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

FORM 20-F

(Mark One)

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

OR

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

For the fiscal year ended December 31, 2025

OR

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

For the transition period from _____ to _____

OR

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

Date of event requiring this shell company report

Commission file number: 001-42213

WeRide Inc.

(Exact Name of Registrant as Specified in its Charter)

N/A

(Translation of Registrant's Name into English)

Cayman Islands

(Jurisdiction of Incorporation or Organization)

21st Floor, Tower A, Guanzhou Life Science Innovation Center,
No. 51, Luoxuan Road, Guangzhou International Biotech Island,
Guangzhou 510005

People's Republic of China
(Address of Principal Executive Offices)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American Depositary Shares, each representing three Class A ordinary shares par value US\$0.00001 per share	WRD	The Nasdaq Stock Market LLC (The Nasdaq Global Select Market)
Class A ordinary shares, par value US\$0.00001 per share*		The Nasdaq Stock Market LLC (The Nasdaq Global Select Market)

(1) * Not for trading, but only in connection with the listing on The Nasdaq Global Select Market of our American depositary shares, each representing three Class A ordinary shares

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

None
(Title of Class)

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

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of December 31, 2025, there were 1,027,322,464 ordinary shares outstanding, being the sum of 972,508,041 Class A ordinary shares and 54,814,423 Class B ordinary shares.

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

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

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer Emerging growth company

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. Yes No

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

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

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

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

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

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INTRODUCTION

Unless otherwise indicated and except where the context otherwise requires, references in this annual report to:

- “ADAS” are to advanced driver-assistance system;
- “ADRs” are to the American depositary receipts that may evidence the ADSs;
- “ADSs” are to the American depositary shares, each of which represents three Class A ordinary shares;
- “Class A ordinary shares” are to the Class A ordinary shares of WeRide Inc., par value US\$0.00001 per share;
- “Class B ordinary shares” are to the Class B ordinary shares of WeRide Inc., par value US\$0.00001 per share;
- “commercialization revenue” are to revenue generated from products and services which have been commercially deployed;
- “CSRC” are to China Securities Regulatory Commission;
- “Exchange Act” are to the United States Securities Exchange Act of 1934, as amended;
- “Global Offering” are to the public offering of our Class A ordinary shares in connection with the Hong Kong Listing;
- “GNSS” are to global navigation satellite system;
- “Guangzhou Jingqi” are to Guangzhou Jingqi Technology Ltd.;
- “Hong Kong Listing” refers to the listing of our Class A ordinary shares on the Main Board of the Hong Kong Stock Exchange;
- “Hong Kong Stock Exchange” refers to The Stock Exchange of Hong Kong Limited;
- “IDE” are to integrated development environment;
- “IFRS” are to International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board;
- “IMU” are to inertial measurement unit;
- “LiDAR” are to light detection and ranging;
- “OEM” are to original equipment manufacturer;
- “ordinary shares” are to the Class A ordinary shares and Class B ordinary shares of WeRide Inc., par value US\$0.00001 per share;
- “our WFOE” or “the WFOE” or “Wenyuan Guangzhou” are to Guangzhou Wenyuan Zhixing Technology Co., Ltd.;
- “PCAOB” are to The United States Public Company Accounting Oversight Board;
- “RMB” and “Renminbi” are to the legal currency of mainland China;
- “R&D” are to research and development;

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- “SAFE” are to the State Administration of Foreign Exchange of mainland China;
- “Securities Act” are to the United States Securities Act of 1933, as amended;
- “US\$,” “U.S. dollars,” “\$,” and “dollars” are to the legal currency of the United States;
- “U.S. IPO” is to the initial public offering of our Class A ordinary shares represented by ADSs in the United States;
- “We,” “us,” “our company” and “our” are to WeRide Inc., our Cayman Islands holding company and its subsidiaries, including WeRide, and “WeRide” are to Guangzhou Wenyuan Zhixing Technology Co., Ltd. and its subsidiaries in mainland China. Unless otherwise specified, in the context of describing business and operations, we are referring to the business and operations conducted by WeRide;
- “Wenyuan Jingxing” are to Wenyuan Jingxing (Beijing) Technology Co., Ltd.; and
- “Yutong” are to Zhengzhou Yutong Group Co., Ltd. and its affiliates.

Our reporting currency is Renminbi. This annual report also contains translations of certain foreign currency amounts into U.S. dollars for the convenience of the reader. Unless otherwise stated, all translations from Renminbi into U.S. dollars are made at the rate at RMB6.9931 to US\$1.00, the exchange rate in effect as of December 31, 2025 as set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System. We make no representation that any RMB or U.S. dollar amounts referred to in this annual report could have been or could be converted into U.S. dollars or RMB, as the case may be, at any particular rate, or at all.

Due to rounding, numbers presented throughout this annual report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

FORWARD-LOOKING INFORMATION

This annual report contains forward-looking statements that reflect our current expectations and views of future events. All statements other than statements of current or historical facts are forward-looking statements. These forward-looking statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigations Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify some of these forward-looking statements by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “is/are likely to,” “potential,” “continue” or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, but are not limited to, statements relating to:

- our mission, goals and strategies;
- our future business development, financial condition and results of operations;
- the expected changes in our revenue, expenses or expenditures;
- the expected growth of the autonomous driving market in China and globally;
- our expectations regarding demand for and market acceptance of our products and services;
- our ability to improve and enhance our autonomous driving technology and offer quality products and services;
- competition in our industry;
- government policies and regulations relating to our industry;
- general economic and business conditions in China and globally;
- the outcome of any legal or administrative proceedings; and
- assumptions underlying or related to any of the foregoing.

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

You should not rely upon forward-looking statements as predictions of future events. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

Our Holding Company Structure and Risks Related to Doing Business in Mainland China

WeRide Inc. is not an operating company in China, but a Cayman Islands holding company with operations mainly conducted by its subsidiaries in mainland China. As used in this annual report, “we,” “us,” “our company,” “the Company” or “our” refers to WeRide Inc., our Cayman Islands holding company, and its subsidiaries.

We face various legal and operational risks and uncertainties associated with being based in or having our operations primarily in mainland China and the complex and evolving PRC laws and regulations. For example, we face risks associated with the fact that the PRC government has significant authority in regulating our operations and may influence or intervene in our operations at any time, regulatory approvals on offerings conducted overseas by, and foreign investment in, China-based issuers, anti-monopoly regulatory actions, and oversight on data security. These risks could result in a material adverse change in our operations and the value of our ADSs, significantly limit or completely hinder our ability to offer or continue to offer securities to investors, or cause the value of such securities to significantly decline or become of little or no value. For a detailed description of risks related to doing business in mainland China, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in mainland China.”

PRC government’s significant authority in regulating our operations and its oversight and control over offerings conducted overseas by, and foreign investment in, China-based issuers, could significantly limit or completely hinder our ability to offer or continue to offer securities to investors. Implementation of industry-wide regulations in this nature may cause the value of such securities to significantly decline or become of little or no value. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in mainland China—The PRC government’s significant oversight and discretion over our business operation could result in a material adverse change in our operations and the value of our ADSs.”

Risks and uncertainties arising from the legal system in mainland China, including risks and uncertainties regarding the enforcement of laws and quickly evolving rules and regulations in China, which may also exist in other jurisdictions, could result in a material adverse change in our operations and the value of our ADSs. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in mainland China—There may be changes from time to time in the interpretation and application of the laws of mainland China, and any failure to comply with laws and regulations could have a material adverse effect on our business, results of operations, financial condition and the value of our ADSs.”

Permissions Required from the PRC Authorities for Our Operations

We conduct our business primarily through our subsidiaries in mainland China. Our operations in mainland China are governed by PRC laws and regulations. As of the date of this annual report, as advised by Commerce & Finance Law Offices, we have obtained all of the requisite licenses and permits from the PRC government authorities that are material for our business operations, including, among others, a license for ride hailing operations for the *WeRide Go* app, two urban solid waste licenses and several road testing permits held by our mainland China subsidiaries. However, we may be required to obtain additional licenses, permits, filings or approvals for our products and services in the future. If (i) we fail to obtain, maintain or renew the relevant licenses, permits, filings or approvals, (ii) we inadvertently conclude that such licenses, permits, filings or approvals are not required, while they actually are required, or (iii) we are required to obtain the relevant approval or complete other filing procedures as a result of changes of applicable laws, regulations or interpretations thereof but fail to do so, as the case may be, the competent PRC government authorities may have the power to, among other things, levy fines, confiscate our income, revoke our licenses, and require us to discontinue our relevant business or impose restrictions on the affected portion of our business. Any of these actions by government authorities may have a material and adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ADSs. See “Item 3. Key Information—Risk Factors—Risks Related to Our Business and Industry—Any lack of requisite approvals, licenses or permits applicable to our business operation may have a material and adverse impact on our business and results of operations.”

Permissions Required from the PRC Authorities for Overseas Securities Offerings

On December 28, 2021, the Cyberspace Administration of China, or the CAC, together with certain other PRC governmental authorities, jointly released the Revised Cybersecurity Review Measures, which took effect on February 15, 2022. Pursuant to the Revised Cybersecurity Review Measures, (i) operators of critical information infrastructure that intend to purchase network products and services and online platform operators that conduct data processing activities, in each case that affect or may affect national security, and (ii) operators of network platforms seeking listing abroad that are in possession of more than one million users’ personal information must apply for a cybersecurity review. The Revised Cybersecurity Review Measures set out certain general factors which would be the focus in assessing the national security risk during a cybersecurity review, including without limitation, risks of influence, control or malicious use of critical information infrastructure, core data, important data or large amounts of personal information by foreign governments in relation to a listing abroad. If we are required to go through a cybersecurity review, we face uncertainties as to whether we will be able to timely complete the review, or at all, which may subject us to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, and materially and adversely affect our business and results of operations.

