the Company Option Period confirming the number of Offered Shares that have not been purchased by the Company, and each such Major Investor shall have an option for a period of thirty (30) days following receipt of the Second Notice (the "Option Period") to elect to purchase all or any portion of its respective Pro Rata Share of the remaining Offered Shares at the same price and subject to the same terms and conditions as described in the Transfer Notice, by notifying the Transferor and the Company in writing before expiration of the Option Period as to the number of such Offered Shares that it wishes to purchase.

2.2.3.2 For the purposes of this Section 2.2.3, a Major Investor's "Pro Rata Share" of such remaining Offered Shares shall be equal to (a) the total number of such remaining Offered Shares that have not been purchased by the Company, multiplied by (b) a fraction, the numerator of which shall be the aggregate number of Ordinary Shares held by such Major Investor on the date of the Transfer Notice (including all Preferred Shares held by such Major Investor on an as-converted to Ordinary Share basis) and the denominator of which shall be the total number of Ordinary Shares held by all Major Investors on such date (including all Preferred Shares held by such Major Investors on an as-converted to Ordinary Share basis).

2.2.3.3 If any Major Investor fails to exercise its right to purchase its full Pro Rata Share of such Offered Shares, the Company shall deliver written notice thereof (the "Third Notice"), within five (5) days after the expiration of the Option Period, to the Transferor and to each Major Investor that elected to purchase its entire Pro Rata Share of the Offered Shares (an "Exercising Shareholder"). The Exercising Shareholders shall have a right of re-allotment, and may exercise an additional right to purchase such unpurchased Offered Shares by notifying the Transferor and the Company in writing within fifteen (15) days after receipt of the Third Notice; provided, however, that if the Exercising Shareholders desire to purchase in aggregate more than the number of such unpurchased Offered Shares, then such unpurchased Offered Shares will be allocated to the extent necessary among the Exercising Shareholders in accordance with their relative Pro Rata Shares.

2.2.3.4 Subject to applicable securities Laws, each Major Investor shall be entitled to apportion the Offered Shares to be purchased among its Affiliates; provided, that such Major Investor notifies the Company and the Transferor in writing.

2.2.4 Procedure. If any Major Investor or the Company gives the Transferor notice that it desires to purchase Offered Shares, and, as the case may be, any re-allotment, then payment for the Offered Shares to be purchased shall be made by check (if agreeable to the Transferor), or by wire transfer in immediately available funds of the appropriate currency, against delivery of such Offered Shares to be purchased, at a place agreed to by the Transferor, the Company (if it is a purchaser) and all the Exercising Shareholders, and at the time of the scheduled closing therefor, but if they cannot agree, then at the principal executive offices of the Company on the seventy-fifth (75th) day after the Company's receipt of the Transfer Notice, unless such notice contemplated a later closing date with the prospective third party transferee or unless the value of the purchase price has not yet been established pursuant to Section 2.2.5, in which case the closing shall be on such later date or as provided in Section 2.2.5.4. The Company shall update its register of members upon the consummation of any such Transfer.

2.2.5 Valuation of Property.

2.2.5.1 Should the purchase price specified in the Transfer Notice be payable in property other than cash or evidences of indebtedness, the Company and/or the Major Investors, as applicable, shall have the right to pay the purchase price in the form of cash equal in amount to the fair market value of such property.

2.2.5.2 If the Transferor, the Company (if it is a purchaser) and the Exercising Shareholders electing to purchase a majority of the Offered Shares elected to be purchased by all Exercising Shareholders (if they are purchasers) cannot agree on the cash value of such property within the Option Period, the valuation shall be made by an appraiser of internationally recognized standing jointly selected by agreement of such groups or, if they cannot agree on an appraiser within the Option Period, each such group shall select an appraiser of internationally recognized standing and such appraisers shall jointly designate another appraiser of internationally recognized standing, whose appraisal shall be determinative of such value.

2.2.5.3 The cost of such appraisal shall be shared equally by the Transferor, on the one hand, and the purchasers pro rata based on the number of Offered Shares such purchaser is purchasing, on the other hand.

2.2.5.4 If the value of the purchase price offered by the prospective transferee is not determined within sixty-five (65) days following the Company's receipt of the Transfer Notice from the Transferor, the closing of the purchase of Offered Shares by the Company and/or the Major Investors shall be held on or prior to the tenth (10th) Business Day after such valuation shall have been made pursuant to this Section 2.2.5.

2.2.5.5 Notwithstanding any provision to the contrary in this Agreement, if any Major Investor electing to purchase any Offered Shares disagrees with the value of the purchase price offered by the prospective transferee as determined pursuant to this Section 2.2.5, upon delivery of written notice by such Major Investor to the Transferor and the Company no less than five (5) days before the scheduled closing for such purchase, such Major Investor shall be deemed to not have exercised its right of first refusal pursuant to this Section 2.2 with respect to such Offered Shares and shall not be obligated to complete such purchase, in which case such Offered Shares may be reallocated to the extent appropriate among the Exercising Shareholders in accordance with their relative Pro Rata Shares, subject to the agreement of the Exercising Shareholders in writing.

2.3 Right of Co-Sale.

2.3.1 To the extent the Company and the Major Investors do not exercise (or are deemed to not have exercised) their respective rights of first refusal pursuant to Section 2.2 as to all of the Offered Shares proposed to be sold by the Transferor to the third party transferee identified in the Transfer Notice, the Transferor shall promptly give written notice thereof to each Major Investor not exercising (or deemed to not have exercised) any right of first refusal pursuant to Section 2.2 (the "Investor Co-Sale Notice") (specifying in such Investor Co-Sale Notice the number of remaining Offered Shares as well as the number of Equity Securities that such Major Investor may participate in such sale), and each such Major Investor shall have the right to participate in such sale to the third party transferee identified in the Transfer Notice, of the remaining Offered Shares not purchased pursuant to Section 2.2 (the "Remaining Shares"), on the same terms and conditions as specified in the Transfer Notice (but in no event less favorable than the terms and conditions offered to the Transferor and; provided, that such Major Investor shall (a) only be required to provide customary fundamental representations and warranties as a holder of such Equity Securities relating to its capacity, the enforceability of the relevant transaction documents against it and the title and ownership of the Equity Securities to be transferred by it and shall not be required to provide representations and warranties on the business or assets of the Group or on any Group Company and (b) not be obliged to pay any amount with respect to any liabilities arising from the representations and warranties made by it in excess of its share of the total consideration paid by the transferee) by notifying the Transferor in writing within ten (10) days following the date of the Investor Co-Sale Notice (each such electing Major Investor, a "Selling Investor"). Such Selling Investor's notice to the Transferor shall indicate the number of Equity Securities the Selling Investor wishes to sell under its right to participate. To the extent one or more Major Investors exercise such right of participation in accordance with the terms and conditions set forth below, the number of Offered Shares that the Transferor may sell in the Transfer to the third-party transferee identified in the Transfer Notice shall be correspondingly reduced.

2.3.2 The total number of Equity Securities that each Selling Investor may elect to sell shall be equal to the product of (a) the aggregate number of Remaining Shares multiplied by (b) a fraction, the numerator of which is the number of Shares (on an as-converted basis) owned by such Selling Investor on the date of the Transfer Notice and the denominator of which is the total number of Shares owned by the Transferor and all Major Investors entitled to exercise their co-sale right hereunder.

2.3.3 Each Selling Investor shall effect its participation in the sale by promptly delivering to the Transferor for Transfer to the prospective purchaser, before the applicable closing, one or more share certificates, properly endorsed for transfer, which represent the type and number of Equity Securities which such Selling Investor elects to sell; provided, however, that if the prospective third party purchaser objects to the delivery of Ordinary Share Equivalents in lieu of Ordinary Shares, such Selling Investor shall only deliver Ordinary Shares (and therefore shall convert any such Ordinary Share Equivalents into Ordinary Shares) and certificates corresponding to such Ordinary Shares, and the Company shall effect any such conversion concurrent with the actual transfer of such Shares to the purchaser and contingent on such transfer by updating the register of members.

2.3.4 The share certificate or certificates that a Selling Investor delivers to the Transferor pursuant to this Section 2.3 shall be transferred to the prospective purchaser in consummation of the sale of the Equity Securities pursuant to the terms and conditions specified in the Transfer Notice, and the Transferor shall concurrently therewith remit to such Selling Investor that portion of the sale proceeds to which such Selling Investor is entitled by reason of its participation in such sale. The Company will update its register of members upon the consummation of any such Transfer.

2.3.5 To the extent that any prospective purchaser prohibits the participation by a Selling Investor exercising its co-sale rights hereunder in a proposed Transfer or otherwise refuses to purchase Shares or other securities from Selling Investor exercising its co-sale rights hereunder, the Transferor shall not sell to such prospective purchaser any Equity Securities unless and until, simultaneously with such sale, the Transferor shall purchase from such Selling Investor such Shares or other securities that such Selling Investor would otherwise be entitled to sell to the prospective purchaser pursuant to its co-sale rights for the same consideration and on the same terms and conditions as the proposed Transfer described in the Transfer Notice (but in no event less favorable than the terms and conditions offered to the Transferor and subject to the proviso in Section 2.3.1).

2.4 Non-Exercise of Rights of First Refusal and Co-Sale.

2.4.1 If the Company and the Major Investors do not elect (or are deemed to not have elected) to purchase all of the Offered Shares in accordance with Section 2.2, then, subject to the right of the Major Investors to exercise their rights to participate in the sale of Offered Shares within the time periods specified in Section 2.3, the Transferor shall have a period of ninety (90) days from the expiration of the Option Period in which to sell the remaining Offered Shares that have not been taken up under Section 2.2 and Section 2.3, as applicable, to the third party transferee identified in the Transfer Notice upon terms and conditions (including the purchase price) no more favorable to the purchaser than those specified in the Transfer Notice, so long as any such sale is effected in accordance with all applicable Laws. The Parties agree that each such transferee, prior to and as a condition to the consummation of any sale, shall execute and deliver to the Parties documents and other instruments assuming the obligations of such Transferor under this Agreement, the Memorandum and Articles, the Shareholders Agreement and if applicable, the Share Restriction Agreements with respect to the Offered Shares, and the Transfer shall not be effective and shall not be recognized by any Party until such documents and instruments are so executed and delivered.

2.4.2 In the event the Transferor does not consummate the sale of such Offered Shares to the third party transferee identified in the Transfer Notice within such ninety (90) day period, the rights of the Major Investors under Section 2.2 and Section 2.3 shall be re-invoked and shall be applicable to each subsequent disposition of such Offered Shares by the Transferor until such rights lapse in accordance with the terms of this Agreement.

2.4.3 The exercise, non-exercise or deemed non-exercise of the rights of the Major Investors under this Section 2 to purchase Equity Securities from a Transferor or participate in the sale of Equity Securities by a Transferor shall not adversely affect their rights to make subsequent purchases from the Transferor of Equity Securities or subsequently participate in sales of Equity Securities by the Transferor hereunder.

2.5 Limitations to Rights of First Refusal and Co-Sale and Transfer Restriction. Subject to the requirements of applicable Law, (A) the Transfer restriction under Section 2.1 shall not apply to (a) any Transfer or Transfers of any Equity Securities of the Company now or hereafter held by a Principal to such Principal's parents, children, spouse, or to a trustee, executor, or other fiduciary for the benefit of such Principal or such Principal's parents, children, spouse for bona fide estate planning purposes and/or the wholly owned affiliates of a Principal prior to a Qualified IPO; provided, that such Principal shall retain Control of such Equity Securities; (b) any Transfer or Transfers by a Principal which in the aggregate, over the term of this Agreement, amount to no more than five percent (5%) of the Ordinary Shares as set forth opposite such Principal's name on Schedule A-1 (including Ordinary Share Equivalents) held by such Principal as of the date of Closing (as adjusted for share splits, combinations, dividends, recapitalizations and the like) (each such transferee pursuant to clauses (a) and (b) above, a "Permitted Transferee," and collectively, the "Permitted Transferees"); provided, that in each case, (i) such Transfer is effected in compliance with all applicable Laws, including without limitation, the SAFE Rules and Regulations, (ii) respecting any Transfer pursuant to clause (a) above, the Principal has provided the Major Investors reasonable evidence of the bona fide estate planning purposes for such Transfer and reasonable evidence of the satisfaction of all applicable filings or registrations required by SAFE under the SAFE Rules and Regulations, (iii) with respect to any Transfer pursuant to clauses (a) and (b) above, such Transfer will not result in a change of Control of the Company and (iv) each such Permitted Transferee under clause (a) above, prior to the completion of the Transfer, shall have executed document assuming the obligations of applicable Ordinary Shareholder under this Agreement and Other Restriction Agreements as an applicable Ordinary Shareholder with respect to the transferred Equity Securities. Such transferred Equity Securities shall remain "Equity Securities" hereunder, and such transferee or donee shall be treated as a "Principal," a "Principal Holding Company" or an "Individual Holder" for purposes of this Agreement and the applicable Other Restriction Agreements; and (B) the right of first refusal and right of co-sale of the Company and the Major Investors under Section 2.2 and Section 2.3 shall not apply to clause (a) or (b) above; provided, that the requirements under clauses (i), (ii), (iii) and (iv) have been satisfied.