As of the date of this annual report, we are not in possession of more than one million users’ personal information. However, if we plan to list our securities on other foreign exchanges in the future, and if by that time the amount of users’ personal information we possess exceeds one million, we will be obligated to apply for a cybersecurity review. For detailed information, see “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Our business generates and processes a large amount of data, and we are required to comply with PRC and other regions’ applicable laws relating to privacy and cybersecurity. The improper use or disclosure of data or failure to comply with applicable laws and regulations could have a material and adverse effect on our business and prospects.”

On February 17, 2023, the CSRC, as approved by the State Council, released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines, or the Filing Rules. The Filing Rules took effect on March 31, 2023, when the CSRC started to accept filing applications. Under the Filing Rules, a filing-based regulatory system will apply to “indirect overseas offering and listing” of PRC domestic enterprises, which refers to such securities offering and listing in an overseas market made by an offshore entity based on the underlying equity, assets, earnings or other similar rights of a domestic enterprise which operates its main business domestically in mainland China. The Filing Rules apply to all overseas equity financing and listing activities of PRC domestic enterprises, including initial and follow-on offerings of shares, depository receipts, convertible corporate bonds, or other equity instruments and trading of securities in overseas market.

We have completed the required filings with the CSRC in accordance with the requirements under the Filing Rules for our initial public offerings on the Nasdaq Global Select Market and the Hong Kong Stock Exchange, with the CSRC having concluded the filing procedure and published the filing results on its website on October 17, 2024 and September 24, 2025, respectively. However, under the Filing Rules, any post-listing follow-on offering by an issuer in the same overseas market shall be subject to filing requirements within three business days after the completion of the offering. Furthermore, any future capital raising activities such as follow-on equity or debt (exchangeable for the Company's equity) offerings, listing on other stock exchanges and going private transactions, may also be subject to the filing requirement with the CSRC. Failure to complete such filing procedures as required under the Filing Rules, or a rescission of any such filings completed by us, would subject us to sanctions by the CSRC or other PRC regulatory authorities, which could include fines and penalties on our operations in mainland China, and other forms of sanctions that may materially and adversely affect our business, financial condition and results of operations. For detailed information, see "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in mainland China—We may be required to complete filing procedures with the China Securities Regulatory Commission in connection with our future offerings. We cannot predict whether we will be able to complete such filing on a timely manner, or at all."

The Holding Foreign Companies Accountable Act

Pursuant to the Holding Foreign Companies Accountable Act, which was enacted on December 18, 2020 and further amended by the Consolidated Appropriations Act, 2023, signed into law on December 29, 2022, or the HFCAA, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the Public Company Accounting Oversight Board, or the PCAOB, because of a position taken by an authority in the foreign jurisdiction for two consecutive years, the SEC will prohibit our shares or the ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States. On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, including our auditor. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we continue to use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the Securities and Exchange Commission, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. There can be no assurance that we would not be identified as a Commission-Identified Issuer for any future fiscal year, and if we were so identified for two consecutive years, we would become subject to the prohibition on trading under the HFCAA. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—The PCAOB had historically been unable to inspect our auditor in relation to their audit work" and "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting or prohibited from trading of the ADSs, or the threat of their being delisted or prohibited from trading, may materially and adversely affect the value of your investment."

Cash Flows through Our Organization

WeRide Inc., our Cayman Islands holding company may transfer cash to WeRide HongKong Limited, the wholly-owned Hong Kong subsidiary of WeRide Inc., by making capital contributions or providing intra-group loans. WeRide HongKong Limited, in turn, may transfer cash to its wholly-owned subsidiary in mainland China by making capital contributions or providing intra-group loans to them. Our subsidiaries may also provide intra-group loans to WeRide Inc. If our existing PRC subsidiaries or any newly formed ones incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to WeRide HongKong Limited. In addition, our wholly foreign-owned subsidiaries in China are permitted to pay dividends to WeRide HongKong Limited only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under the PRC Company Law, each of our PRC subsidiary 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 their registered capital. In addition, our wholly foreign-owned subsidiaries in mainland China may allocate a portion of their after-tax profits based on PRC accounting standards to enterprise expansion funds, staff bonus and welfare funds at their discretion, and their subsidiaries may allocate a portion of their after-tax profits based on PRC accounting standards to a surplus fund at their 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 mainland China is subject to examination by the banks designated by SAFE. Upon satisfaction of the aforementioned statutory conditions and procedures, if our wholly-owned subsidiaries in mainland China generate accumulated profits and meet the requirements for statutory reserve funds, they may pay dividends or distribute earnings to WeRide HongKong Limited. WeRide HongKong Limited, in turn, may transfer cash to WeRide Inc. through dividends or other distributions. With necessary funds, WeRide Inc. may pay dividends or make other distributions to U.S. investors and service any debt it may have incurred outside of mainland China. As of the date of this annual report, our wholly-owned subsidiaries in mainland China have not paid any dividends to WeRide HongKong Limited or other entities outside of mainland China.

We have established stringent controls and procedures for monitoring cash flows within our organization. The cash of our group is under the unified management of our finance department. Each cash requirement, after raised by the business department of an operating entity, is required to go through a two-to-five-level review process, depending on the relevant business department making such request and the amount of cash involved. A single employee is not permitted to complete all requisite reviews of a cash transfer, but rather only portions of the whole procedure. For special cash requirements that are out of the ordinary course of our business, additional review may be required to ensure the cash transfer is compliant with our internal policies and procedures. After such cash requirement is approved by the responsible persons in the finance department, the treasury department makes the cash transfer to the relevant operating entities. We strictly follow the foregoing controls and procedures to ensure that each transfer of cash among our Cayman Islands holding company and our subsidiaries is subject to internal approval. To date, we have not had any difficulty in transferring cash among our Cayman Islands holding company and our subsidiaries. In the future, we plan to continue to transfer cash within our organization based on the working capital needs of each operating entity within our organization.

On March 21, 2023, we completed the unwinding of the VIE (as defined below) structure by terminating the contractual arrangements and acquiring the VIE as our wholly-owned subsidiary. The following table sets forth the amount of certain transfers during the year ended December 31, 2023.

	Year Ended December 31, 2023
	<i>(RMB in thousands)</i>
Loans from WeRide Inc. to subsidiaries	2,362,772
Repayment from subsidiaries to WeRide Inc. ⁽¹⁾	708,391
Capital contributions from HK subsidiary to mainland China subsidiaries	986,020
Amounts paid by Guangzhou Jingqi and its subsidiaries to WFOE under intra-group transactions	1,595
Amounts paid by WFOE to Guangzhou Jingqi and its subsidiaries under intra-group transactions	162,044
Loans from WFOE to Guangzhou Jingqi and its subsidiaries	251,142
Loans from Guangzhou Jingqi and its subsidiaries to WFOE	45,544

Note:

(1) WeRide Corp., our subsidiary in the United States, was the only subsidiary that provided repayment in 2023.

For the year ended December 31, 2024, we provided loans to our subsidiaries totaling RMB3,574.5 million; our subsidiaries repaid RMB242.8 million to us, and our Hong Kong subsidiary contributed capital of RMB1,434.7 million to our mainland China subsidiaries. For the year ended December 31, 2025, we provided loans to our subsidiaries totaling RMB314.3 million; our subsidiaries repaid RMB282.4 million to us, and our Hong Kong subsidiary contributed capital of RMB857.3 million to our mainland China subsidiaries. For the years ended December 31, 2024 and 2025, no assets other than cash were transferred between the Cayman Islands holding company and its subsidiaries. As of the date of this annual report, no subsidiary has paid dividends or made other distributions to the Cayman Islands holding company, and no dividends or distributions have been paid or made to U.S. investors. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business. See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Policy.”

In light of our holding company structure as well as our substantive operation in mainland China, our ability to pay dividends to the shareholders, including the investors in the ADSs, and to service any debt we may incur, may highly depend upon dividends paid by our WFOE to us, despite that we may obtain financing at the Cayman Islands holding company level through other methods. However, under PRC laws and regulations, our mainland China subsidiaries are subject to certain restrictions with respect to paying dividends or otherwise transferring any of their net assets to us and the investors in the ADS. Remittance of dividends by a wholly foreign-owned enterprise out of mainland China is also subject to examination by the banks designated by SAFE. The amounts restricted, which represents the paid-in capital and additional paid-in capital of our WFOE and its subsidiaries, totaled RMB3,989.2 million and RMB5,631.8 million (US\$805.3 million) as of December 31, 2024 and 2025, respectively. Furthermore, cash transfers from our mainland China subsidiaries to entities outside of mainland China are subject to PRC government control of currency conversion. Shortages in the availability of foreign currency may temporarily delay the ability of our mainland China subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations. For risks relating to the fund flows of our operations in mainland China, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in Mainland China—We may rely on dividends and other distributions on equity paid by our mainland China subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our mainland China subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business,” and “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in Mainland China—PRC regulations of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of our offshore offerings to make loans or additional capital contributions to our mainland China subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.”