2.6 Prohibited Transfers. In the event the Transferor should sell any Equity Securities in contravention of the co-sale rights of the Major Investors under Section 2.3 (a "Prohibited Transfer"), the Major Investors, in addition to such other remedies as may be available at law, in equity or hereunder, shall have the put option provided below, and such Transferor shall be bound by the applicable provisions of such option.

2.6.1 Put Option. In the event of a Prohibited Transfer, each Major Investor shall have the right to sell to the Transferor the type and number of Equity Securities equal to the number of Equity Securities such Major Investor would have been entitled to Transfer to the third-party transferee under Section 2.3 hereof had the Prohibited Transfer been effected pursuant to and in compliance with the terms hereof. Such sale shall be made on the following terms and conditions.

2.6.1.1 The price per Share at which the Shares are to be sold to the Transferor shall be equal to the price per Share that would have been paid by the third-party transferee to such Major Investor and/or the Transferor in the Prohibited Transfer. The Transferor shall also reimburse each Major Investor for any and all reasonable fees and expense, including legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of such Major Investor's rights under Section 2.

2.6.1.2 Within ninety (90) days after the later of the dates on which a Major Investor (a) received notice of the Prohibited Transfer or (b) otherwise becomes aware of the Prohibited Transfer, such Major Investor shall, if exercising the option created hereby, deliver to the Transferor an instrument of Transfer and either the certificate or certificates representing shares to be sold under this Section 2.6 by such Major Investor, each certificate to be properly endorsed for Transfer, or an affidavit of lost certificate. The Transferor shall, upon receipt of the foregoing, pay the aggregate purchase price therefor and the amount of reimbursable fees and expenses, in cash by wire transfer of immediately available funds or by other means acceptable to such Major Investor. The Company will concurrently therewith record such Transfer on its books and update its register of members and will promptly thereafter and in any event within five (5) days reissue certificates, as applicable, to the Transferor and the Major Investor reflecting the new securities held by them giving effect to such Transfer.

2.6.2 Voidability of Prohibited Transfer. Notwithstanding anything to the contrary contained herein and the rights afforded to each Major Investor in this Section 2.6, any attempt by a Transferor to Transfer Equity Securities in violation of Section 2 shall be void, and the Company agrees it will not effect such a Transfer nor will it treat any alleged transferee as the holder of such Shares without the written consent of each of the Major Investors at the time of the Prohibited Transfer.

2.7 Lock-Up. In addition to but not in lieu of any other Transfer restriction contained herein, each of the Principals and the Individual Holders agrees that such Person will not during the period commencing on the date of the final prospectus relating to the first underwritten registered public offering of the Ordinary Shares and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days from the date of such final prospectus) (a) lend, offer, pledge, hypothecate, hedge, sell, make any short sale of, loan, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise Transfer or dispose of, directly or indirectly, any Equity Securities of the Company (other than those included in such offering) or (b) enter into any swap or other arrangement that Transfers to another, in whole or in part, any of the economic consequences of ownership of such Equity Securities, whether any such transaction described in clause (a) or (b) above is to be settled by delivery of Equity Securities of the Company or other securities, in cash or otherwise. The underwriters in connection with such public offering are intended third party beneficiaries of this Section and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each of the Principals and the Individual Holders agrees to execute and deliver to the underwriters a lock-up agreement containing substantially similar terms and conditions as those contained herein.

3 Legend. Each existing or replacement certificate for Equity Securities of the Company now owned or hereafter acquired by each of the Principals, the Individual Holders and their Permitted Transferees shall bear the following legend:

> "THE SALE, PLEDGE, HYPOTHECATION, ASSIGNMENT OR TRANSFER OF THESE SECURITIES IS SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT (AS AMENDED FROM TIME TO TIME) BY AND BETWEEN THE SHAREHOLDER, THE COMPANY AND CERTAIN OTHER PARTIES THERETO. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE COMPANY."

The Company may annotate its register of members with an appropriate, corresponding legend. At such time as Equity Securities are no longer subject to this Agreement, the Company shall, at the request of the holder of such Equity Securities, issue replacement certificates for such Equity Securities without such legend.

In order to ensure compliance with the terms of this Agreement, the Company may issue appropriate "stop transfer" instructions to its Transfer agent, if any, and, if the Company acts as Transfer agent for its own securities, it may make appropriate notations to the same effect in its own records.

4 Miscellaneous.

4.1 Termination. This Agreement shall terminate and be of no further force or effect (a) upon the earlier of (i) the consummation of a Qualified IPO and (ii) a liquidation or winding up of the Company and (b) with respect to an Investor if such Investor ceases to hold any Equity Securities of the Company. If this Agreement terminates or terminates with respect to an Investor, the Parties or such Investor shall be released from their respective or its obligations under this Agreement, except (x) in respect of any obligation stated under this Section 4 (other than Sections 4.3, 4.19 and 4.24) or stated explicitly to continue to exist after the termination of this Agreement (including Section 2.7) and (y) if any Party breaches this Agreement before the termination of this Agreement, it shall not be released from its obligations relating to such breach on termination.

4.2 Listing on the SEHK. Notwithstanding anything to the contrary provided herein, from the date on which the Company submits its first IPO (as defined in the Shareholders Agreement) application (the "First IPO Application Date") to the SEHK and the Securities and Futures Commission (collectively, the "HK Listing Authorities"), except with written consent of the Company no holder of Shares shall be entitled to, directly or indirectly, transfer any Share whether in accordance with the provisions hereunder or not; provided, that any restrictions provided under this Section 4.2 shall cease to apply upon the earlier of (i) such IPO application being rejected by any HK Listing Authority or otherwise withdrawn by the Company, and (ii) the twelve (12) month anniversary of the First IPO Application Date if such IPO fails to be consummated by such time.

4.3 Further Assurances. Upon the terms and subject to the conditions herein, each of the Parties hereto agrees to use its best efforts to take or cause to be taken all action, to do or cause to be done all things, to execute such further instruments, and to assist and cooperate with the other Parties hereto in doing all things necessary, proper or advisable under applicable Laws or otherwise to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement.

4.4 Assignments and Transfers; No Third Party Beneficiaries. Except as otherwise provided herein, this Agreement and the rights and obligations of the Parties hereunder shall inure to the benefit of, and be binding upon, the Parties' respective successors, assigns and legal representatives, but shall not otherwise be for the benefit of any third party. The rights of any Investor hereunder are assignable (together with the related obligations) without the consent of any other Party in connection with the Transfer of Equity Securities of the Company held by such Investor in accordance with this Agreement but only to the extent of such Transfer. This Agreement and the rights and obligations of each other Party hereunder shall not otherwise be assigned without the mutual written consent of the other Parties except as expressly provided herein.

4.5 Governing Law. This Agreement shall be governed by and construed under the Laws of Hong Kong, without regard to principles of conflict of Laws thereunder.

4.6 Dispute Resolution.

4.6.1 Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of any party to the Dispute with notice (the "Arbitration Notice") to the other parties thereto.

4.6.2 The Dispute shall be settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre (the "HKIAC") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the "HKIAC Rules") in force when the Arbitration Notice is submitted in accordance with the HKIAC Rules. There shall be three (3) arbitrators, all of whom shall be qualified to practice Law in Hong Kong.

4.6.3 The arbitral proceedings shall be conducted in English and Chinese. To the extent that the HKIAC Rules are in conflict with the provisions of this Section 4.6, including the provisions concerning the appointment of the arbitrators, the provisions of this Section 4.6 shall prevail.

4.6.4 Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents reasonably requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party and except for any information and documents subject to legal professional privilege.

4.6.5 The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award.

4.6.6 The arbitral tribunal shall decide any Dispute submitted by the parties to the arbitration strictly in accordance with the substantive Laws of Hong Kong, without regard to principles of conflict of Laws thereunder, and shall not apply any other substantive Law.

4.6.7 Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal.

4.6.8 During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

4.7 Notices. Any notice, request, consent or other communication required or permitted pursuant to this Agreement shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, fax, electronic mail or similar means to the address of the relevant Party as shown on Schedule C attached to this Agreement (or at such other address or number as such Party may designate by fifteen (15) days' advance written notice to the other Parties to this Agreement given in accordance with this Section 4.7). Where a notice, request, consent or other communication is sent by next-day or second-day courier service, service of the notice, request, consent or other communication shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, request, consent or other communication, with a written confirmation of delivery, and to have been effected at the earlier of (a) delivery (or when delivery is refused) and (b) expiration of two (2) Business Days after the letter containing the same is sent as aforesaid. Where a notice, request, consent or other communication is sent by fax or electronic mail, service of the notice, request, consent or other communication shall be deemed to be effected by properly addressing, and sending such notice, request, consent or other communication through a transmitting organization, with a written confirmation of delivery, and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day. Notwithstanding the foregoing, to the extent a "with a copy to" address is designated, notice must also be given to such address in the manner above for such notice, request, consent or other communication hereunder to be effective.

4.8 Expenses. If any action at Law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such Party may be entitled.

4.9 Rights Cumulative; Specific Performance. Each and all of the various rights, powers and remedies of a Party hereto will be considered to be cumulative with and in addition to any other rights, powers and remedies which such Party may have at Law or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power or remedy will neither constitute the exclusive election thereof nor the waiver of any other right, power or remedy available to such Party. Without limiting the foregoing, the Parties hereto acknowledge and agree irreparable harm may occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement.

4.10 Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. If, however, any provision of this Agreement shall be invalid, illegal, or unenforceable under any such applicable Law in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such Law, or, if for any reason it is not deemed so modified, it shall be invalid, illegal, or unenforceable only to the extent of such invalidity, illegality, or limitation on enforceability without affecting the remaining provisions of this Agreement, or the validity, legality, or enforceability of such provision in any other jurisdiction.

4.11 Amendments and Waivers. Any provision in this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only by the written consent of (a) the Company; (b) Each Series Majority Preferred Holders; and (c) the holders of a majority of then outstanding Ordinary Shares held by the Principals and the Individual Holders; provided, that no amendment or waiver shall be effective or enforceable in respect of a holder of any particular series of Preferred Shares of the Company if such amendment or waiver affects such holder materially and adversely differently from the other holders of such particular series of Preferred Shares of the Company, unless such holder consents in writing to such amendment or waiver in advance. Notwithstanding the foregoing, any Party may waive the observance as to such Party of any provision of this Agreement (either generally or in a particular instance and either retroactively or prospectively) by an instrument in writing signed by such Party without obtaining the consent of any other Party. Any amendment or waiver so effected shall be binding upon all the Parties hereto and all Parties' respective successors and permitted assigns, whether or not any such Party, successor or assign entered into or approved such amendment or waiver. Any amendment or waiver effected in accordance with this Section shall be binding upon all the Parties hereto.

4.12 No Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right, power or remedy hereunder at any one or more times be deemed a waiver or relinquishment of such right, power or remedy at any other time or times.

4.13 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any breach or default under this Agreement, and any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

4.14 No Presumption. The Parties acknowledge that any applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

4.15 Headings and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

4.16 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mailed copies of signatures shall be deemed to be originals for purposes of the effectiveness of this Agreement.

4.17 Entire Agreement. This Agreement together with the other instruments and agreements referenced herein constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. For the avoidance of doubt, the Parties hereby agree and acknowledge that the Principals and the Principal Holding Companies are subject to further, additional restrictions under the terms of the Other Restriction Agreements.

4.18 Conflict with Other Rights of First Refusal. Each Principal has entered into certain share purchase agreement or share restriction agreement with the Company (together with any additional share purchase agreement and share restriction agreement that a Principal may enter into with the Company, the "Principal's ROFR Agreements"), which agreement contains a right of first refusal provision in favor of the Company. For so long as this Agreement remains in existence, the right of first refusal provisions contained in this Agreement shall supersede the right of first refusal provisions contained in the Principal's ROFR Agreements; provided, however, that the other provisions of the Principal's ROFR Agreements shall remain in full force and effect. If, however, this Agreement shall terminate, the right of first refusal provisions contained in the Principal's ROFR Agreements shall be in full force and effect in accordance with its terms.

4.19 Control. In the event of any conflict or inconsistency between any of the terms of this Agreement and any of the terms of any of the Charter Documents of any of the Group Companies, or in the event of any dispute related to any such Charter Document, the terms of this Agreement shall prevail in all respects as between the Parties (other than the Company), the Parties (other than the Company) shall give full effect to and act in accordance with the provisions of this Agreement over the provisions of such Charter Documents, and the Parties hereto (other than the Company) shall exercise all voting and other rights and powers (including to procure any required alteration to such Charter Documents to resolve such conflict or inconsistency) to make the provisions of this Agreement effective, and not to take any actions that impair any provisions in this Agreement.

4.20 Adjustments for Share Splits, Etc. Wherever in this Agreement there is a reference to a specific number of Shares of the Company, then, upon the occurrence of any share split, share subdivision, share combination, share dividend, recapitalization or other similar event affecting any class or series of the Shares, the specific number of Shares so referenced in this Agreement shall automatically be proportionally adjusted, as appropriate, to reflect the effect on the outstanding Shares by such share split, share subdivision, share combination, share dividend, recapitalization or other similar event. Such shares shall be subject to this Agreement and shall be endorsed with the legend set forth in Section 3, as applicable. Such Shares shall be subject to this Agreement and shall be endorsed with the legend set forth in Section 3.

4.21 Use of English Language. This Agreement has been executed and delivered in the English language. Any translation of this Agreement into another language shall have no interpretive effect. All documents or notices to be delivered pursuant to or in connection with this Agreement shall be in the English language or, if any such document or notice is not in the English language, accompanied by an English translation thereof, and the English language version of any such document or notice shall control for purposes thereof.

4.22 Aggregation of Shares. For the purposes of determining the availability of any rights under this Agreement, the holdings of any transferee and assignee of an individual or a partnership who is a spouse, ancestor, lineal descendant or siblings of such individual or partners or retired partners of such partnership or Affiliates of such partnership (including spouses and ancestors, lineal descendants and siblings of such partners or spouses who acquire Ordinary Shares by gift, will or intestate succession) shall be aggregated together with the individual or partnership, as the case may be, for the purpose of exercising any rights or taking any action under this Agreement. Additionally, all Shares held or acquired by an Investor and/or its Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement, and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

4.23 Future Significant Holders. Except with the approval of Majority Preferred Holders in writing, the Company covenants that it will cause all future holders of more than one percent (1%) of the Company's Ordinary Shares and all future holders of Equity Securities convertible, exchangeable or exercisable for more than one percent (1%) of the Company's Ordinary Shares (other than, in any case, the Investors) to enter into this Agreement and become subject to the terms and conditions hereof as a Principal or an Individual Holder. The Parties hereto hereby agree that such future holders shall become parties to this Agreement by executing a counterpart of this Agreement in a standard and customary form reasonably satisfactory to the Majority Preferred Holders, without any amendment of this Agreement, or any consent or approval of any other party.

4.24 Deed of Adherence. Promptly following the formation of any new Subsidiary of any Group Company, the Group Companies shall cause such new Subsidiary to execute and deliver a deed of adherence to accede to the terms of this Agreement in form and substance satisfactory to the Preferred Directors and join this Agreement as a Party and a Group Company.

4.25 Independent Nature of each Investor's Obligations and Rights. The obligations of each Investor under this Agreement and the other Transaction Documents are several and not joint, and no Investor is responsible in any way for the performance or conduct of any other party in connection with the transactions contemplated hereby. Nothing contained herein or in any other Transaction Document, and no action taken by any Investor pursuant hereto or thereto, shall be or shall be deemed to constitute a partnership, association, joint venture, or joint group with respect to the Investors. Each Investor agrees that no other party has acted as an agent for such Investors in connection with the transactions contemplated hereby.

4.26 Additional Series D Investors. Each additional purchaser of the Series D Preferred Shares or the Series D Warrants sold pursuant to the Purchase Agreement and the Additional Purchase Agreements at the Closing and at the Additional Closings (as defined in the Purchase Agreement) may become a party to this Agreement and the related Transaction Documents, and have the rights and obligations hereunder and thereunder, by executing and delivering to the Company such purchaser's counterpart signature pages and/or such purchaser's joinder agreement or deed of adherence to this Agreement and the related Transaction Documents, in form and substance reasonably acceptable to the Company. Each such additional purchaser so acquiring the Series D Preferred Shares or the Series D Warrants shall be considered a "Series D Investor" for purposes of this Agreement and the related Transaction Documents, and any Series D Preferred Shares (including the Series D Preferred Shares issuable under the Series D Warrants) so acquired by such additional purchaser shall be considered "Shares" for purposes of this Agreement and all other agreements contemplated hereby. Notwithstanding Section 4.11 of this Agreement, Schedule B-8 and Schedule C to this Agreement shall be updated by the Company without need for consent of any other party to reflect the parties purchasing such Series D Preferred Shares, the Series D Warrant (or the Series D Preferred Shares issuable under the Series D Warrants) and their addresses for notices.

[*The remainder of this page has been intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

PONY AI INC.

By: /s/ Jun Peng
Name: Jun Peng
Title: Director

PONY.AI, INC.

By: /s/ Jun Peng
Name: Jun Peng
Title: Director

HONGKONG PONY AI LIMITED

By: /s/ Jun Peng
Name: Jun Peng
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

BEIJING PONY HUIXING TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY HUIXING TECHNOLOGY CO., LTD.

By: /s/ Hengyu Li
Name: Hengyu Li
Title: Legal Representative

BEIJING PONY AI TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY AI TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

SHENZHEN PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ SHENZHEN PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GUANGZHOU PONY AI TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY AI TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

GUANGZHOU PONY HUIXING TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY HUIXING TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

JIANGSU HEIMAI DATA TECHNOLOGY CO., LTD.
Company seal: /s/ JIANGSU HEIMAI DATA TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

GUANGZHOU BIBI TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU BIBI TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

BEIJING PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

SHANGHAI PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ SHANGHAI PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Haojun Wang
Name: Haojun Wang
Title: Legal Representative

GUANGZHOU PONY YIXING TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY YIXING TECHNOLOGY CO., LTD.

By: /s/ Luyi Mo
Name: Luyi Mo
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

GROUP COMPANIES:

BEIJING PONY ZHIKA TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY ZHIKA TECHNOLOGY CO., LTD.

By: /s/ Hengyu Li
Name: Hengyu Li
Title: Legal Representative

BEIJING PONY RUIXING TECHNOLOGY CO., LTD.
Company seal: /s/ BEIJING PONY RUIXING TECHNOLOGY CO., LTD.

By: /s/ Ning Zhang
Name: Ning Zhang
Title: Legal Representative

GUANGZHOU PONY ZHIKA TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY ZHIKA TECHNOLOGY CO., LTD.

By: /s/ Hengyu Li
Name: Hengyu Li
Title: Legal Representative

GUANGZHOU PONY ZHIHUI LOGISTICS TECHNOLOGY CO., LTD.
Company seal: /s/ GUANGZHOU PONY ZHIHUI LOGISTICS TECHNOLOGY CO., LTD.

By: /s/ Xing He
Name: Xing He
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

PRINCIPALS AND PRINCIPAL HOLDING COMPANIES:

JUN PENG

/s/ Jun Peng

TIANCHENG LOU

/s/ Tiancheng Lou

IWAY LLC

By: /s/ Tiancheng Lou
Name: TIANCHENG LOU
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

PRINCIPALS AND PRINCIPAL HOLDING COMPANIES:

HENGYU LI

/s/ Hengyu Li

FREE PONY LIMITED

By: /s/ Hengyu Li
Name: HENGYU LI
Title: Director

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

ORDINARY SHAREHOLDER:

CHIU, WEI-YANG

/s/ Jun Peng

LEE, KUN-HAN

/s/ Jun Peng

ROBERT JOSEPH DINGLI

/s/ Jun Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

ORDINARY SHAREHOLDER:

CYRUS F ABARI

/s/ Jun Peng

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

ORDINARY SHAREHOLDER:

STEPHEN LEE

/s/ Jun Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

ORDINARY SHAREHOLDER:

JIALIN JIAO

/s/ Jun Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

ORDINARY SHAREHOLDER:

KEVIN CHIHPEI SHEU

/s/ Jun Peng

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

ORDINARY SHAREHOLDER:

YUI-HONG MATTHIAS TAN

/s/ Jun Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

ORDINARY SHAREHOLDER:

KELVIN KAI WANG CHAN

/s/ Jun Peng

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

ORDINARY SHAREHOLDER:

CHUN-YU, CHUNG

/s/ Jun Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

ORDINARY SHAREHOLDER:

STARBURST LIMITED

By: /s/ Jun Peng
Name: JUN PENG
Title: Director

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

ORDINARY SHAREHOLDER:

Juan Xu, as Trustee of the Alicia Peng Irrevocable Trust

/s/ Jun Peng

Juan Xu, as Trustee of the Selena Peng Irrevocable Trust

/s/ Jun Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

ORDINARY SHAREHOLDER:

Stephanie A. Bruno, as Trustee Of Bole 2021 Family Trust

/s/ Jun Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

ORDINARY SHAREHOLDER/
INVESTOR/INDIVIDUAL HOLDER:

JIAN PENG

/s/ Jian Peng

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INDIVIDUAL HOLDERS:

/s/ Haojun Wang
Haojun Wang

/s/ Jun Zhou
Jun Zhou

/s/ Suping Xu
Suping Xu

/s/ Fengheng Tang
Fengheng Tang

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

L4AI INC.

By: /s/ Jun Zhou
Name: Jun Zhou
Title: Director

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

ERVC Technology IV LP

By: EVRC Technology Advisors IV LP,
its General Partner
By: Eight Roads GP, as General Partner

By: /s/ Driaan Viljoen
Name: Driaan Viljoen
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

ACE Redpoint Associates China I, L.P.

By: ACE Redpoint Ventures China I GP, Ltd.,
its general partner

By: /s/ David Egglishaw
Name: David Egglishaw
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

ACE Redpoint China Strategic I, L.P.

By: ACE Redpoint Ventures China I GP, L.P.,
its general partner

By: ACE Redpoint Ventures China I GP, Ltd.,
its general partner

By: /s/ David Egglishaw
Name: David Egglishaw
Title: Director

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

ACE Redpoint Ventures China I, L.P.

By: ACE Redpoint Ventures China I GP, L.P.,
its general partner

By: ACE Redpoint Ventures China I GP, Ltd.,
its general partner

By: /s/ David Egglishaw
Name: David Egglishaw
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

ORDINARY SHAREHOLDER:

Alpha Plus Holdings, Ltd.

By: /s/ WILLIAM APOLLO CHEN
Name: WILLIAM APOLLO CHEN
Title: MANAGING DIRECTOR

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

City Ace Investment Corporation

By: /s/ Michelle Zhoy
Name: Michelle Zhoy
Title:

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

CPE Investment (Hong Kong) 2018 Limited

By: /s/ YONG Leong Chu, Yonn
Name: YONG Leong Chu, Yonn
Title: Director

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

Fidelity China Special Situations PLC

By: /s/ Natalia de Sousa
Name: Natalia de Sousa
Title: Company Secretary and authorised signatory

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

HONTAI CAPITAL FUND I LIMITED PARTNERSHIP

By: /s/ Yuntao Ma
Name: Yuntao Ma
Title: Authorized Signatory

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

IDG CHINA CAPITAL III INVESTORS L.P.

By: IDG China Capital Fund GP III Associates Ltd.,
its General Partner

By: /s/ Chi Sing Ho
Name: Chi Sing Ho
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

IDG CHINA VENTURE CAPITAL FUND IV L.P.

By: **IDG CHINA VENTURE CAPITAL FUND IV ASSOCIATES L.P.,**
its General Partner
By: **IDG CHINA VENTURE CAPITAL FUND GP IV ASSOCIATES LTD.,**
its General Partner

By: /s/ Chi Sing HO
Name: Chi Sing HO
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

IDG CHINA IV INVESTORS L.P.

By: **IDG CHINA VENTURE CAPITAL FUND GP IV ASSOCIATES LTD.,**
its General Partner

By: /s/ Chi Sing Ho
Name: Chi Sing Ho
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

IDG CHINA CAPITAL FUND III L.P.

By: IDG China Capital Fund III Associates L.P.,
its General Partner
By: IDG China Capital Fund GP III Associates Ltd.,
its General Partner

By: /s/ Chi Sing HO
Name: Chi Sing HO
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

Company seal: Kunlun Group Limited

By: /s/ Yahui Zhou
Name: Yahui Zhou
Title:

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

LC FUND VH, L.P.

By: /s/ Qifeng Fan
Name: Qifeng Fan
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

LC PARALLEL FUND VII, L.P.

By: /s/ Qifeng Fan
Name: Qifeng Fan
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

LEGENDSTAR FUND II, L.P.