For the Cayman Islands, PRC and U.S. federal income tax considerations applicable to an investment in our securities, see “Item 10. Additional Information—E. Taxation.” If any dividend is paid by our mainland China subsidiaries to us in the future, under the PRC Enterprise Income Tax Law, or the EIT Law, and its implementation rules, dividends from our PRC subsidiaries to its non-PRC shareholders may be subject to a 10% withholding tax if such dividends are derived from profits. If WeRide Inc. or our offshore subsidiaries are deemed to be a PRC resident enterprise (we do not currently consider WeRide Inc. or our offshore subsidiaries to be PRC resident enterprises), the withholding tax may be exempted, but WeRide Inc. or our offshore subsidiaries will be subject to a 25% tax on our worldwide income, and our non-PRC enterprise investors may be subject to PRC income tax withholding at a rate of 10%.

Unwinding of Our VIE Structure

We had historically relied on contractual arrangements among our WFOE, Guangzhou Jingqi, or the VIE, and the former shareholders of the VIE to direct the business operations of the VIE. On March 21, 2023, we completed the unwinding of the VIE structure by terminating the contractual arrangements and acquiring the VIE as our wholly-owned subsidiary. We do not believe that a VIE structure is necessary for our operations under PRC laws and regulations.

We terminated the VIE primarily due to economic reasons and the increased regulatory scrutiny over VIE structure. Before the unwinding of the VIE structure, the VIE historically held an ICP License and a surveying and mapping certificate, both of which are subject to foreign investment restrictions. The VIE obtained the ICP License because we believed that an ICP license might be required for our online ride-hailing platform. However, as subsequently confirmed with the relevant authorities, if the online ride-hailing platform only engages in the publication of information related to online ride-hailing, it does not need an ICP license. Maintaining the ICP License incurs incremental costs without bringing any material benefits. As a result, the VIE completed the deregistration of the ICP License. While the VIE historically conducted our surveying and mapping business, we have since been cooperating with Guangzhou Yuji Technology Co., Ltd., or Guangzhou Yuji, a service provider that possesses a navigation electronic map production and surveying license, for such functions. Based on our communications with investors, we believe that investors may prefer a simpler corporate structure that does not involve a VIE. Compared to relying on the VIE structure, our cooperation with Guangzhou Yuji for surveying and mapping presents better corporate governance, involves less burdensome disclosure requirements, and is more accepted by the investor community.

Guangzhou Yuji is an entity in which a substantial interest in the voting power is owned by a sibling of Dr. Tony Xu Han, our chairman and chief executive officer. We have maintained a mapping and data services procurement framework with Guangzhou Yuji since 2022. We most recently renewed our procurement framework on October 15, 2025 by entering into a Mapping and Data Services Procurement Framework Agreement with Guangzhou Yuji, which agreement commenced on November 6, 2025 and will expire on December 31, 2027. Pursuant to the agreement, Guangzhou Yuji provides certain mapping and data services to us and our subsidiaries for ordinary business purposes, including high-precision map collection, production and manufacturing services, as well as data collection and compliance services. We make quarterly service fee payments to Guangzhou Yuji under the agreement, and both parties are subject to a strict confidentiality clause thereunder.

The Foreign Investment Law grants national treatment to foreign-invested entities, except for those foreign invested entities that operate in industries specified as either “restricted” or “prohibited” from foreign investment in the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Edition), or the Negative List 2024. Any industry not listed on the Negative List 2024, including autonomous driving, is a permitted industry and generally accessible to foreign investment unless specifically prohibited or restricted by any PRC laws or regulations. Our PRC subsidiaries do not engage in any business activities that are prohibited or restricted for foreign investment under the Negative List 2024. As a result, we do not need a VIE structure to operate the business of our PRC subsidiaries.

We had historically entered into a series of contractual agreements with the VIE and its former shareholders, pursuant to which we had (i) the power to direct the management, financial and operating policies of the VIE, and (ii) exposure or rights to variable returns from our involvement with the VIE and the ability to use our power over the VIE to affect the amount of the returns. As a result, we treated the VIE and its subsidiaries as our consolidated entities under IFRS, and we consolidated the financial results of the VIE and its subsidiaries in our consolidated financial statements in accordance with IFRS before March 21, 2023.

A. [Reserved]

B. Capitalization and indebtedness

Not applicable.

C. Reasons for the offer and use of proceeds

Not applicable.

D. Risk factors

An investment in our ADSs or Class A ordinary shares involves significant risks. You should carefully consider all of the information set forth in this annual report and in our other filings with the United States Securities and Exchange Commission, including the following risk factors, in evaluating our business. If any of the following risks actually occur, our business, financial condition, operating results, and growth prospects would likely be materially and adversely affected. This annual report also contains forward-looking statements that involve risks and uncertainties. See “Forward-Looking Information.”

Summary of Risk Factors

The following summary description sets forth an overview of the material risks we are exposed to in the normal course of our business activities. The summary does not purport to be complete and is qualified in its entirety by reference to the full risk factor discussion immediately following this summary description. We encourage you to read the full risk factor discussion carefully.

Our business, results of operations and financial condition could be materially and adversely affected by any of the following material risks:

Risks Related to Our Business and Industry

Risks and uncertainties related to our business and industry include, but are not limited to, the following:

- We are a company with a limited operating history and financial track record in the emerging and fast-evolving autonomous driving industry, which involves significant risks and uncertainties.
- We are making, and expect to continue to make in the foreseeable future, substantial investments in developing new offerings and technologies. These new initiatives are inherently risky, and we may not realize the expected benefits from them.
- We have a history of net losses and operating cash outflow. There is no assurance that we will become or subsequently remain profitable.
- If we fail to obtain or raise sufficient capital to maintain our operations and finance our growth strategies, or fail to do so on favorable or commercially acceptable terms to us, our operations and prospects could be negatively affected.
- Autonomous driving technology is an emerging technology, and we face significant challenges to develop and commercialize our technology. Our technology may not perform as well as we expect or may take us longer to commercialize than is currently projected.
- Since the market for autonomous driving products and services is relatively new and disruptive, if our autonomous driving products and services fail to gain acceptance from the general public, regulatory authorities, our target customers, users or other stakeholders, or fail to do so at the pace we expect, our business, prospects, operating results and financial condition could be materially harmed.
- Our business model has been tested only to a limited extent, and any failure to commercialize our strategic plans, technologies, products or services would have an adverse effect on our operating results and business.
- If our autonomous driving technology products and services fail to meet evolving customer needs, respond to the industry evolution appropriately, tailor to developing use cases or to perform as expected, our ability to market or sell our products and services could be adversely affected.
- Failure to continue to attract and retain customers, manage our relationship with them or increase their reliance on our products and services could materially and adversely affect our business and prospects.
- Our customers' ability to make payments may be negatively impacted by the economic downturns, leading to longer payment cycles and increased difficulties in collecting receivables, which poses a risk to our cash flow and overall liquidity.
- Because some key components in our vehicles come from limited sources of supply, we may be susceptible to supply shortages, price adjustment, long lead time for components and other supply changes, any of which could disrupt our supply chain.

Risks Related to Our Intellectual Property Rights

We face risks and uncertainties related to our intellectual property rights, including, but not limited to, the following:

- We may not be able to adequately establish, maintain, protect and enforce our intellectual property and proprietary rights or prevent others from unauthorized use of our technology and intellectual property rights, which could harm our business and competitive position and also make us subject to litigations brought by third parties.
- We may not be able to protect our intellectual property rights throughout the world, and changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our products.
- We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.
- We utilize open-source software, which may pose particular risks to our proprietary software, technologies, products, and services in a manner that could harm our business.

Risks Related to Our General Operations

We face risks and uncertainties related to our general operations, including, but not limited to, the following:

- We may not be able to execute our growth strategies successfully or manage our growth, and as a result, our business may be adversely affected.
- Our autonomous driving technology and related software and hardware could have undetected defects or contain serious errors, and even where insurance coverage and supplier warranties are in place, such protections may prove inadequate, which could create safety issues, reduce market adoption, damage our brand image, subject us to product recalls or expose us to product liability and other claims that could materially and adversely affect our business.
- Our business generates and processes a large amount of data, and we are required to comply with PRC and other regions' applicable laws relating to privacy and cybersecurity. The improper use or disclosure of data or failure to comply with applicable laws and regulations could have a material and adverse effect on our business and prospects.
- Our operations are subject to extensive and evolving governmental regulations and may be adversely affected by changes in automotive safety regulations that could impose substantial costs, legal prohibitions or unfavorable changes upon our operations, and we may incur material liabilities under, or costs in order to comply with, existing or future laws and regulations.
- The current tensions in international trade and rising political tensions, particularly between the U.S. and China and between the U.S. and the European Union, may adversely impact our business, financial condition, and results of operations.
- We are subject to anti-corruption, export control, sanctions, trade policies and similar laws and regulations, and non-compliance with such laws, regulations, policies and administrative orders can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, financial condition and results of operations.
- Geopolitical instability in the Middle East could disrupt our operations, partnerships and expansion plans in the region, increase our operating costs, and materially adversely affect our business, results of operations and prospects.
- There can be no assurance that we will not be classified as a passive foreign investment company for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. Holders of our ADSs or Class A ordinary shares.