By: /s/ WANG Mingyao
Name: WANG Mingyao
Title: Managing partner

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

VANTAGE ESTATE LIMITED

By: /s/ WANG Mingyao
Name: WANG Mingyao
Title: Managing partner

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

Cassini Partners, L.P.
By: Neumann Advisory Hong Kong Limited
Power of Attorney

By: /s/ ZHANG Fei
Name: ZHANG Fei
Title: Director

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

NEUMANN CAPITAL

By: /s/ ZHANG Fei
Name: ZHANG Fei
Title: Director

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

Favor Star Limited
By: Neumann Advisory Hong Kong Limited

Power of Attomey

By: /s/ ZHANG Fei

Name: ZHANG Fei

Title: Director

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

MIRACLE MISSION LIMITED

/s/ Yan Zhu
By: Yan Zhu
Title: Director

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS (in its capacity as a Series C Investor, a Series C+ Investor and a Series D Investor):

2774719 Ontario Limited

By: /s/ Ken Ling Kelvin YU
Name: Ken Ling Kelvin YU
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

SCC VENTURE VI HOLDCO, LTD.

By: /s/ Ip Siu Wai Eva
Name: Ip Siu Wai Eva
Title: Authorized Signatory

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

SCC VENTURE VII HOLDCO, LTD.

By: /s/ Ip Siu Wai Eva
Name: Ip Siu Wai Eva
Title: Authorized Signatory

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

Shixiang Founders Capital IV Limited

By: /s/ Li Guangmi
Name: Li Guangmi
Title: Director

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

SONGHE XIAOMA INVESTMENT LTD.

By: /s/ LI Wei
Name: LI Wei
Title:

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

SILICON VALLEY FUTURE CAPITAL LLC

By: /s/ Miao Hong
Name: Miao Hong
Title: Managing Partner

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

DIMENSION VANTAGE LIMITED

By: /s/ CHONG Tin Lung Benny
Name: CHONG Tin Lung Benny
Title: Director

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

Talent Plus Group Limited

By: /s/ ZHAO JING
Name: ZHAO JING
Title: DIRECTOR

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

FAW Equity Investment Company Limited
Company seal: /s/ FAW Equity Investment Company Limited

By: /s/ HUI WANG
Name: HUI WANG
Title: Director

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

Main Star Investment Limited

By: /s/ Wang Xiaoding
Name: Wang Xiaoding
Title: Director

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

MORNINGSIDE CHINA TMT FUND IV, L.P.,
a Cayman Islands exempted limited partnership

By:
MORNINGSIDE CHINA TMT GP IV, L.P.,
a Cayman Islands exempted limited partnership,
its general partner

By:
TMT GENERAL PARTNER LTD.,
a Cayman Islands exempted company,
its general partner

in on

/s/ Jill Marie Franklin
Jill Marie Franklin
Director/Authorised Signatory

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

MORNINGSIDE CHINA TMT FUND IV CO-INVESTMENT, L.P.,
a Cayman Islands exempted limited partnership

By:
MORNINGSIDE CHINA TMT GP IV, L.P.,
a Cayman Islands exempted limited partnership,
its general partner

By:
TMT GENERAL PARTNER LTD.,
a Cayman Islands exempted company,
its general partner

in on

/s/ Jill Marie Franklin
Jill Marie Franklin
Director/Authorised Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

Morningside China TMT Special Opportunity Fund II, L.P.,
a Cayman Islands exempted limited partnership

By:
MORNINGSIDE CHINA TMT GP IV, L.P.,
a Cayman Islands exempted limited partnership,
its general partner

By:
TMT GENERAL PARTNER LTD.,
a Cayman Islands exempted company,
its general partner

in on

/s/ Jill Marie Franklin
Jill Marie Franklin
Director/Authorised Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

Raumier Limited

By: /s/ Dk Noorul Hayati Pg Julaihi
Name: Dk Noorul Hayati Pg Julaihi
Title: Director

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

ClearVue Pony AI Plus Holdings, Ltd.

By: /s/ WILLIAM APOLLO CHEN
Name: WILLIAM APOLLO CHEN
Title: MANAGING DIRECTOR

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

ClearVue Pony Holdings, Ltd.

By: /s/ WILLIAM APOLLO CHEN
Name: WILLIAM APOLLO CHEN
Title: MANAGING DIRECTOR

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

TOYOTA MOTOR CORPORATION

By: /s/ Keiji Yamamoto
Name: Keiji Yamamoto
Title: Operating Officer

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

China-UAE Investment Cooperation Fund, L.P.

By: /s/ Khaled Al SHAMLAN

Khaled Al SHAMLAN
Director of China-UAE Investment Cooperation
General Partner Ltd, general partner of China-UAE Investment Cooperation Fund, L.P.

By: /s/ LI Yixuan

LI Yixuan
Director of China-UAE Investment Cooperation
General Partner Ltd, general partner of China-UAE Investment Cooperation Fund, L.P.

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

Evodia Investments

By: /s/ Kshitish Ballah
Name: Kshitish Ballah
Title: Director

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

Hainan Kaibeixin Investment Limited Partnership
Company seal: /s/ Hainan Kaibeixin Investment Limited Partnership

By: /s/ Dennis Wang
Name: Dennis Wang
Title: Authorized Signatory

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

ASSETS KEY LIMITED

By: /s/ Chi Sing Ho
Name: Chi Sing Ho
Title: Authorized Signatory

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement on the date and year first above written.

INVESTORS:

Shenzhen ZY Venture Investment Limited Corporation
Company seal: /s/ Shenzhen ZY Venture Investment Limited Corporation

By: /s/ Haizhuo Lin
Name: Haizhuo Lin
Title: Founding Partner & CEO

[Signature Page to Sixth Amended and Restated Right of First Refusal & Co-Sale Agreement – Pony AI Inc.]

SCHEDULE A-1

[**********]

SCHEDULE A-2

[**********]

SCHEDULE B-1

[**********]

SCHEDULE B-2

[**********]

SCHEDULE B-3

[**********]

SCHEDULE B-4

[**********]

SCHEDULE B-5

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SCHEDULE B-6

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SCHEDULE B-7

[**********]

SCHEDULE B-8

[**********]

SCHEDULE C

[**********]

SCHEDULE D

[**********]

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY BRACKETS [****], HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

Exhibit 10.26

Date of Issuance
March 4, 2022

PONY AI INC.

WARRANT TO PURCHASE SHARES

Pony AI Inc., an exempted company organized under the Laws of the Cayman Islands (the "**Company**"), for value received, hereby certifies that China-UAE Investment Cooperation Fund, L.P. (the "**Holder**") is entitled to purchase from the Company a certain number of (a) the same type of Equity Securities of the Company to be issued by the Company during the IPO Event in case of exercise of this Warrant upon occurrence of the IPO Event or (b) in case of exercise of this Warrant at any other time, the class or series of Equity Securities of the Company issued and outstanding immediately prior to any exercise of this Warrant by the Holder that ranks the most senior in connection with shareholder rights generally applied to each class or series of Preferred Shares, as applicable (the "**Warrant Shares**") at a per share purchase price of US$ US$25.0446, with an aggregate exercise price of up to US$25,000,000 (the "**Exercise Price**") pursuant to the terms hereof.

This Warrant is issued pursuant to the Series D Preferred Share Purchase Agreement (as may be amended or restated in accordance with its terms, the "**Purchase Agreement**") dated as of December 23, 2021, entered into by and among the Company, the Holder and certain other parties thereto. Any capitalized term used but not otherwise defined herein shall have the meaning ascribed to it in the Seventh Amended and Restated Memorandum and Articles of Association of the Company (as may be amended or restated in accordance with its terms, the "**Memorandum and Articles**").

1. EXERCISE

(a) Timing and Manner of Exercise.

(i) The right of the Holder to purchase the Warrant Shares pursuant to the terms hereof is exercisable at any time after the Closing (as defined in the Purchase Agreement) but no later than the earlier of (x) the date that is two years after the date of the Closing, and (y) the consummation of a Qualified IPO (the "**IPO Event**") (such exercise period, the "**Exercise Period**"). If this Warrant is not exercised (including payment of the Exercise Price) prior to the expiry of the Exercise Period, this Warrant shall expire automatically and be no longer exercisable. In case of exercise of this Warrant upon occurrence of the IPO Event, the Company and the Holder agree to discuss in good faith and complete the exercise of this Warrant at least twenty-eight days prior to the First IPO Application Date.

(ii) This Warrant is exercisable and may be exercised, in whole or in part, by the Holder, by surrendering this Warrant, with notice of exercise in substantially the form appended hereto as Exhibit A duly executed by the Holder or by the Holder's duly authorized attorney (the "**Exercise Notice**"), at the principal office of the Company, or such other office or agency as the Company may designate in writing, accompanied by payment in full of the Exercise Price payable in respect of the number of Warrant Shares purchased upon such exercise. The Exercise Price shall be paid in US dollar by wire transfer of immediately available funds to such bank account of the Company designated by the Company at least five (5) Business Days before Holder's payment. For the avoidance of doubt, the Holder shall not be entitled to any rights attached to any Warrant Share before the Holder exercises this Warrant and becomes holder of such Warrant Share.

(b) Effective Time of Exercise.

The exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant shall have been surrendered to the Company and payment has been made as provided in Section 1(a) above. At such time, the Person or Persons in whose name or names any certificates for Warrant Shares shall be issuable upon such exercise shall be deemed to be the holder or holders of record of the Warrant Shares represented by such certificates.

(c) Delivery to Holder

Upon the exercise of this Warrant, the Company shall at its expense cause to be issued in the name of, and delivered to, the Holder:

(i) a scanned copy of the updated register of members of the Company, certified by the registered agent of the Company reflecting the issuance of the relevant Warrant Shares to the Holder pursuant to the Holder's exercise of this Warrant (in whole or in part); and

(ii) a scanned copy of a share certificate or certificates for the number of the relevant Warrant Shares in connection with the Holder's exercise of this Warrant (in whole or in part).

2. COVENANTS OF THE COMPANY.

(a) Covenants as to Warrant Shares.

The Company covenants and agrees that all Warrant Shares that may be issued upon the exercise of the rights represented by this Warrant shall, upon issuance in accordance with this Warrant, be validly issued and outstanding, fully paid and non-assessable, and free from all taxes, liens and charges with respect to the issuance thereof. The Company further covenants and agrees that during the period within which the rights represented by this Warrant may be exercised, the Company shall at all times have authorized and reserved, for the purpose of issue upon exercise of the subscription rights evidenced by this Warrant, a sufficient number of authorized but unissued securities or property, to allow it to satisfy its obligations hereunder to issue such share or other securities or property when and as required to provide for the exercise of the rights represented by this Warrant.

(b) No Impairment.

The Company shall not, by amendment to the Memorandum and Articles or through reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but shall at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be reasonably requested by the Holder of this Warrant in order to protect the rights of the Holder of this Warrant, consistent with the tenor and purpose of this Warrant.

3. CERTAIN ADJUSTMENTS.

The number of Warrant Shares purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(a) Adjustment for Share Dividends, Subdivisions, Combinations or Consolidations of Ordinary Shares. In the event the shares in the same class or series as the relevant Warrant Shares are (i) subdivided (by share dividend, share split, or otherwise); or (ii) combined or consolidated (by reclassification or otherwise), the number of Warrant Shares shall, concurrently with the effectiveness of such subdivision, combination or consolidation, be proportionately increased or decreased. But the aggregate purchase price payable for the total number of Warrant Shares purchasable under this Warrant (as adjusted) shall remain the same.

(b) Adjustment for Reorganization, Merger, Consolidation, Reclassification, Exchange and Substitution. If the ordinary shares issuable upon conversion of the relevant Warrant Shares shall be changed into the same or a different number of shares of any other class or classes of shares, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), or the Company is consolidated, merged or amalgamated with or into another person or entity, then and in each such event and in each such case, the Holder, upon the exercise of this Warrant, at any time after the consummation of such event, shall be entitled to receive, in lieu of the shares or other securities and property receivable upon the exercise of this Warrant prior to such consummation, the shares or other securities or property to which the Holder would have been entitled upon the consummation of such event had the Holder exercised this Warrant immediately prior thereto (all subject to further adjustment as provided herein), and the successor or purchasing entity in such event (if other than the Company) shall duly execute and deliver to the Holder a supplement hereto acknowledging such entity's obligations under this Warrant; and, in any such case, appropriate adjustment shall be made in the application of the provisions herein set forth with respect to the rights and interests thereafter of the Holder to the extent that the provisions set forth herein (including provisions with respect to changes in and other adjustments of the number of Warrant Shares the holder of this Warrant is entitled to purchase) shall thereafter be applicable, as nearly as possible, in relation to any preferred shares or other securities or other property thereafter deliverable upon the exercise of this Warrant, provided that the aggregate purchase price payable for the total number of Warrant Shares purchasable under this Warrant (as adjusted) shall remain the same.

(c) Notice of Adjustments. The Company shall promptly give the Holder written notice of each adjustment or readjustment of the number of Warrant Shares or other securities issuable upon exercise of this Warrant. The notice shall describe the adjustment or readjustment and show in reasonable detail the facts on which the adjustment or readjustment is based.

4. FRACTIONAL SHARES.

No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. If the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fractional share a sum in cash equal to the product resulting from multiplying the then current fair market value of an Warrant Share (as determined in good faith by the Board of Directors and the Holder) by such fraction.

5. NO RIGHTS AS A SHAREHOLDER.

Nothing contained herein shall entitle the Holder to any rights as a shareholder of the Company or to be deemed the holder of any securities that may at any time be issuable on the exercise of this Warrant for any purpose nor shall anything contained herein be construed to confer upon the Holder, as such, any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of shares, reclassification of shares, change of par value or change of shares to no par value, consolidation, merger, conveyance or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or any other rights of a shareholder of the Company until this Warrant shall have been exercised and the Warrant Shares purchasable upon exercise of the rights hereunder shall have become deliverable as provided herein.

6. TRANSFERS OF WARRANT.

The Holder shall not transfer this Warrant (in whole or in part) to any third party without written consent of the Company, which consent shall not be unreasonably withheld, delayed or conditioned; provided, that the Holder shall have the right to transfer this Warrant (in whole or in part) to any of its Affiliates without consent of the Company. Upon any transfer of the Warrant, the Company shall deliver a new warrant on substantially identical terms (including as to the Exercise Price) to this Warrant, representing the appropriate amount of the Warrant Shares to the assignee of this Warrant, pursuant to the terms of such transfer.

7. REPLACEMENT OF WARRANT.

Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement (with surety if reasonably required) in an amount reasonably satisfactory to the Company, or (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company shall issue, in lieu thereof, a new Warrant of like tenor.

8. AMENDMENT OR WAIVER.

Any term of this Warrant may be amended or waived only by an instrument in writing signed by the Company and the Holder.

9. SUCCESSORS AND ASSIGNS.

This Warrant shall be binding upon and inure to the benefit of the Company, the Holder and their respective successors and assigns.

10. NOTICES.

Any notice, request, consent or other communication required or permitted pursuant to this Warrant shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, fax, electronic mail or similar means to the address as shown below (or at such other address as such party may designate by fifteen (15) days advance written notice to the Company or Holder, as applicable, given in accordance with this Section). Where such notice, request, consent or other communication is sent by next-day or second-day courier service, service of the notice, request, consent or other communication shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, request, consent or other communication, with a written confirmation of delivery, and to have been effected at the earlier of (i) delivery (or when delivery is refused) and (ii) expiration of two (2) Business Days after the letter containing the same is sent as aforesaid. Where a notice, request, consent or other communication is sent by fax or electronic mail, service of the notice, request, consent or other communication shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organization, with a written confirmation of delivery, and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day. Notwithstanding the foregoing, to the extent a “with a copy to” address is designated, notice must also be given to such address in the manner above for such notice, request, consent or other communication hereunder to be effective.

If notice to the Company:

Pony AI Inc.
Address: 2948 Villa Savona Ct., Fremont, CA 94539 USA
Attention: James Peng
Email: [**********]

If notice to the Holder:

China-UAE Investment Cooperation Fund, L.P.
Address: Suites 3513-15, 35/F, Two IFC, 8 Finance Street, Central,
Hong Kong
Tel: [**********]
Attention: Ms. Helen Ho
Email: [**********]

11. ATTORNEYS' FEES.

If any action of Law or equity is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to reimbursement of its reasonable attorneys' fees, costs and disbursements in addition to any other relief to which it may be entitled.

12. HEADINGS.

The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

13. GOVERNING LAW; JURISDICTION.

This Warrant shall be governed by and construed in accordance with the Laws of Hong Kong as to matters within the scope thereof, without regard to its principles of conflicts of Laws. Any dispute, controversy or claim arising out of or relating to this Warrant shall be settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules then in force.

14. INTERPRETATION.

For all purposes of this Warrant, except as otherwise expressly provided, (a) the term "or" is not exclusive; b) the terms defined herein and any capitalized terms used herein without definition shall include the plural as well as the singular, (c) all references in this Warrant to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of the body of this Warrant, (d) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms, (e) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Warrant as a whole and not to any particular Section or other subdivision, and (f) "include," "including," "are inclusive of" and similar expressions are not expressions of limitation and shall be construed as if followed by the expression "without limitation".

15. NO PRESUMPTION.

The parties acknowledge that any applicable Law that would require interpretation of any claimed ambiguities in this Warrant against the party that drafted it has no application and is expressly waived. If any claim is made by a party relating to any conflict, omission or ambiguity in the provisions of this Warrant, no presumption or burden of proof shall be implied because this Warrant was prepared by or at the request of any party or its counsel.

16. COUNTERPARTS; ".PDF" COPIES.

This Warrant may be executed in one or more counterparts, each of which shall be enforceable against the parties that execute such counterparts, and all of which together shall constitute one and the same instrument. ".pdf" copies of signed signature pages shall be deemed binding originals.

17. SEVERABILITY.

If any provision of this Warrant becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Warrant, and such court shall replace such illegal, void or unenforceable provision of this Warrant with a valid and enforceable provision that shall achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Warrant shall be enforceable in accordance with its term.

18. ENTIRE AGREEMENT.

This Warrant, together with the exhibit hereto, constitute the entire agreement between the Company and the Holder with respect to the subject matter hereof.

[*The remainder of this page has been intentionally left blank*.]

IN WITNESS WHEREOF, the Company caused this Warrant to be executed by a director there unto duly authorized.

COMPANY:

Pony AI Inc.

By: /s/ Jun Peng
Name: Jun Peng
Title:

ACCEPTED BY:

China-UAE Investment Cooperation Fund, L.P.

By: /s/ Khaled Al SHAMLAN

Khaled Al SHAMLAN
Director of China-UAE Investment Cooperation General Partner Ltd, general partner of China-UAE Investment Cooperation Fund, L.P.

By: /s/ LI Yixuan

LI Yixuan
Director of China-UAE Investment Cooperation General Partner Ltd, general partner of China-UAE Investment Cooperation Fund, L.P.

EXHIBIT A

[**********]

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY BRACKETS [****], HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

Exhibit 10.27

Sui (Nantou) Hezi [2018] No.21
Contract No.: GZZX-18-0022

Guangzhou Office Lease Contract

Lessor (hereinafter referred to as Party A): Guangzhou Nantou Real Estate Development Co., Ltd.
Domicile: No. 9, Ground Floor, No. 412 and 414 Huangmei Road, No. 13 and 15 Qitian Street, Qilin New Village, Huangge Town, Nansha District, Guangzhou
Legal Representative: YU Lequn

Lessee (hereinafter referred to as Party B): Guangzhou (ZX) Pony. AI Technology Co., Ltd.
Domicile: No. 106 East Fengze Road (Self-numbered Building 1) X1301-F3590 (Cluster Registration) (JM), Nansha District, Guangzhou
Legal Representative: HU Wen

In accordance with the relevant national, provincial and municipal laws and regulations as well as various requirements for real estate administration, Party A and Party B, in line with the principles of equality and voluntariness, hereby enter into this Contract by consensus, and jointly undertake to abide by it and be subject to the supervision and administration of the local real estate administration authorities.

Article 1 Party A agrees to lease to Party B the entire 12/F of Building 1 and the entire Building 3 (excluding underground space) (hereinafter referred to as the "Leased Property") located at Pearl Development Building, Lingshan Island's Tip, Hengli Town, Nansha District, for the office and exhibition purposes. The leased gross floor area is 2,616.25 square meters (wherein the 12th floor of Building 1 is used for office purpose, with a gross floor area of approximately 1,777.37 square meters; the entire Building 3 is used to establish an autonomous driving experience center, with 521.99 square meters on the first floor, 242.50 square meters on the second floor and 74.39 square meters on the third floor, adding up to a gross floor area of 838.88 square meters in Building 3. The final gross floor area is subject to that registered on the real estate title certificate). The current status of the Leased Property is: ☑ No leakage of wall plumbing ☑ Complete windows and doors ☑ Other situation: the 12th floor of Building 1 is delivered in unfurnished condition, and the whole Building 3 is delivered with existing preliminary furnishings (see Annex 5 for details). The specific location and area of the site leased by Party B are shown on the drawing attached to this Contract, and the Parties inspected and approved the same on site when entering into this Contract.

Article 2 Lease Term, Purpose, Performance Bond and Utilities Bond

1. The Parties agree that the lease term will be 10 years from August 1, 2018 to July 31, 2028.

2. Lease purpose: Commercial office building.

3. Within 5 working days after the signing of this Contract, Party B shall pay Party A two months' rent, i.e. RMB 847,505.4 (in words: RMB Eight Hundred and Forty-seven Thousand Five Hundred and Five Point Four only), as the performance deposit for Party B's performance of this Contract, and deposit the performance bond into the bank account designated by Party A under this Contract, and provide Party A with the bank's receipt of payment, while Party A shall provide Party B with a receipt for the same amount.

4. The utilities bond shall be calculated by multiplying the gross floor area of the Leased Property of Party B by RMB 15/m^2 and shall be paid by Party B into the bank account designated by Party A hereunder within 5 working days after the signing of this Contract in a lump sum of RMB 39,243.75 (in words: RMB Thirty-nine Thousand Two Hundred and Forty-three Point Seven Five only). Party B shall provide Party A with the bank's receipt of payment while Party A shall provide Party B with a receipt for the same amount.

Article 3 Rent, Property Management Fee and Other Expenses

1. The rental rates (calculated on the basis of the itemized floor area under this Contract) are as follows:

Leased Property	Monthly Rental Amount for the First Year (Currency: RMB, Unit: Yuan)		Rent Breakdown and Subsequent Rent Increases
	In numbers	In words	
12th floor of Building 1	RMB 213,284.4	RMB Two Hundred and Thirteen Thousand Two Hundred and Eighty-Four Point Four only	(1) During the period from August 1, 2018 to July 31, 2019 (the first year of such Leased Property), rent will be charged at the rate of RMB 120/month/m^2, wherein the period from August 1, 2018 to October 31, 2018 will serve as the renovation period with a rent of RMB 0/month, and from November 2018 onwards, rent will be charged at the aforementioned rate; (2) For every completed twelve months from August 1, 2018, the monthly rental rate will be increased by 5% from the previous year's rate effective from the following month (e.g. the rent will be adjusted to RMB 126/month/m^2 from August 2019, and so on).
1st floor of Building 3	RMB 156,597	RMB One Hundred and Fifty-six Thousand Five Hundred and Ninety Seven only	(1) The rent will be charged at the rate of RMB 300/month/m^2; (2) For every completed twelve months from August 1, 2018, the monthly rental rate will be increased by 5% from the previous year's rate effective from the following month (e.g. the rent will be adjusted to RMB 315/month/m^2 from August 2019, and so on).
2nd floor of Building 3	RMB 41,225	RMB Forty-one Thousand Two Hundred and Twenty-five only	(1) The rent will be charged at the rate of RMB 170/month/m^2; (2) For every completed twelve months from August 1, 2018, the monthly rental rate will be increased by 5% from the previous year's rate effective from the following month (e.g. the rent will be adjusted to RMB 178.5/month/m^2 from August 2019, and so on).
3rd floor of Building 3	RMB 12,646.3	RMB Twelve Thousand Six Hundred and Forty-six Point Three only	

Note: The lease term of 10 years remains unchanged, and the starting point of rent calculation is based on the actual date of delivery, while other calculation points are postponed accordingly.

2. Party A and Party B negotiate and determine the property management fee at RMB 15/m^2/month (calculated on the gross floor area leased under this Contract), and Party B shall settle the fee with the property management company by itself. In case of adjustment of the rate of property management fee, Party B shall negotiate with the property management company.

3. The rent will be settled and paid on a monthly basis. Party B shall deposit the monthly rent into the bank account designated by Party A under this Contract prior to the 10th day of each month (in case of a holiday, postponed to the first working day after the holiday).

4. Prior to August 1, 2018, Party B shall pay the first month's rent of Building 3 (covering the period from August 1, 2018 to August 31, 2018) in the amount of RMB 210,468.3 (in words: Two Hundred and Ten Thousand Four Hundred and Sixty-eight Point Three only).

   The first three months (from August 1, 2018 to October 31, 2018) of the 12th floor of Building 1 is the decoration period with a rental rate of RMB 0/month; Party B shall, prior to November 1, 2018, pay the rent of the 12th floor of Building 1 for that month (from November 1, 2018 to November 30, 2018) in the amount of RMB 213,284.4 (in words: RMB Two Hundred and Thirteen Thousand Two Hundred and Eighty-four Point Four only).

5. Party B shall provide Party A with the bank's receipt for payment following the bank transfer, while Party A shall issue a legal and valid VAT invoice to Party B. Otherwise, Party B shall have the right to refuse to pay the next month's rent and shall not be deemed to be in breach. If Party B fails to pay the rent and other expenses within the period agreed in this Contract, it shall be held liable for breach as agreed in this Contract.