Risks Related to Doing Business in Mainland China

We face risks and uncertainties related to doing business in mainland China in general, including, but not limited to, the following:

- The PCAOB had historically been unable to inspect our auditor in relation to their audit work.
- Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting or prohibited from trading of the ADSs, or the threat of their being delisted or prohibited from trading, may materially and adversely affect the value of your investment.
- Changes in China’s economic, political or social conditions or government policies could have a material adverse effect on our business and operations.
- The PRC government has oversight and discretion over the conduct of our business, and may intervene or influence our operations as the government deems appropriate to advance regulatory and societal goals and policy positions. Actions by the PRC government to exert control over offerings conducted overseas by, and foreign investment in, China-based issuers could significantly limit or completely hinder our ability to offer or continue to offer securities to investors. Implementation of industry-wide regulations in this nature may cause the value of such securities to significantly decline or become of little or no value. For more details, see “—Risks Related to Doing Business in Mainland China—The PRC government’s significant oversight and discretion over our business operation could result in a material adverse change in our operations and the value of our ADSs.”
- Risks and uncertainties arising from the legal system in mainland China, which may also exist in other jurisdictions, including risks and uncertainties regarding the enforcement of laws and the fact that rules and regulations in China may evolve quickly with any public consultation and advanced notice period being relatively short in terms of the time that we may need to fully adapt to such changes, all of which could result in a material adverse change in our operations and the value of our ADSs. For more details, see “—Risks Related to Doing Business in Mainland China—There may be changes from time to time in the interpretation and application of the laws of mainland China, and any failure to comply with laws and regulations could have a material adverse effect on our business, results of operations, financial condition and the value of our ADSs.”
- We are subject to mainland China laws and regulations restricting capital flows which may affect our liquidity. See “—Risks Related to Doing Business in Mainland China—We may rely on dividends and other distributions on equity paid by our mainland China subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our mainland China subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business” and “— PRC regulations of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of our offshore offerings to make loans or additional capital contributions to our mainland China subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.”
- We may be required to complete filing procedures with the China Securities Regulatory Commission in connection with our future offerings. We cannot predict whether we will be able to complete such filing on a timely manner, or at all.

Risks Related to Our Class A Ordinary Shares and ADSs

Risks and uncertainties related to our ADSs include, but are not limited to, the following:

- The trading price of our ADSs may be volatile, which could result in substantial losses to you.

- Substantial future sales or perceived potential sales of our Class A ordinary shares and ADSs in the public market could cause the price of our Class A ordinary shares and ADSs to decline.
- 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.
- Because we do not expect to pay dividends in the foreseeable future, you must rely on price appreciation of our Class A ordinary shares and ADSs for return on your investment.
- The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and the holders of ADSs may not be able to exercise the same rights as our shareholders.

Risks Related to Our Business and Industry

We are a company with a limited operating history and financial track record in the emerging and fast-evolving autonomous driving industry, which involves significant risks and uncertainties.

We commenced operations in 2017. We launched paid robotaxi services to the public in China in 2019. We achieved commercial production of our robobus in China in 2021 and started its public service in Guangzhou in 2022. We also launched our robovan and robosweeper in September 2021 and April 2022, respectively. We started to offer key ADAS technologies and ecosystem support in 2022, and commenced mass production of a leading ADAS in March 2024. We are still in a relatively early stage of development and commercialization.

You should consider our business and prospects in light of the risks and challenges we face as a company with limited operating history into a rapidly-evolving industry, including, among other things, with respect to our ability to:

- design and offer safe, reliable and quality autonomous driving products and services on an ongoing basis;
- establish and expand our customer base for our purpose-built L4 autonomous driving vehicles, including robotaxi, robobus and other vehicle types;
- successfully launch and commercialize future special purpose vehicles;
- successfully expand our operations in the ADAS market leveraging our technological and commercialization experience in the L4 vertical;
- successfully expand to new geographical areas and jurisdictions;
- successfully produce L4 autonomous driving vehicles with our OEM partners in the expected timeline;
- maintain the safe operation of our purpose-built L4 autonomous driving vehicles;
- establish and maintain cooperative relationships with ecosystem partners, such as OEMs, Tier 1 suppliers, logistics and urban service providers, and others;
- improve and enhance our platform and autonomous technology, and maintain a reliable, secure, high-performance and scalable technology infrastructure;
- improve and maintain our operational efficiency;
- successfully market our product and service offerings;

- attract, retain, and motivate talented employees;
- obtain and generate sufficient capital to maintain our operations and grow our business;
- anticipate and adapt to changing market conditions, including technological developments and changes in competitive landscape;
- build a well-recognized and respected brand; and
- navigate an evolving and complex regulatory environment.

If we fail to address any or all of these risks and challenges, our business, prospects, financial condition and results of operations may be materially and adversely affected. There are also a number of additional challenges to autonomous driving, many of which are not within our control, including market acceptance of autonomous driving, governmental licensing requirements, concerns regarding data security and privacy, actual and threatened litigation (whether or not a judgment is rendered against us), and the general perception that an autonomous driving vehicle is not safe because there is no human driver. There can be no assurance that the market will accept our technology, in which case our future business, results of operations and financial condition could be adversely affected. In addition, the global autonomous driving industry is in general in its early stages and rapidly evolving. Our autonomous driving technology has not yet commercialized at a large scale. We cannot assure you that we will be able to adapt to changing market or regulatory conditions swiftly or cost-effectively. If we fail to do so, our business, results of operations and financial condition will be adversely affected.

In addition, because we have limited historical financial track record 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 established market. In future periods, our revenue growth may slow down or even decline for a number of reasons, including slower-than-expected commercialization of our products and services, fiercer competition, unfavorable market conditions and rapidly evolving government regulations. We have encountered in the past, and will continue to encounter in the future, risks and uncertainties frequently experienced by fast-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 outdated, or if we do not address these risks successfully, our actual results of operations could differ materially from our projections, and our business, prospects, financial condition and results of operations could be adversely affected.

We are making, and expect to continue to make in the foreseeable future, substantial investments in developing new offerings and technologies. These new initiatives are inherently risky, and we may not realize the expected benefits from them.

Technology is a key competing factor to the autonomous driving industry. Our financial performance will be significantly dependent on our ability to maintain our technological leadership. We have made substantial investments to develop new offerings and technologies. For the years ended 2023, 2024 and 2025, our research and development expenses amounted to RMB1,058.4 million, RMB1,091.4 million and RMB1,372.2 million (US\$196.2 million), respectively, representing 263.4%, 302.2% and 200.4% of our revenues for the respective years. We expect to incur substantial and potentially increasing research and development expenses in developing new technologies, products and service offerings and to dedicate substantial resources to improving and refining our technology stack. If we do not spend our development budget efficiently or effectively on innovative and commercially successful technologies, we may not realize the expected benefits from our investments.

In addition, we will pursue new initiatives which may carry a high degree of risk, as each involves nascent industries and unproven business strategies and technologies with which we have limited or no prior development or operating experience. For example, we entered into a strategic partnership with Bosch in 2022 under which we, as a Tier 2 supplier, provide research and development services, key technologies and ecosystem support. Because such offerings and technologies are new, they will likely involve claims and liabilities (including, but not limited to, personal injury claims), expenses, regulatory challenges and other risks, some of which we do not currently anticipate. There can be no assurance that customer demand for such initiatives will exist or be sustained at the levels that we anticipate, or that any of these initiatives will gain sufficient traction or market acceptance to generate sufficient revenue to offset any new expenses or liabilities associated with these new investments. It is also possible that products and services developed by others will render our product and service offerings noncompetitive or obsolete. Furthermore, our development efforts with respect to new products and service offerings and technologies could distract management from current operations, and will divert capital and other resources from our more established products, services and technologies. Even if we are successful in developing new products, services or technologies, regulatory authorities may subject us to new rules or restrictions in response to our innovations that could increase our expenses or prevent us from successfully commercializing new products, services or technologies. If we do not realize the expected benefits of our investments, our business, financial condition, operating results and prospects may be harmed.

We have a history of net losses and operating cash outflow. There is no assurance that we will become or subsequently remain profitable.

We have a history of net losses and operating cash outflow and have not been profitable since our inception. We incurred loss for the year of RMB1,949.1 million, RMB2,516.8 million and RMB1,654.9 million (US\$236.6 million) in 2023, 2024 and 2025, respectively. We recorded net cash outflow from operating activities of RMB474.9 million, RMB593.6 million and RMB1,321.7 million (US\$189.0 million) for the years ended December 31, 2023, 2024 and 2025, respectively. We expect to incur net losses as well as net cash outflow from operating activities in the near future.

We have made significant up-front investments in research and development, administrative and selling expenses to rapidly develop and expand our business and technologies. We expect to continue to invest significantly in research and development, administrative and selling expenses, to establish and expand our business, and these investments may not result in an increase in revenue on a timely basis, or at all.

We may not generate sufficient revenue or we may incur substantial losses for a number of reasons, including the lack of demand for our products and services, increasing competition, challenging macro-economic environment as well as other risks discussed herein, and we may incur unforeseen expenses, or encounter difficulties, complications and delays in generating revenue or achieving profitability. In addition, our continuous operation depends on our capability to improve operating cash flows as well as our capacity to obtain sufficient external equity or debt financing. If we do not succeed in achieving profitability and maintaining and enhancing our cash position, we may have to limit the scale of our operations, which may limit our business growth and adversely affect our financial condition and results of operations.

In addition, we have a history of net current liabilities and deficit. We recorded net current liabilities of RMB3,221.4 million as of December 31, 2023. Moreover, we had net liabilities of RMB3,051.9 million as of December 31, 2023, primarily due to the loss for the year. Our net deficit position may limit our working capital for the purpose of operations or capital for our expansion plans and materially and adversely affect our business, results of operations and financial condition. We record net current assets of RMB6,745.5 million and RMB7,209.0 million (US\$1,030.9 million) as of December 31, 2024 and 2025, respectively, as compared to net current liabilities of RMB3,221.4 million as of December 31, 2023. The significant change in our net current position in 2024 was primarily due to the proceeds from our U.S. IPO, and the conversion of preferred shares and other financial instruments subject to redemption and other preferential rights into equity following our U.S. IPO.