6. During the lease term, the property management fee, water, electricity, gas, network, telephone, TV subscription and indoor facilities maintenance fees etc. related to the Leased Property shall be solely borne by Party B. The electricity loss and common water costs shall be shared in proportion to the electricity consumed by the tenants. Water, and electricity charges incurred by and the common water and electricity charges apportioned to Party B shall be collected and paid by the property management company on behalf of Party B.

Article 4 The bank account designated by Party A under this Contract:

Company name: [**********]
Account bank: [**********]
Account no.: [**********]

Article 5 Delivery, Return and Vacation of the Leased Property

1. Party A shall deliver the Leased Property to Party B in accordance with the agreed conditions prior to August 1, 2018. The delivery shall be deemed to be completed after the Parties through property inspection sign the House Handover and Equipment List (Annex 5) and Party A hands over the keys to the Leased Property. The property management fee, utilities charges, gas charges and other related expenses incurred prior to the delivery of the property shall be borne by the actual occupant.

2. Upon expiration of the lease term or termination of this Contract, Party B shall complete the relocation within fifteen days from the date of termination of the lease (the daily rent shall be accrued and paid in accordance with the current rental rate during the relocation period). Party A has the right to require Party B to return the Leased Property as it was delivered (among which the secondary fire pipelines, smoke detectors, sprinklers and fixtures added by Party B during the lease term shall not be removed), and Party B shall return the Leased Property and its appurtenant items, equipment and facilities in accordance with the original state and the House Handover and Equipment List.

3. Party B shall remove the items belonging to it before vacating the Leased Property. After Party B vacates the Leased Property, Party B shall be deemed to have relinquished the ownership of the items left by Party B in the Leased Property and Party A shall have the right to dispose of such items at its own discretion. If Party A incurs expenses for clearing and disposing of such items, Party B shall be obliged to reimburse Party A for such expenses.

4. In case of breach by Party B, in addition to Party B's liability for breach of contract as agreed in this Contract, Party A shall have the right to place a lien on Party B's property as required by the circumstances. If Party B fails to pay the amount due within five days after Party A notifies Party B in writing of the lien on its property, Party B shall be deemed to have consented to Party A's disposal of the liened property by sale or other legal means to satisfy the outstanding amount. The expenses incurred by Party A for disposal of the liened property by sale or other legal means shall be borne by Party B.

5. Upon the expiration of the lease term or the termination of this Contract, if Party B commits no breach of contract and pays off the outstanding rent, property management fee, utilities and other expenses incurred by Party B during the lease term, Party A will refund the performance bond and utilities bond to Party B interest-free upon confirmation by Party A and the property management company.

6. If Party B fails to return the Leased Property upon the expiration of the lease term or the termination of this Contract, Party A shall have the right to recover from Party B the usage fee of the property occupied after the expiration until the actual return of the Leased Property at the rate twice the standard rent.

Article 6 Property Management Provisions

Party B agrees that the property management services will be provided by the property management company entrusted by Party A. The property management company mainly manages the security, sanitation, landscaping, order, fire-fighting, cleaning and supply of water and electricity in the common areas outside the Leased Property, while Party B shall be responsible for the aforesaid matters inside the Leased Property. Party B shall submit to the management of the property management company, comply with the management code and various management regulations specified by the property management company, and pay the fees payable such as utilities, parking fees, and sewage charges and bear the corresponding share of the costs in accordance with the relevant regulations.

Article 7 Decoration and Maintenance Provisions

1. Party B may not demolish and alter the structure and facilities of the property, increase the load on the external walls, overload the property, stack flammable, explosive and dangerous items, or renovate the property without permission, subject to the relevant municipal regulations of Guangzhou.

2. The Leased Property is delivered for use on an as is basis (at the time of entering into this Contract, Party B has fully understood the current status of the Leased Property and confirmed that it meets Party B's actual needs). With Party A's written consent, Party B may carry out interior decoration of the Leased Property at its own expense. If this Contract is terminated through no fault of Party A, Party A shall not be required to provide any compensation or indemnity to Party B for the expenses incurred by Party B in connection with the interior decoration of the Leased Property. When decorating the Leased Property, Party B must comply with the decoration rules and regulations specified by Party A and the property management company, and pay the decoration deposit to the property management company. In case of connection, alteration or relocation of central systems such as water, electricity, gas, fire-fighting, communication, security, and sewage, as well as addition and alteration of other fixed facilities, Party B must obtain the written consent of Party A and the property management company, and be subject to the supervision by Party A and the property management company.

3. Upon completion of all of its decoration works, Party B shall report to the property management company and relevant government departments for inspection to determine that the decoration works meet the safety specifications, and provide valid documents to Party A for future reference.

4. Party B shall be responsible for the repair and replacement for the wear and tear of the equipment (such as air conditioners, tables and chairs, faucets, doors and windows) and consumable items such as light bulbs added by Party B to the Leased Property. Party B shall make reasonable use of the Leased Property and its ancillary facilities. If damage is caused due to improper use, Party B shall immediately make repairs or compensate Party A for the loss.

5. If the basic equipment and facilities provided by Party A after Party B leases the property cannot meet its operational needs, Party B shall fund the construction of the required water and electricity expansion, sewerage, environmental protection facilities, environmental renovation and other projects, as well as the installation and configuration of production equipment, water and electricity supply, power distribution, fire protection and environmental protection facilities that Party B adds for its own operational needs. If the renovation operations are subject to inspection and acceptance by environmental protection, health, fire protection and other departments, Party B shall handle these in accordance with the procedures and requirements provided by relevant laws, regulations and policies, and obtain permission or pass the inspection and acceptance before putting such facilities into use, otherwise the resulting administrative penalties shall be solely borne by Party B. If losses are thus caused to Party A, Party B shall compensate for all the losses incurred by Party A.

Article 8 Rights and Obligations of Party A

1. Party A shall have the right to collect from Party B the rent and other expenses that shall be borne by Party B as agreed in this Contract.

2. Party A shall have the right to supervise and give reasonable advice on Party B's use of the Leased Property. Party A shall have the right to enforce the relevant provisions of this Contract in case Party B violates the provisions of this Contract. However, Party A may not disturb or hinder Party B's normal and reasonable use of the Leased Property.

3. During the lease term, Party A shall notify Party B in writing not less than 2 months in advance if Party A transfers the Leased Property, or 30 calendar days in advance if Party B hypothecates the Leased Property.

4. If Party B is required to go through relevant approval procedures due to business or other requirements of laws and regulations, Party A shall render necessary assistance.

5. During the lease term, Party A may directly commission the property management service provider to assist in the management of the Leased Property and coordinate the resolution of disputes.

Article 9 Rights and Obligations of Party B

1. Party B shall pay the rent and other related expenses in full and on time as agreed in this Contract.

2. During the lease term, without Party A's written consent, Party B may not sublease part or all of the Leased Property to a third party, lend the same to a third party for use with or without compensation, or otherwise make the same available for use by a third party. If Party A approves in writing Party B to sublease or lend the Leased Property for use by a third party, Party B shall ensure that such third party fully complies with Party B's obligations under this Contract. Party B shall be jointly and severally liable for any loss incurred by Party A as a result of the acts of such third party.

3. In accordance with relevant laws and regulations, Party B shall be responsible for handling, at its own expense, all matters required by law to be completed before opening, such as business license, secondary fire protection, and environmental protection, while Party A shall provide necessary assistance. Party B shall not start operation until it has successfully applied for and obtained such licenses and certificates on its own.

4. Party B shall be solely responsible for the internal sanitation, security, utilities, telephone, air conditioning, landscaping costs of the Leased Property and all other costs arising from the use of the property for commercial activities (including but not limited to the costs of broadband, cable TV and other equipment installed by Party B upon its own application).

5. During the lease term, Party B may not store any flammable, explosive, toxic or radioactive items or prohibited items in the Leased Property, nor may it engage in any illegal activities therein.

6. Party B has no right to alter the purpose for which the Leased Property has been leased without permission.

7. Under the same conditions as those proposed by any other interested customer, Party B shall have the priority to renew the lease, with the rent and other lease conditions being subject to the contract re-signed by the Parties.

8. Party B shall provide the aforesaid fire-fighting equipment at its own expense at the rate of two 3 kg fire extinguishers and two gas masks per 20 square meters in accordance with the regulations of the government fire department (subject to the latest equipment requirements of the government fire department).

Article 10 Breaches

Either Party violating this Contract shall be deemed to be in breach, and the Breaching Party shall be held liable for such breach and compensate for the economic loss thus sustained by the Non-breaching Party. At the same time, the Breaching Party shall bear the legal costs, preservation fees, attorney's fees, travel expenses, notary fees, investigation fees, announcement fees, evaluation and appraisal fees, and enforcement fees incurred by the Non-breaching Party to pursue the liability of the Breaching Party. The circumstances falling under the following provisions shall be dealt with accordingly:

1. If Party A refuses to perform this Contract without any agreed or legal reason during the lease term, Party B shall notify Party A in writing and requests it to take appropriate measures within a reasonable period of time. If Party A fails to take such measures within a reasonable period of time upon Party B's reminder, Party B shall have the right to terminate this Contract and require Party A to return the performance bond in double.

2. During the lease term, any of the following acts of Party B will be deemed as a serious breach of contract, which shall entitle Party A to terminate this Contract without returning the performance bond to Party B, demand compensation for losses, and take measures (including but not limited to) cutting off water and electricity supply:

    (1) Party B owes Party A the rent or property management fee for 30 consecutive calendar days, or defaults on the rent or property management fee more than twice in a year;

(2) Party B defaults on the payment of water and electricity charges to the extent of RMB 3,000 or more;

(3) Party B breaches Paragraph 1 of Article 7 or Paragraphs 2, 3, 5 and 6 of Article 9 of this Contract;

(4) In the course of production and operation, Party B negatively affects the normal operations of other owners or tenants, giving rise to 3 incidents such as complaints and petitions cumulatively;

(5) Party B damages public and private interests by conducting illegal activities;

(6) Party B violates the relevant laws and regulations on production safety management, and refuses to make rectification or fails to complete the rectification satisfactorily;

(7) Party B damages the Leased Property intentionally;

(8) Other circumstances where this Contract may be terminated and the property repossessed as provided by laws and regulations.

In the case of Subparagraphs 1 and 2 above, for each day of delay, the overdue liquidated damages shall be accrued on a daily basis at the rate of three ten-thousandths of the amount in arrears from the overdue date, and the rent shall be accrued in accordance with the provisions of Article 2 of this Contract and the actual lease term.

3. If a Party unilaterally proposes to cancel this Contract during the lease term due to no legal or agreed reasons, the Non-breaching Party shall be entitled to claim damages and to receive liquidated damages at the rate of 20% of the total rent for the duration of the lease.

Article 11 Negotiated Modification or Rescission

Either Party may promptly propose to modify or rescind this Contract without incurring liability to the other Party for breach of contract if any of the following circumstances arises:

1. The performance of the lease contract cannot be continued due to changes in laws, regulations, local policies or due to force majeure;

2. The property is required to be expropriated or requisitioned for urban construction planning or urban renewal and renovation; and

3. The relevant matters have been contractually stipulated or agreed upon by the Parties but are not fulfilled.

Article 12 Miscellaneous

1. Party A has the right to appoint a property management company for property management, and any change of the property management company shall not affect the performance of this Contract.

2. Party B acknowledges that prior to entering into this Contract, it has gained detailed knowledge of the current status of the Leased Property and has no objection to this Contract; by executing this Contract, Party B is deemed to have agreed to assume responsibility and perform its obligations in accordance with the provisions of this Contract.

3. In case of any conflict between the relevant documents involved in Party B's application for business qualification certificates and this Contract, the provisions of this Contract shall prevail.

4. This Contract shall be governed by the relevant laws of the People's Republic of China. In the course of performance of this Contract, if any dispute arises, such dispute shall be resolved through negotiation, failing which, either Party may file a lawsuit with the people's court in the place where the Leased Property is located.

5. The Parties acknowledge that the addresses for service of documents agreed upon by them in this Contract are true and valid, and such addresses are applicable to the non-litigation stage, arbitration stage and the first instance, second instance, retrial and enforcement procedures of the litigation stage. Once a dispute enters into the above-mentioned proceedings, the people's court of competent jurisdiction may serve all kinds of legal instruments either directly or by post at the agreed addresses for service of instruments, and the Parties shall bear the legal consequences of valid service in accordance with this Contract. If a Party needs to change its address for service of instruments, it shall notify the other Party in writing within 7 working days after the change. If it fails to notify the other Party in the agreed manner, the original address for service of instruments shall remain the valid address for service.

(1) Any instrument sent by express mail or registered mail by Party A (or Party B) at Party B's (or Party A's) address for service as agreed in this Contract shall be deemed to be served five days after it is sent.

(2) The competent people's court will effect service at the addresses agreed upon by the Parties. If a legal instrument is not actually received by a Party because the address for service provided or confirmed by the Party is inaccurate, or the Party fails to promptly inform the other Party or the people's court in accordance with the procedures after the address for service has changed, or the Party or its designated recipient refuses to sign for it, the service shall also be deemed completed. In the case of service by mail, the date of return of the instrument shall be deemed to be the date of service; in the case of direct service, the date of service shall be deemed to be the date when the server certifies the relevant facts on the proof of service.

6. From the date of entering into this Contract, Party B shall provide the relevant documents required for the filing and registration of the housing lease, while Party A shall be responsible for completing the filing and registration within 7 working days thereafter.

7. This Contract is made in octuplicate, and shall come into effect after it is signed and affixed with the official seals by the legal representatives or authorized representatives of the Parties. Party A shall hold four copies, Party B three copies and one copy shall be submitted for filing purpose.

8. Reminder and acknowledgement: Party A has drawn Party B's attention to a comprehensive and accurate understanding of the terms and conditions of this Contract and has provided corresponding explanations of the terms and conditions at Party B's request, and the Parties share the same understanding of the meaning of this Contract. Party B is aware and acknowledges that Party A has given special reminders and full explanations concerning the terms that relieve Party A of its liabilities and limit Party B's rights when entering into this Contract.

9. Special Provisions:

(1) If the Leased Property is equipped with air conditioners and basic decoration, Party B shall be responsible for the maintenance of the same during the lease term and bear the costs arising therefrom. If any air conditioner in the Leased Property is found to be damaged upon the expiration or termination of this Contract, Party B shall compensate Party A for the loss according to the agreement between the Parties or according to the assessment report issued by a qualified assessment agency.

(2) This Contract is effective simultaneously with the Site Borrowing Contract entered into between the Parties on April 28, 2018, and if there is any conflict between them, the provisions of this Contract shall prevail. The property management fee, utilities charges and other fees paid by Party B pursuant to the Site Borrowing Contract shall be automatically converted into the corresponding amounts under this Contract, and Party B shall still be required to fulfill the payment obligations in case of any shortfall.

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Annexes: 1. Floor Plan of the Leased Property; 2. Specific Floor Area of the Leased Property; 3. Copy of the Business License of the Lessee; 4. Production Safety Management Agreement; 5. House Handover and Equipment List

This page is intentionally left blank to serve as the signature page to "Guangzhou Office Lease Contract" entered into between [Guangzhou Nantou Real Estate Development Co., Ltd.] and [Guangzhou (ZX) Pony. AI Technology Co., Ltd.].

Party A: Guangzhou Nantou Real Estate Development Co., Ltd.
Legal Representative or Authorized Representative (signature): /s/ YU Lequn
Correspondence address: 6/F, Development Exhibition Center, Pearl Bay, Lingshan Island's Tip, Hengli Town, Nansha District, Guangzhou
Contact number:
Date: May 2, 2018

Party B: Guangzhou (ZX) Pony. AI Technology Co., Ltd.
Legal Representative or Authorized Representative (signature): /s/ HU Wen
Account bank: Business Department, Nansha Branch, Guangdong Pilot Free Trade Zone Branch, China Merchants Bank
Account name: [**********]
Bank account no.: [**********]
Taxpayer Identification Number: [**********]
Contact number: [**********]
Address: 18/F, Unit 1, Xiangjiang International Finance Center, Nansha District, Guangzhou
Date: May 2, 2018

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY BRACKETS [****], HAS BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10)(IV) OF REGULATION S-K UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

Exhibit 10.28

Guangzhou Office Lease Contract

Lessor (hereinafter referred to as Party A): Guangzhou Nantou Real Estate Development Co., Ltd.
Domicile: No. 9, Ground Floor, No. 412 and 414 Huangmei Road, No. 13 and 15 Qitian Street, Qilin New Village, Huangge Town, Nansha District, Guangzhou
Legal Representative: SONG Rong

Lessee (hereinafter referred to as Party B): Guangzhou (ZX) Pony. AI Technology Co., Ltd.
Domicile: No. 106 East Fengze Road (Self-numbered Building 1) X1301-F4229 (Cluster Registration) (JM), Nansha District, Guangzhou
Legal Representative: ZHANG Ning

In accordance with the relevant national, provincial and municipal laws and regulations as well as various requirements for real estate administration, Party A and Party B, in line with the principles of equality and voluntariness, hereby enter into this Contract by consensus, and jointly undertake to abide by it and be subject to the supervision and administration of the local real estate administration authorities.

Article 1 Party A agrees to lease to Party B the Units 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309, 1310 and 1311 (hereinafter referred to as the "Leased Property") located at Pearl Development Building, 1 Mingzhu 1st Street, Hengli Town, Nansha District, Guangzhou, for the office purposes. The leased gross floor area is 1,794.08 square meters. The current status of the Leased Property is: ☑ No leakage of wall plumbing ☑ Complete windows and doors ☑ Other situation: to be delivered in unfurnished condition. The specific location and area of the site leased by Party B are shown on the drawing attached to this Contract, and the Parties inspected and approved the same on site when entering into this Contract.

Article 2 Lease Term, Purpose, Performance Bond and Utilities Bond

1. The Parties agree that the lease term will be 5 years from October 1, 2019 to September 30, 2024.

2. Lease purpose: Commercial office building.

3. Within 5 working days after the signing of this Contract, Party B shall pay Party A two months' rent, i.e. RMB 430,579.2 (in words: RMB Four Hundred and Thirty Thousand Five Hundred and Seventy-nine Point Two only), as the performance deposit for Party B's performance of this Contract, and deposit the performance bond into the bank account designated by Party A under this Contract, and provide Party A with the bank's receipt of payment, while Party A shall provide Party B with a receipt for the same amount.

4. The utilities bond shall be calculated by multiplying the gross floor area of the Leased Property of Party B by RMB 15/m^2 and shall be paid by Party B into the bank account designated by Party A hereunder within 5 working days after the signing of this Contract in a lump sum of RMB 26,911.2 (in words: RMB Twenty-six Thousand Nine Hundred and Eleven Point Two only). Party B shall provide Party A with the bank's receipt of payment while Party A shall provide Party B with a legal receipt for the same amount.

Article 3 Rent, Property Management Fee and Other Expenses

1. The rental rate (calculated on the basis of the itemized floor area under this Contract) is RMB 120/month/m^2 (inclusive of tax, at a VAT rate of 5%); in view of Party B's need to decorate the property, the rent will be charged at RMB 90/month/m^2 for the first year, with an increment of 5% on top of the normal price commencing in the second year, as follows:

Leased Property	Floor Area (Square Meters)	Rent and Increment
Units 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309, 1310 and 1311	1794.08	(1) From October 1, 2019 to September 30, 2020, the rental rate will be RMB 90/month/m^2 (inclusive of tax, at a VAT rate of 5%); (2) From October 1, 2020 to September 30, 2021, the rent will be charged at a rate of RMB 126/month/m^2 (inclusive of tax, at a VAT rate of 5%); (3) For every completed twelve months from October 1, 2021, the monthly rental rate will be increased by 5% from the previous year's rate effective from the following month (e.g. the rent will be adjusted to RMB 132.3/month/m^2 from October 1, 2021 (inclusive of tax, at a VAT rate of 5%), and so on).

Note: The lease term of 5 years remains unchanged, and the starting point of rent calculation is based on the actual date of delivery, while other calculation points are postponed accordingly.

2. Rent Details

Lease Term	**Monthly Rent Amount (Currency: RMB) (Inclusive of Tax, at a VAT Rate of 5%)**	
	In numbers	**In words**
From October 1, 2019 to September 30, 2020	161,467.20	One Hundred and Sixty-one Thousand Four Hundred and Sixty-seven Point Two only
From October 1, 2020 to September 30, 2021	226,054.08	Two Hundred and Twenty-six Thousand and Fifty-four Point Zero Eight only
From October 1, 2021 to September 30, 2022	237,356.78	Two Hundred and Thirty-seven Thousand Three Hundred and Fifty-six Point Seven Eight only
From October 1, 2022 to September 30, 2023	249,224.62	Two Hundred and Forty-nine Thousand Two Hundred and Twenty-four Point Six Two only
From October 1, 2023 to September 30, 2024	261,685.85	Two Hundred and Sixty-one Thousand Six Hundred Eighty-five Point Eight Five only

Note: If the country adjusts the VAT rate during the lease term, the rental rate will be adjusted accordingly, and the non-taxable part of the adjusted rental rate will remain the same as that prior to such adjustment.

3. Party A and Party B negotiate and determine the property management fee at RMB 15/m^2/month (calculated on the gross floor area leased under this Contract), and Party B shall settle the fee with the property management company by itself. In case of adjustment of the rate of property management fee, Party B shall negotiate with the property management company.

4. The rent will be settled and paid on a monthly basis. Party B shall deposit the monthly rent into the bank account designated by Party A under this Contract prior to the 10th day of each month (in case of a holiday, postponed to the first working day after the holiday).

5. Party B shall provide Party A with the bank's receipt for payment following the bank transfer, while Party A shall issue a legal and valid VAT invoice for the same amount to Party B within five working days upon receipt of the corresponding amount. Otherwise, Party B shall have the right to refuse to pay the next month's rent and shall not be deemed to be in breach. Except under the foregoing circumstances, If Party B fails to pay the rent and other expenses within the period agreed in this Contract, it shall be held liable for breach as agreed in this Contract.

6. During the lease term, the property management fee, water, electricity, gas, network, telephone, TV subscription and indoor facilities maintenance fees etc. related to the Leased Property shall be solely borne by Party B. The electricity loss and common water costs shall be shared in proportion to the electricity consumed by the tenants. Water, and electricity charges incurred by and the common water and electricity charges apportioned to Party B shall be collected and paid by the property management company on behalf of Party B.

Article 4 The bank account designated by Party A under this Contract:

Company name: [**********]
Account bank: [**********]
Account no.: [**********]

Article 5 Delivery, Return and Vacation of the Leased Property

1. Party A shall deliver the Leased Property to Party B in accordance with the agreed conditions prior to September 30, 2019. The delivery shall be deemed to be completed after the Parties through property inspection sign the Unit Handover Confirmation Letter and Party A hands over the keys to the Leased Property. The property management fee, utilities charges, gas charges and other related expenses incurred prior to the delivery of the property shall be borne by the actual occupant.

2. Upon expiration of the lease term or termination of this Contract, Party B shall complete the relocation within fifteen days from the date of termination of the lease (the daily rent shall be accrued and paid in accordance with the current rental rate during the relocation period). Party A has the right to require Party B to return the Leased Property as it was delivered (among which the secondary fire pipelines, smoke detectors, sprinklers and fixtures added by Party B during the lease term shall not be removed), and Party B shall return the Leased Property and its appurtenant items, equipment and facilities in accordance with the original state.

3. Party B shall remove the items belonging to it before vacating the Leased Property. After Party B vacates the Leased Property, Party B shall be deemed to have relinquished the ownership of the items left by Party B in the Leased Property and Party A shall have the right to dispose of such items at its own discretion. If Party A incurs expenses for clearing and disposing of such items, Party B shall be obliged to reimburse Party A for such expenses.

4. In case of breach by Party B, in addition to Party B's liability for breach of contract as agreed in this Contract, Party A shall have the right to place a lien on Party B's property as required by the circumstances. If Party B fails to pay the amount due within five days after Party A notifies Party B in writing of the lien on its property, Party B shall be deemed to have consented to Party A's disposal of the liened property by sale or other legal means to satisfy the outstanding amount. The expenses incurred by Party A for disposal of the liened property by sale or other legal means shall be borne by Party B.

5. Upon the expiration of the lease term or the termination of this Contract, if Party B commits no breach of contract and pays off the outstanding rent, property management fee, utilities and other expenses incurred by Party B during the lease term, Party A will refund the performance bond and utilities bond to Party B interest-free upon confirmation by Party A and the property management company.

6. If Party B fails to return the Leased Property upon the expiration of the lease term or the termination of this Contract, Party A shall have the right to recover from Party B the usage fee of the property occupied after the expiration until the actual return of the Leased Property at the rate twice the standard rent.

Article 6 Property Management Provisions

Party B agrees that the property management services will be provided by the property management company entrusted by Party A. The property management company mainly manages the security, sanitation, landscaping, order, fire-fighting, cleaning and supply of water and electricity in the common areas outside the Leased Property, while Party B shall be responsible for the aforesaid matters inside the Leased Property. Party B shall submit to the management of the property management company, comply with the management code and various management regulations specified by the property management company, and pay the fees payable such as utilities, parking fees, and sewage charges and bear the corresponding share of the costs in accordance with the relevant regulations.

Article 7 Decoration and Maintenance Provisions

1. Party B may not demolish and alter the structure and facilities of the property, increase the load on the external walls, overload the property, stack flammable, explosive and dangerous items, or renovate the property without permission, subject to the relevant municipal regulations of Guangzhou.