If we fail to obtain or raise sufficient capital to maintain our operations and finance our growth strategies, or fail to do so on favorable or commercially acceptable terms to us, our operations and prospects could be negatively affected.

We need significant capital to, among other things, conduct research and development for our autonomous driving technology platform, attract and retain top talent, launch new autonomous driving vehicle types, offer more advanced ADAS features, maintain and grow our fleet, expand our customer base and provide quality technical support services. Our capital expenditures, which represent payments for purchase of intangible assets, property and equipment, were RMB37.0 million, RMB85.5 million and RMB248.4 million (US\$35.5 million) in 2023, 2024 and 2025, respectively. We expect our capital expenditures to continue to be significant in the foreseeable future as we expand our business and continue to invest in technological development, and that our level of capital expenditures may be significantly affected by customers' demand for our products and services. The fact that we have a limited operating history and we operate in a novel and evolving industry means we have limited historical data on the demand for our products and services. As a result, our future capital requirements may be uncertain and actual capital requirements may be different from those we currently anticipate especially in the fast-evolving autonomous driving industry that we operate. In addition, we may need a substantial amount of cash to fulfill certain covenants under our agreements with business partners. For example, pursuant to a shareholders agreement that WeRide HongKong Limited, our wholly-owned subsidiary in Hong Kong, entered into on July 10, 2019 with two investors, we established a joint venture, Wenyuan Yuexing (Guangdong) Travel Technology Co., Ltd., in which the two investors held 20% and 16% equity interest, respectively. Pursuant to the shareholders agreement, we are obligated to repurchase all or a part of the equity interest of one investor under certain circumstances, and to make cash payments to cover any shortfall in investment return for the other investor if certain agreed performance conditions are not satisfied. See Note 24 to our audited consolidated financial statements included elsewhere in this annual report and "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Material Cash Requirements—Contractual Obligations." Pursuant to the terms of this agreement, we redeemed 15% equity interest of the joint venture from one of the investors in 2021, and redeemed the remaining 5% equity interest from the investor in April 2026. We recognized put option liabilities of RMB41.1 million and RMB43.3 million (US\$6.2 million) as of December 31, 2024 and 2025, respectively.

We plan to raise capital in the future, through equity or other financings including issuance of additional shares or ADSs to achieve the foregoing and other strategic goals. As a result of issuing additional shares or ADSs, including through listing our equity on additional exchanges, follow-on offerings, registered direct offerings, at-the-market offerings, and private placements, our shareholders and holders of our ADSs should expect to experience dilution and the price of our shares or ADSs may be volatile. Our ability to obtain the necessary financings to carry out our business plan is subject to a number of factors, including general market conditions, investor acceptance of our business plans and other factors. These factors may make the timing, amount, terms and conditions of such financing unattractive or unavailable to us. If we are unable to raise sufficient funds to support liquidity, we will have to significantly reduce our spending, or delay or cancel our planned activities. We might not be able to obtain any funding, and we might not have sufficient resources to conduct our business as projected, both of which may have a material adverse impact on our business operations and prospects, and could mean that we would be forced to curtail or discontinue our operations.

In addition, our future capital needs and other business reasons could require us to issue additional equity or debt securities or obtain a credit facility. The sale of additional equity or equity-linked securities could dilute our existing shareholders. The incurrence of indebtedness would result in increased debt service obligations and could subject us to operating and financing covenants that would restrict our operations or our ability to pay dividends to our shareholders.

We have historically received government grants, but we cannot guarantee that we will continue to receive such grants or subsidies in the future. In addition, the changes in U.S. and international trade policies, particularly with regard to China, may adversely impact our business and operation results in the long term.

We have historically received government grants and recognized government grants as other net income of RMB14.4 million, RMB14.1 million and RMB12.6 million (US\$1.8 million) in 2023, 2024 and 2025, respectively. We also recorded government grants received with conditions of RMB184.5 million and RMB192.0 million (US\$27.5 million) in other payables as of December 31, 2024 and 2025, respectively, and RMB4.7 million and RMB7.7 million (US\$1.1 million) in other non-current liabilities as of December 31, 2024 and 2025, respectively. However, there is no assurance of the continued availability of the government grants currently enjoyed by us, any reduction or elimination of which would have an adverse effect on our financial condition. Our eligibility for government grants depends on a variety of factors, including the relevant government policies, the availability of funding at different granting authorities, and the development progress made by other peer companies. In addition, the timing, amount and criteria of government financial incentives are determined within the sole discretion of the local government authorities and cannot be predicted with certainty before we actually receive any financial incentive. Under the terms and conditions of the governments grants received and anticipated to be received, we are required to meet certain requirements of operational performance, such as operating in a specified area for a minimum period of time, or financial performance, such as minimum revenue amount and tax payment in certain time period in the specified regions of mainland China. Further, there are also government grants that have no conditions attached to them and such grants are recognized as other net income when the grants are received.

Currently, we sell a portion of our vehicles to customers in China. While we have started to sell vehicles internationally, these sales have not yet achieved scale, and the volume remains low with high pricing. The limited scale of our international sales does not pose a significant threat to the competitive landscape in those markets. As a result, we believe that the risk of tariffs or other non-tariff trade barriers being imposed on our vehicles due to the government subsidies we receive is currently remote. However, in the long term, we cannot rule out the possibility that our company may be subject to tariffs or other non-tariff trade barriers as our international presence grows. In addition, trade-related tensions between China and the United States and other jurisdictions remain an important source of potential risk, and such tension may intensify in the future, resulting in the imposition of more tariffs or other trade restrictions, especially to the companies receiving government grants from PRC, like us. If we plan to offer an increased number of vehicles internationally, any unfavorable government policies on international trade, such as capital controls or tariffs, may affect the demand for our products, impact the competitive position of our products or prevent us from being able to sell products in certain countries. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated, such changes could have a material adverse effect on our business, financial condition, or results of operations. In addition, future actions or escalations by either the United States or China that affect trade relations may cause global economic turmoil and potentially have a negative impact on our business.

Autonomous driving technology is an emerging technology, and we face significant challenges to develop and commercialize our technology. Our technology may not perform as well as we expect or may take us longer to commercialize than is currently projected.

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, considerable capital 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 an entirely new technology. Our future business depends, to a large extent, on our ability to continue to develop and successfully commercialize our products and services. We are in the early stage of commercialization. As we continue to make headways in the commercialization of our autonomous technologies, the composition of our revenue and the relative weight of our revenue items may change. Our ability to develop, deliver and commercialize at scale our autonomous driving platform and systems to support or perform autonomous operation of autonomous driving vehicles is still to be further proven.

Our products and autonomous driving system are technical and complex, and commercial application requires that we meet very high standards for technology performance and system safety. We may be unable to timely release new products and services that meet our intended commercial use cases, and we may therefore experience limited than expected commercialization of our technology. Commercial deployment has taken longer in the autonomous driving industry than anticipated, and it may take us more time to complete our own technology development, commercialization and large-scale operation than is currently projected. The achievement of broadly applicable autonomous driving technology will require further technology improvements including, for example, handling non-compliant or unexpected corner cases and inclement weather conditions.

These improvements may take us longer than expected, 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.

Our continued enhancement of our autonomous driving technology is and will be subject to risks, including but not limited to the following aspects:

- our ability to achieve sufficiently safe autonomous driving system performance;
- our ability to develop ADAS that enable autonomous driving functions on vehicles;
- acceptance from our customers and potential customers, as well as the general public of our autonomous driving products and services as well as the autonomous driving technology in general;
- our ability to continue to enhance our data analytics and software technology;
- our ability to successfully complete system testing, validation and obtain safety approvals;
- our ability to obtain additional approvals, licenses or certifications from regulatory agencies, if required, and maintaining current approvals, licenses or certifications;
- our ability to preserve core intellectual property rights;
- our ability to design, develop and secure necessary components on acceptable terms and in a timely manner;
- our ability to secure additional capital to support our research and development activities; and
- our ability to expand and strengthen cooperative relationships with our ecosystem partners.

Since the market for autonomous driving products and services is relatively new and disruptive, if our autonomous driving products and services fail to gain acceptance from the general public, regulatory authorities, our target customers, users or other stakeholders, or fail to do so at the pace we expect, our business, prospects, operating results and financial condition could be materially harmed.

Demand for autonomous driving technology depends to a large extent on general, economic, political, regulatory 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 customer demand or penetration rates for our products and services. Our technology targeting advanced autonomous driving requires significant investment and longer time-to-market, and may not be commercially successful on a large scale in the short term, or at all.

In addition, regulatory, safety and reliability issues, or the perception thereof, many of which are beyond our control, could also cause the public or our potential business partners and end users to lose confidence in autonomous driving products and services in general. The safety of such technology depends in part on end users of the autonomous driving vehicles, as well as other drivers, pedestrians, other obstacles on the roadways or other unforeseen events. For instances, in recent years, there have been several car accidents involving vehicles equipped with autonomous driving systems from various manufacturers. Although many of these accidents were not caused by malfunctions in the autonomous driving systems, they still resulted in significant negative publicity to the autonomous driving industry. In the future, accidents involving autonomous driving vehicles could result in suspension or prohibition of autonomous driving vehicles, which could negatively affect our business and the autonomous driving industry as a whole. 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.

Our future growth depends in part on the overall development trend of autonomous driving industry and acceptance of our technology. The market may not accept our technology, products and services, at the pace we expect, or at all, and our business, prospects, financial condition and results of operations will be materially and adversely affected. Key industry participants may develop competing services or may otherwise seek to overthrow our efforts. For example, our robotaxis and robobuses might displace individual drivers for taxis, buses and ride hailing services, which may be interpreted as negatively affecting employment opportunities for these individuals, as has been the case in other industries that have been subject to automation. This could result in negative publicity and even legislation or regulations that make it more difficult to operate our business in certain jurisdictions that we may expand our operations into. Any such occurrences could materially harm our future business.

Our business model has been tested only to a limited extent, and any failure to commercialize our strategic plans, technologies, products or services would have an adverse effect on our operating results and business.

As a relatively new enterprise that is beginning to scale our business, we encounter considerable difficulties, many of which are beyond our control. The difficulties include, among others, unknown future challenges and opportunities, substantial risks and expenses in the course of developing new products and services, entering new markets, undertaking marketing activities and delivering our products and services to our customers. The likelihood of our success must be considered in light of these risks, expenses, complications, delays, and the competitive environment in which we operate. Therefore, there is substantial uncertainty as to the success of our business plan. We may not be able to scale up rapidly enough to generate significant revenue, raise additional capital or operate profitably. We will continue to encounter risks and difficulties frequently experienced by companies at an early stage of commercialization, including marketing our products and services, scaling up our operation and headcount, and may incur unforeseen expenses, difficulties, or delays in connection with our growth. Any investment in our company is therefore highly speculative and could result in the loss of your entire investment.

We have limited experience to date in applying our autonomous driving technology at a large scale. We launched paid robotaxi services to the public in China in 2019. We achieved commercial production of our robobus in China in 2021 and started its public service in Guangzhou in 2022. We also launched our robovan and robosweeper in September 2021 and April 2022, respectively. We only commenced selling our purpose-built L4 autonomous driving vehicles to third parties in 2025, and large-scale commercialization is still at an early stage. We continue to engage with prospective customers regarding future orders of our autonomous vehicles. Until the customers enter into definitive purchase agreements for our autonomous vehicles, which is within the discretion of the customers, no assurance can be made that the customers will purchase our autonomous vehicles and we can receive payment as scheduled. In addition, we have only recently started delivering ADAS, and have had limited proven track record of successful operation in ADAS applications. Whether the order forecast from our customers will materialize will ultimately depend on various factors, including the market acceptance of the vehicle models on which ADAS will be installed, which are beyond our control.

Even if we are successful in developing and commercializing our autonomous driving and ADAS technology, we could face unexpected difficulties, delays and cost overruns, including as a result of factors beyond our control such as unforeseen issues with our technology, problems with suppliers and adverse regulatory developments. Any failure to develop our technology within our projected costs and timelines or failure to execute our business plan as expected could have material adverse effects on our business, prospects, operating results and financial condition.

In addition, we currently partner with OEMs to manufacture our autonomous driving vehicles, instead of manufacturing the vehicles on our own. We also collaborate with local partners in some regions to operate autonomous driving vehicles on our platform, rather than significantly expanding our own fleet, as part of our broader asset-light strategy. We believe these partnerships enable us to remain asset-light and maintain focus on developing and upgrading our proprietary autonomous driving products and services. However, such business model may present unpredictable challenges, which could materially and adversely affect our business, prospects, financial condition and results of operations. See “—We cooperate with a large number of business partners, including, among others, OEMs, Tier 1 suppliers, logistics and urban service providers, and others. Collaboration with third parties subjects us to risks.” In addition, as the scale of our business grows, it is possible that we may be required to take up vehicle manufacturing and operation of a larger autonomous driving vehicle fleet ourselves, which is much more capital-intensive for us relative to partnering with third parties. If that happens, we cannot guarantee that we will possess the necessary human and capital resources to complete such transition, in the expected timeframe or at all. Failure to do so could have material adverse effects on our business, prospects, operating results and financial condition.

If our autonomous driving technology products and services fail to meet evolving customer needs, respond to the industry evolution appropriately, tailor to developing use cases or to perform as expected, our ability to market or sell our products and services could be adversely affected.

In order to succeed, we need to tailor our products and services to address rapidly-changing customer demands, the evolving autonomous driving technology and emerging user cases. Our results of operation will depend on our ability to adapt and respond effectively to these changes in a timely manner. We may not be equipped with the insight into new trends in the autonomous driving industry that could emerge and affect our business operations, and we may not be able to forecast and meet the continuously changing demands and preferences towards our products and services. If we fail to develop new features of our technology platform, autonomous driving vehicles or ADAS to meet the emerging marketing demands, we may lose our competitive edge over other industry participants. If we fail to accurately estimate the demand for our products and services, match the timing and quantities of component and supplies purchases to actual needs or successfully implement inventory management and other systems to accommodate the increased complexity in our supply chain, we may incur unexpected production disruption and storage, transportation and write-off costs, which could have a material adverse effect on our business, prospects, financial condition and operating results.

We cannot assure you that our technology will achieve the required reliability for autonomous driving at a large scale commercially. There can be no assurance that our algorithms and data analytics could predict every single potential issue that may arise during the operation of our autonomous driving vehicles, the failure of which could lead to road accidents and casualties, and could materially and adversely affect our business, prospects, financial condition and results of operations.

Furthermore, there can be no assurance that our customers and end users will be able to properly adapt to the different operation processes for our autonomous driving vehicles. Any accidents resulting from such failure to operate our autonomous driving vehicles 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.

We use AI in our products and services which may result in operational challenges, legal liability, reputational concerns and competitive risks.

AI is integrated into our technologies, such as WeRide GENESIS, a general-purpose simulation platform that combines physical AI and generative AI to generate photorealistic virtual driving environments. While AI is an important element of our business and strategy, its development, adoption and use present certain risks and challenges. Known risks include accuracy, bias, toxicity, intellectual property infringement or misappropriation, data privacy and cybersecurity and data provenance. For example, our development and use of AI may result in the incorporation of third-party data, including personal, proprietary or confidential data, into our AI. If we do not have sufficient rights to use the data on which AI relies, we may incur liability through the violation of such laws, third-party privacy or other rights or contracts to which we are a party.

Additionally, regulation in the AI space is constantly changing. AI is the subject of evolving review by various U.S. governmental and regulatory agencies, including the SEC and the Federal Trade Commission, or the FTC, and various U.S. states and other foreign jurisdictions are applying, or are considering applying, their cybersecurity and data protection laws to AI, particularly generative AI, and/or are considering general legal frameworks on AI (such as the European Union's Artificial Intelligence Act, or the AI Act, which took effect on August 1, 2024, and provides for administrative fines of up to 35 million Euros or 7% of a company's total worldwide annual turnover for the preceding financial year, whichever is the greater). In addition, the use and deployment of AI present complexities and challenges with respect to compliance with applicable laws and regulations. If any such event were to occur, it could have a materially adverse impact on our business operations and reputation.

Furthermore, AI-generated content and code present intellectual property and security risks. Copyright protection may not be available for materials we develop using generative AI tools, allowing third parties to reuse such materials without recourse. We may also face third-party claims of intellectual property infringement or claims that our use of AI-generated materials triggers open source license obligations. AI-generated source code may also present security vulnerabilities, as it may not be subject to all of our standard internal controls. If our AI-enabled technologies produce outputs that are deficient, inaccurate or fail to reflect real-world conditions, or if our competitors deploy AI more effectively than we do, we could be subject to competitive harm, legal liability or reputational harm. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a material adverse effect on our business, results of operations, financial condition and future prospects.

Failure to continue to attract and retain customers, manage our relationship with them or increase their reliance on our products and services could materially and adversely affect our business and prospects.

Our relationship with our customers and business partners is crucial to our success. We generate revenue from (i) the sales of autonomous driving vehicles, primarily including robobuses, robotaxis and robosweepers, and related sensor suites, and (ii) the provision of services, including autonomous driving related operational and technical support services, ADAS research and development services, and intelligent data services. If we fail to maintain relationships with our customers, or fail to continue to attract new customers, or if our customers or end users reduce or cease the use of our products and services for any reason, our business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, we depend on a limited number of customers, including certain shareholders of our company, to generate a substantial portion of our revenue. The revenue attributable to our five largest customers in 2023, 2024 and 2025 was RMB307.6 million, RMB164.7 million and RMB277.6 million (US\$39.7 million), respectively, accounting for 76.6%, 45.6% and 40.5% of our total revenue, respectively. The revenue attributable to our largest customer in 2023, 2024 and 2025 was RMB222.3 million, RMB88.2 million and RMB78.2 million (US\$11.2 million), respectively, accounting for 55.3%, 24.4% and 11.4% of our total revenue for the corresponding year. We derived 12.1%, 8.9% and 1.1% of our total revenue from related parties for the years ended December 31, 2023, 2024 and 2025, respectively. There is no assurance that we will be able to maintain or expand our relationships with our customers, or that we will be able to continue to serve them at current levels, or at all. If any of our customers significantly reduces or even ceases its use of our products and services, we may not be able to find alternative customers at comparable levels, or at all. In addition, we may not be able to continue to attract new customers. As a result, we may experience a decline in our revenue, which will negatively affect our results of operations and financial performance.

We cooperate with a large number of business partners, including, among others, OEMs, Tier 1 suppliers, logistics and urban service providers, and others. Collaboration with third parties subjects us to risks.

Strategic business relationships are and will continue to be an important factor in the growth and success of our business. We have established a robust ecosystem consisting of OEMs, Tier 1 suppliers, logistics and urban service providers, and others. A number of our partners have also become our shareholders and invested in our future, demonstrating their strong conviction in our technology and go-to-market strategy and providing further validation for our product and service offerings. Components manufactured by OEMs or our Tier-1 suppliers could contain defects that would cause our autonomous driving vehicles to fail to operate as intended. We will also need to identify and negotiate additional relationships with other third parties. We may not be able to successfully identify and negotiate definitive agreements with these business partners on terms that are attractive or at all, which would cause us to incur increased costs to develop and provide these capabilities.

Collaboration with these third parties is subject to risks, some of which are outside our control. We could experience delays to the extent our partners do not meet the agreed upon timelines or experience capacity constraints. We could also experience disagreement in budget or funding for the joint development projects. There is also a risk of other potential disputes with partners in the future, including with respect to intellectual property rights. In addition, our ability to successfully commercialize could also be adversely affected by perceptions about the quality of our or our partners' products and services. If our existing partner agreements were to be terminated, we may be unable to enter into new agreements on terms and conditions acceptable to us. The expense and time required to complete any transition, and to assure that vehicles manufactured at facilities of 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.

Our customers' ability to make payments may be negatively impacted by the economic downturns, leading to longer payment cycles and increased difficulties in collecting receivables, which poses a risk to our cash flow and overall liquidity.

Some of our customers may experience reduced payment capabilities due to a downturn in the macroeconomic environment, leading to extended payment cycles and making it more challenging for us to collect receivables. For example, our impairment loss on receivables and contract assets decreased from RMB40.2 million in 2023 to RMB28.7 million in 2024 to RMB16.6 million (US\$2.4 million) in 2025, as we enhanced our collection of receivables. There is no assurance that the financial position of our customers will remain healthy in the future. If our customers experience financial distress or are unable to settle their payments in a timely manner or at all, our liquidity and the financial condition could be adversely affected.

Because some key components in our vehicles come from limited sources of supply, we may be susceptible to supply shortages, price adjustment, long lead time for components and other supply changes, any of which could disrupt our supply chain.

Most of the components that are used to, or to be used to, manufacture our autonomous driving vehicles are sourced from third-party suppliers and our OEM partners. We have limited experience in managing a large supply chain to manufacture and deliver vehicles at scale. In addition, some of the key components used to manufacture our autonomous driving vehicles come from limited sources of supply. We may therefore be 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 vehicles. In addition, our agreements with most of our third-party suppliers are non-exclusive. Our suppliers may dedicate more resources to other companies, including our competitors, and the availability and pricing of the components provided may be beyond our control. In 2023, 2024 and 2025, we did not experience shortages in the supply of key components from our major suppliers. However, we may be subject to component shortages or pricing fluctuations in the future which could materially and adversely affect our business and results of operations. In the event of a component shortage, supply interruption or material pricing change from suppliers of these components, our business partners who manufacture our autonomous driving vehicles may not be able to develop alternate sources in a timely manner in the case of limited sources. Developing alternate sources of supply for these components may be time-consuming, difficult and costly, and our business partners who manufacture our autonomous driving vehicles may not be able to source these components on terms that are acceptable to us, which may undermine our ability to meet our requirements or to fill customer orders in a timely 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 alternate sources at acceptable prices and within a reasonable amount of time, would adversely affect our ability to meet our product launch timeline or scheduled product deliveries to users. This could adversely affect our relationships with our customers and could delay the expansion of our operations, including with our business partners who manufacture our autonomous driving vehicles. 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 source these components in quantities sufficient to meet our requirements on a timely basis, we will not be able to meet customer demand, which may result in our customers using competitive services instead of ours.

We rely on a stable and sufficient supply of high-quality raw materials, equipment, and other necessary supplies. Any increases in prices or interruptions in supply could negatively impact our business, profitability and results of operations.

We purchase research and development equipment, raw materials, reagent consumables, and various goods and services from third-party suppliers and service providers for our operations. If these third parties fail to deliver supplies that meet legal and regulatory requirements, contract terms, or our standards, it could compromise the quality of our products and solutions and even harm our reputation. Additionally, various factors may influence the prices of our supplies, including economic conditions, market supply and demand, environmental and regulatory requirements, natural disasters, both domestically and globally. If there are significant price increases for these supplies, we may need to pass those increased costs on to our customers. However, there is no guarantee that we will be able to raise the prices of our products and services enough to cover these increased costs. Accordingly, any substantial rise in supply prices could adversely affect our business, profitability and results of operations.

We might also face shortages of the supplies, due to capacity constraints or market delays and disruptions, particularly in light of supply chain challenges caused by global pandemics, natural disasters, and international trade tensions. Even when our required supplies are available, we may still struggle to secure adequate quantities at a reasonable price. Our inability to secure supplies in adequate amounts and under commercially acceptable terms could delay, hinder, or compromise our research and development efforts, and may have a material adverse effect on our business, financial condition, results of operation, and prospects.

Misconduct or illegal actions of our third-party suppliers, manufacturers or other business partners could materially and adversely affect our reputation, business, financial condition and results of operations.

We work with third parties in developing and providing our products and services, such as OEMs to develop and manufacture our autonomous driving vehicles. We carefully select our third-party suppliers, manufacturers and other business partners, but we are not able to fully control their actions. If these third parties fail to perform as we expect, experience difficulty in meeting our requirements or standards, fail to conduct their business ethically, fail to provide satisfactory services to end users, receive negative press coverage, violate applicable laws or regulations, breach the agreements with us, or if the agreements we have entered into with the third parties are terminated or not renewed, our business and reputation could be damaged. In addition, if such third-party business partners cease operations, temporarily or permanently, face financial distress or other business disruptions, increase their fees, or if our relationships with them deteriorate, we would suffer from increased costs, be involved in legal or administrative proceedings with or against our third-party service providers and experience delays in providing end users with similar services until we find or develop a suitable alternative. Furthermore, if we are unsuccessful in identifying high-quality partners, or establishing cost-effective relationships with them, or effectively managing these relationships, our business, prospects, financial conditions and results of operations would be materially and adversely affected.

Risks Related to Our Intellectual Property Rights

We may not be able to adequately establish, maintain, protect and enforce our intellectual property and proprietary rights or prevent others from unauthorized use of our technology and intellectual property rights, which could harm our business and competitive position and also make us subject to litigations brought by third parties.

Our intellectual property is an essential asset of our business. Failure to adequately protect our intellectual property rights could result in our competitors offering similar products and services, potentially resulting in the loss of our competitive advantage and a decrease in our revenue, which would adversely affect our business, prospects, financial condition and operating results. Our success depends in part on our ability to protect our core technology and intellectual property. We rely on a combination of intellectual property rights, such as patents, trademarks, copyrights and trade secrets (including know-how), in addition to employee and third-party nondisclosure agreements, intellectual property licenses and other contractual rights, to establish, maintain, protect and enforce our rights in our technology, proprietary information and processes. Intellectual property laws and our procedures and restrictions provide only limited protection and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed or misappropriated. If we fail to protect our intellectual property rights adequately, we may lose an important advantage in the markets in which we compete. While we take measures to protect our intellectual property, such efforts may be insufficient or ineffective, and any of our intellectual property rights may be challenged, which could result in them being narrowed in scope or declared invalid or unenforceable. Other parties may also independently develop technologies that are substantially similar or superior to ours. We may also 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. However, the measures we take to protect our intellectual property from unauthorized use by others may not be effective and there can be no assurance that our intellectual property rights will be sufficient to protect against others offering products, services or technologies that are substantially similar or superior to ours and that compete with our business.

We have in the past initiated, and may in the future be involved in litigation to enforce our intellectual property rights and to protect our trade secrets. Our efforts to enforce our intellectual property rights have been, and may in the future be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property. Any litigation initiated by us concerning the violation by third parties of our intellectual property rights is likely to be expensive and time-consuming and could lead to the invalidation of, or render unenforceable, our intellectual property, or could otherwise have negative consequences for us. Furthermore, it could result in a court or governmental agency invalidating or rendering unenforceable our patents or other intellectual property rights upon which the suit is based. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay the introduction and implementation of new technologies, result in our substituting inferior or more costly technologies into our products or injure our reputation. Moreover, policing unauthorized use of our technologies, trade secrets and intellectual property may be difficult, expensive and time-consuming, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the United States and where mechanisms for enforcement of intellectual property rights may be weak. If we fail to meaningfully establish, maintain, protect and enforce our intellectual property and proprietary rights, our business, operating results and financial condition could be adversely affected.

We may not be able to protect our intellectual property rights throughout the world, and changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our products.

We routinely apply for and register intellectual property in mainland China and overseas. The protection of intellectual property rights in mainland China is different from that of the United States or other developed countries. In addition, filing, prosecuting, maintaining, defending and enforcing patents and other intellectual property rights on our products and services in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside China can be less extensive than those in mainland China. In addition, effective intellectual property protection may not be available in every jurisdiction in which we offer our products and services. Although we have generally taken measures to protect our intellectual property rights, there can be no assurance that we will be successful in protecting or enforcing our rights in every jurisdiction. Consequently, we may not be able to prevent third parties from practicing our inventions in all jurisdictions where we operate or expect to operate in the future, or from selling or importing products made using our inventions into other jurisdictions. Competitors may misappropriate our technologies in jurisdictions where we have not obtained patent protection or other intellectual property rights to develop their own products and may export otherwise infringing, misappropriating or violating products. These products may compete with our products, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

We may encounter problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of some countries where we may apply for registration of intellectual property may not favor the enforcement of patents and other intellectual property rights, which could make it difficult for us to stop the infringement, misappropriation, or other violation of our intellectual property rights generally. Proceedings to enforce our intellectual property rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, and our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful.

In addition, changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our innovations in the United States. The patent grant system in the United States has recently transitioned from a “first-to-invent” to a “first-to-file” system for deciding which party should be granted a patent when two or more patent applications are filed by different parties claiming the same invention. Under the current “first-to-file” system, assuming the other requirements for patentability are met, the first inventor to file a patent application generally will be entitled to a patent on the invention regardless of whether another inventor had made the invention earlier. As such, a third party that files a patent application in the United States Patent and Trademark Office before us could be awarded a patent covering an invention of ours even if we made the invention before it was made by the third party. This and other changes in the U.S. patent law could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Our patent applications may not issue as patents, which may have a material adverse effect on our ability to prevent others from commercially exploiting products and services similar to ours.

We cannot be certain that we are the first inventor of the subject matter to which we have filed a particular patent application, or if we are the first party to file such a patent application. If another party has filed a patent application to the same subject matter as we have, we may not be entitled to the protection sought by the patent application. Further, the scope of protection of issued patent claims is often difficult to determine. As a result, we cannot be certain that the patent applications that we file will issue, or that our issued patents will be broad enough to protect our proprietary rights or otherwise afford protection against competitors with similar technology. In addition, the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability. Our competitors may challenge or seek to invalidate our issued patents, or design around our issued patents, which may adversely affect our business, prospects, financial condition or operating results. Also, the costs associated with enforcing patents, confidentiality and invention agreements, or other intellectual property rights may make aggressive enforcement impracticable.

In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, processes and know-how.

We rely on proprietary information (such as trade secrets, know-how and confidential information) to protect intellectual property that may not be patentable, or that we believe is best protected by means that do not require public disclosure. We generally seek to protect this proprietary information by entering into confidentiality agreements, or consulting, services or employment agreements that contain non-disclosure and non-use provisions with our employees, consultants, contractors, scientific advisors and third parties. However, we cannot guarantee that we have entered into such agreements with each party that has or may have had access to our trade secrets or proprietary information and, even if entered into, these agreements may be breached or may otherwise fail to prevent disclosure, third-party infringement or misappropriation of our proprietary information, 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. We have limited control over the protection of trade secrets used by our third-party manufacturers and suppliers and could lose future trade secret protection if any unauthorized disclosure of such information occurs. In addition, our proprietary information may otherwise become known or be independently developed by our competitors or other third parties. 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. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain protection for our proprietary information could adversely affect our competitive business position. Furthermore, laws regarding trade secret rights in certain markets where we operate may afford little or no protection to our trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that trade secret to compete with us. If any of our trade secrets were to be disclosed (whether lawfully or otherwise) to or independently developed by a competitor or other third party, our business, operating results, and financial condition will be materially and adversely affected.

We also rely on physical and electronic security measures to protect our proprietary information, but we cannot guarantee that these security measures provide adequate protection for such proprietary information or will never be breached. There is risk that third parties may obtain unauthorized access to and improperly utilize or disclose our proprietary information, which could harm our competitive advantages. We may not be able to detect or prevent the unauthorized access to or use of our information by third parties, and we may not be able to take appropriate and timely steps to mitigate the damages, or the damages may not be capable of being mitigated or remedied.

We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.

The industry in which our business operates is characterized by a large number of patents, some of which may be of questionable scope, validity or enforceability, and some of which may appear to overlap with other issued patents. As a result, there is a significant amount of uncertainty in the industry regarding patent protection and infringement. In recent years, there has been significant litigation globally involving patents and other intellectual property rights. Third parties have asserted, and may in the future assert, that we have infringed, misappropriated or otherwise violated their intellectual property rights. Although past assertions have been settled and did not have any material adverse effect on our business and operations, there can be no guarantee that future assertions of this kind will not have a material adverse effect on our business and operations. We may not be able to obtain a commercially reasonable license or a license that we obtain (if any) may not entirely resolve the potential risks of intellectual property infringement. As we face increasing competition and as a public company, the possibility of intellectual property rights claims against us grows. Such claims and litigation may involve one or more of our competitors focused on using their patents and other intellectual property to obtain competitive advantage, or patent holding companies or other adverse intellectual property rights holders who have no relevant product and service revenue, and therefore our own pending patents and other intellectual property rights may provide little or no deterrence to these rights holders in bringing intellectual property rights claims against us. There may be intellectual property rights held by others, including issued or pending patents and trademarks, that cover significant aspects of our technologies or business methods, and we cannot assure that we are not infringing or violating, and have not infringed or violated, any third-party intellectual property rights or that we will not be held to have done so or be accused of doing so in the future. In addition, because patent applications can take many years until the patents issue, there may be applications now pending of which we are unaware, which may later result in issued patents that our products and services may infringe. We expect that in the future we may receive notices that claim we or our collaborators have misappropriated or misused other parties' intellectual property rights, particularly as the number of competitors in our market grows.

To defend ourselves against any intellectual property claims brought by third parties, whether with or without merits, can be time-consuming and could result in substantial costs and a diversion of our resources. These claims and any resulting lawsuits, if resolved adversely to us, could subject us to significant liability for damages, impose temporary or permanent injunctions against our products, technologies or business operations, or invalidate or render unenforceable our intellectual property.

If our technology is determined to infringe a valid and enforceable patent, or if we wish to avoid potential intellectual property litigation on any alleged infringement, misappropriation or other violation of third party intellectual property rights, we may be required to do one or more of the following: (i) cease development, sales, provision or use of our products and services that incorporate or use the asserted intellectual property right; (ii) obtain a license from the owner of the asserted intellectual property right, which may be unavailable on commercially reasonable terms, or at all, or which may be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us; (iii) pay substantial royalties or other damages; or (iv) redesign our technology or one or more aspects or systems of our autonomous driving vehicles to avoid any infringement or allegations thereof. The aforementioned options sometimes may not be commercially feasible. Additionally, in our ordinary course of business, we agree to indemnify our customers, ecosystem partners and other commercial counterparties for any infringement arising out of their use of our intellectual property, so we may face liability to our business partners or third parties for indemnification or other remedies in the event that they are sued for infringement.

We may also in the future license third party technology or other intellectual property, and we may face claims that our use of such in-licensed technology or other intellectual property infringes, misappropriates or otherwise violates the intellectual property rights of others. In such cases, we will seek indemnification from our licensors. However, our rights to indemnification may be unavailable or insufficient to cover our costs and losses.

We also may not be successful in any attempt to redesign our technology to avoid any alleged infringement. A successful claim of infringement against us, or our failure or inability to develop and implement non-infringing technology or license the infringed technology on acceptable terms and on a timely basis, could materially adversely affect our business and results of operations. Furthermore, such lawsuits, regardless of their merits or success, would likely be time-consuming and expensive to resolve and would divert management's time and attention from our business, which could seriously harm our business. Also, such lawsuits, regardless of their merits or success, could seriously harm our reputation with customers and in the industry at large.

We utilize open-source software, which may pose particular risks to our proprietary software, technologies, products, and services in a manner that could harm our business.

We use open-source software in our in-vehicle software, which is installed on all of our autonomous vehicles. We anticipate to continue using open-source software in the future. The terms of many open-source licenses to which we are subject have not been interpreted by U.S. or foreign courts, and there is a risk that open-source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our products or services or retain our ownership of our proprietary intellectual property. Additionally, we could face claims from third parties claiming ownership of, or demanding release of, the open-source software or derivative works that we developed using such software, which could include our proprietary source code, or otherwise seeking to enforce the terms of, or alleging breach of, the applicable open-source license. These claims could result in litigation and could require us to purchase a costly license or cease offering the implicated products or services unless and until we can re-engineer them to avoid breach of the applicable open-source software licenses or potential infringement. This re-engineering process could require us to expend significant additional research and development resources, and we cannot guarantee that we will be successful.

Additionally, the use of certain open-source software can lead to greater risks than use of third-party commercial software, as open-source licensors generally do not provide warranties or controls on the origin of software. There is typically no support available for open-source software, and we cannot ensure 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. Many of the risks associated with the use of open-source software, such as the lack of warranties or assurances of title, non-infringement or performance, cannot be eliminated, and could, if not properly addressed, negatively affect our business. We have processes to help alleviate these risks, including a review process to disallow any open source code with licenses that will expose our own code and intellectual property, but we cannot be sure that all open-source software is identified or submitted for approval prior to use in our products and services. Any of these risks could be difficult to eliminate or manage, and, if not addressed properly, could adversely affect our ownership of proprietary intellectual property, the security of our vehicles, or our business, results of operations and financial condition.

Risks Related to Our General Operations

We operate and compete in highly competitive markets, facing challenges from both current and future competitors. If we fail to commercialize our technology on a large scale before our competitors, develop superior technology and products, or compete effectively, we may lose our market share or fail to gain additional market share, and our growth and financial condition may be adversely affected.

We face competition from autonomous driving industry participants in each of our products and solutions which will only intensify if we introduce additional vehicle types or expand the use cases of our autonomous technology. The competitive landscape of our industry is shaped by a multitude of evolving elements, such as overall economic trends, ability to source capital, improvements in technology infrastructure and products, implementation capability, public acceptance, and regulatory changes. These factors, which are largely outside our control, can change unpredictably and thereby affect our standing in the competition.

Our future success will depend on our ability to maintain our leading competitive position with respect to our technological advances over our existing and any new competitors. We face competition, both in mainland China and internationally, from autonomous driving companies that offer autonomous driving technologies, products and services. In addition to the existing competitors, we may also face competition from automotive OEMs global-wide and other global technology giants, particularly those who are building internal autonomous driving development programs. In addition, because the autonomous driving market is relatively nascent, our OEM partners and we have been and are expected to continue exploring different business models and innovating our products and solutions. Our OEM partners may launch autonomous driving vehicles that potentially compete with our vehicles for customers, end users