2. The Leased Property is delivered for use on an as is basis (at the time of entering into this Contract, Party B has fully understood the current status of the Leased Property and confirmed that it meets Party B's actual needs). With Party A's written consent, Party B may carry out interior decoration of the Leased Property at its own expense. If this Contract is terminated through no fault of Party A, Party A shall not be required to provide any compensation or indemnity to Party B for the expenses incurred by Party B in connection with the interior decoration of the Leased Property. When decorating the Leased Property, Party B must comply with the decoration rules and regulations specified by Party A and the property management company, and pay the decoration deposit to the property management company. In case of connection, alteration or relocation of central systems such as water, electricity, gas, fire-fighting, communication, security, and sewage, as well as addition and alteration of other fixed facilities, Party B must obtain the written consent of Party A and the property management company, and be subject to the supervision by Party A and the property management company.

3. Upon completion of all of its decoration works, Party B shall report to the property management company and relevant government departments for inspection to determine that the decoration works meet the safety specifications, and provide valid documents to Party A for future reference.

4. Party B shall be responsible for the repair and replacement for the wear and tear of the equipment (such as air conditioners, tables and chairs, faucets, doors and windows) and consumable items such as light bulbs added by Party B to the Leased Property. Party B shall make reasonable use of the Leased Property and its ancillary facilities. If damage is caused due to improper use, Party B shall immediately make repairs or compensate Party A for the loss.

5. If the basic equipment and facilities provided by Party A after Party B leases the property cannot meet its operational needs, Party B shall fund the construction of the required water and electricity expansion, sewerage, environmental protection facilities, environmental renovation and other projects, as well as the installation and configuration of production equipment, water and electricity supply, power distribution, fire protection and environmental protection facilities that Party B adds for its own operational needs. If the renovation operations are subject to inspection and acceptance by environmental protection, health, fire protection and other departments, Party B shall handle these in accordance with the procedures and requirements provided by relevant laws, regulations and policies, and obtain permission or pass the inspection and acceptance before putting such facilities into use, otherwise the resulting administrative penalties shall be solely borne by Party B. If losses are thus caused to Party A, Party B shall compensate for all the losses incurred by Party A.

Article 8 Rights and Obligations of Party A

1. Party A shall have the right to collect from Party B the rent and other expenses that shall be borne by Party B as agreed in this Contract.

2. Party A shall have the right to supervise and give reasonable advice on Party B's use of the Leased Property. Party A shall have the right to enforce the relevant provisions of this Contract in case Party B violates the provisions of this Contract. However, Party A may not disturb or hinder Party B's normal and reasonable use of the Leased Property.

3. During the lease term, Party A shall notify Party B in writing not less than 2 months in advance if Party A transfers the Leased Property, or 30 calendar days in advance if Party B hypothecates the Leased Property. For the avoidance of doubt, the occurrence of any change in the ownership of the Leased Property during the lease term that is not caused by the exercise of the mortgage by the mortgagee shall not affect the validity of this Lease Contract; if Party A terminates this Contract on such basis, it shall be held liable for breach in accordance with Paragraph 3 of Article 10 hereof.

4. If Party B is required to go through relevant approval procedures due to business or other requirements of laws and regulations, Party A shall render necessary assistance.

5. During the lease term, Party A may directly commission the property management service provider to assist in the management of the Leased Property and coordinate the resolution of disputes.

6. Party A shall keep strictly confidential the non-public information of Party B that it becomes aware of during the lease term, including but not limited to technical information, intellectual property rights, information of R&D technicians (excluding information learned through regular channels such as information used for normal access cards and meal cards), trade secrets, etc. Party A shall not provide or disclose the above information of Party B to other parties in any form except with Party B's prior written consent. The provisions of this Article shall not be invalidated by the rescission or termination of this Contract.

Article 9 Rights and Obligations of Party B

1. Party B shall pay the rent and other related expenses in full and on time as agreed in this Contract.

2. During the lease term, without Party A's written consent, Party B may not sublease part or all of the Leased Property to a third party, lend the same to a third party for use with or without compensation, or otherwise make the same available for use by a third party. If Party A approves in writing Party B to sublease or lend the Leased Property for use by a third party, Party B shall ensure that such third party fully complies with Party B's obligations under this Contract. Party B shall be jointly and severally liable for any loss incurred by Party A as a result of the acts of such third party. If Party B really needs to arrange for its affiliates or third parties to occupy the Leased Property during the lease term due to reasonable commercial planning, the Parties may negotiate separately on a case-by-case basis and Party A agrees to render active cooperation.

3. In accordance with relevant laws and regulations, Party B shall be responsible for handling, at its own expense, all matters required by law to be completed before opening, such as business license, secondary fire protection, and environmental protection, while Party A shall provide necessary assistance. Party B shall not start operation until it has successfully applied for and obtained such licenses and certificates on its own.

4. Party B shall be solely responsible for the internal sanitation, security, utilities, telephone, air conditioning, landscaping costs of the Leased Property and all other costs arising from the use of the property for commercial activities (including but not limited to the costs of broadband, cable TV and other equipment installed by Party B upon its own application).

5. During the lease term, Party B may not store any flammable, explosive, toxic or radioactive items or prohibited items in the Leased Property, nor may it engage in any illegal activities therein.

6. Party B has no right to alter the purpose for which the Leased Property has been leased without permission.

7. Under the same conditions as those proposed by any other interested customer, Party B shall have the priority to renew the lease, with the rent and other lease conditions being subject to the contract re-signed by the Parties.

8. Party B shall provide the aforesaid fire-fighting equipment at its own expense at the rate of two 3 kg fire extinguishers and two gas masks per 20 square meters in accordance with the regulations of the government fire department (subject to the latest equipment requirements of the government fire department).

Article 10 Breaches

Either Party violating this Contract shall be deemed to be in breach, and the Breaching Party shall be held liable for such breach and compensate for the economic loss thus sustained by the Non-breaching Party. At the same time, the Breaching Party shall bear the legal costs, preservation fees, attorney's fees, travel expenses, notary fees, investigation fees, announcement fees, evaluation and appraisal fees, and enforcement fees incurred by the Non-breaching Party to pursue the liability of the Breaching Party. The circumstances falling under the following provisions shall be dealt with accordingly:

1. If Party A refuses to perform this Contract without any agreed or legal reason during the lease term, Party B shall notify Party A in writing and requests it to take appropriate measures within a reasonable period of time. If Party A fails to take such measures within a reasonable period of time upon Party B's reminder, Party B shall have the right to terminate this Contract and require Party A to return the performance bond in double.

2. During the lease term, any of the following acts of Party B will be deemed as a serious breach of contract, which shall entitle Party A to terminate this Contract without returning the performance bond to Party B, demand compensation for losses, and take measures (including but not limited to) cutting off water and electricity supply:

   (1) Party B owes Party A the rent or property management fee for 30 consecutive calendar days, or defaults on the rent or property management fee more than twice in a year;

   (2) Party B defaults on the payment of water and electricity charges to the extent of RMB 3,000 or more;

   (3) Party B breaches Paragraph 1 of Article 7 or Paragraphs 2, 3, 5 and 6 of Article 9 of this Contract;

   (4) In the course of production and operation, Party B negatively affects the normal operations of other owners or tenants, giving rise to 3 incidents such as complaints and petitions cumulatively;

   (5) Party B damages public and private interests by conducting illegal activities;

   (6) Party B violates the relevant laws and regulations on production safety management, and refuses to make rectification or fails to complete the rectification satisfactorily;

   (7) Party B damages the Leased Property intentionally;

   (8) Other circumstances where this Contract may be terminated and the property repossessed as provided by laws and regulations.

In the case of Subparagraphs 1 and 2 above, for each day of delay, the overdue liquidated damages shall be accrued on a daily basis at the rate of three ten-thousandths of the amount in arrears from the overdue date, and the rent shall be accrued in accordance with the provisions of Article 2 of this Contract and the actual lease term.

3. If a Party unilaterally proposes to cancel this Contract during the lease term due to no legal or agreed reasons, the Non-breaching Party shall be entitled to claim damages and to receive liquidated damages at the rate of 20% of the total rent for the duration of the lease.

Article 11 Negotiated Modification or Rescission

Either Party may promptly propose to modify or rescind this Contract without incurring liability to the other Party for breach of contract if any of the following circumstances arises:

1. The performance of the lease contract cannot be continued due to changes in laws, regulations, local policies or due to force majeure;

2. The property is required to be expropriated or requisitioned for urban construction planning or urban renewal and renovation; and

3. The relevant matters have been contractually stipulated or agreed upon by the Parties but are not fulfilled.

Article 12 Miscellaneous

1. Party A has the right to appoint a property management company for property management, and any change of the property management company shall not affect the performance of this Contract.

2. Party A acknowledges that prior to the execution of this Contract, it has fully disclosed to Party B the information concerning the Leased Property that is not materially concealed or misleading, and has no objection to this Contract; by executing this Contract, Party A is deemed to have agreed to assume responsibility and perform its obligations in accordance with the provisions of this Contract.

3. Party B acknowledges that prior to entering into this Contract, it has gained detailed knowledge of the current status of the Leased Property and has no objection to this Contract; by executing this Contract, Party B is deemed to have agreed to assume responsibility and perform its obligations in accordance with the provisions of this Contract.

4. In case of any conflict between the relevant documents involved in Party B's application for business qualification certificates and this Contract, the provisions of this Contract shall prevail.

5. This Contract shall be governed by the relevant laws of the People's Republic of China. In the course of performance of this Contract, if any dispute arises, such dispute shall be resolved through negotiation, failing which, either Party may file a lawsuit with the people's court in the place where the Leased Property is located.

6. The Parties acknowledge that the addresses for service of documents agreed upon by them in this Contract are true and valid, and such addresses are applicable to the non-litigation stage, arbitration stage and the first instance, second instance, retrial and enforcement procedures of the litigation stage. Once a dispute enters into the above-mentioned proceedings, the people's court of competent jurisdiction may serve all kinds of legal instruments either directly or by post at the agreed addresses for service of instruments, and the Parties shall bear the legal consequences of valid service in accordance with this Contract. If a Party needs to change its address for service of instruments, it shall notify the other Party in writing within 7 working days after the change. If it fails to notify the other Party in the agreed manner, the original address for service of instruments shall remain the valid address for service.

   (1) Any instrument sent by express mail or registered mail by Party A (or Party B) at Party B's (or Party A's) address for service as agreed in this Contract shall be deemed to be served five days after it is sent.

   (2) The competent people's court will effect service at the addresses agreed upon by the Parties. If a legal instrument is not actually received by a Party because the address for service provided or confirmed by the Party is inaccurate, or the Party fails to promptly inform the other Party or the people's court in accordance with the procedures after the address for service has changed, or the Party or its designated recipient refuses to sign for it, the service shall also be deemed completed. In the case of service by mail, the date of return of the instrument shall be deemed to be the date of service; in the case of direct service, the date of service shall be deemed to be the date when the server certifies the relevant facts on the proof of service.

7. From the date of entering into this Contract, Party B shall provide the relevant documents required for the filing and registration of the housing lease, while Party A shall be responsible for completing the filing and registration within 7 working days thereafter.

8. This Contract is made in octuplicate, and shall come into effect after it is signed and affixed with the official seals by the legal representatives or authorized representatives of the Parties. Party A shall hold four copies, Party B three copies and one copy shall be submitted for filing purpose.

9. Reminder and acknowledgement: Party A has drawn Party B's attention to a comprehensive and accurate understanding of the terms and conditions of this Contract and has provided corresponding explanations of the terms and conditions at Party B's request, and the Parties share the same understanding of the meaning of this Contract. Party B is aware and acknowledges that Party A has given special reminders and full explanations concerning the terms that relieve Party A of its liabilities and limit Party B's rights when entering into this Contract.

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Annexes: 1. Floor Plan of the Leased Property; 2. Specific Floor Area of the Leased Property; 3. Copy of the Business License of the Lessee; 4. Production Safety Management Agreement; 5. Copy of the Real Estate Title Certificate of the Leased Property

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Party A: Guangzhou Nantou Real Estate Development Co., Ltd.
Legal Representative or Authorized Representative (signature): /s/ SONG Rong
Correspondence address: 7/F, Pearl Development Building, 1 Mingzhu 1st Street, Hengli Town, Nansha District, Guangzhou
Contact number: [**********]
Date: September 12, 2019

Party B: Guangzhou (ZX) Pony. AI Technology Co., Ltd.
Legal Representative or Authorized Representative (signature): /s/ ZHANG Ning
Account bank:
Account name:
Bank account no.:
Taxpayer Identification Number:
Contact number:
Correspondence address: 12/F, Pearl Development Building, 1 Mingzhu 1st Street, Hengli Town, Nansha District, Guangzhou
Date: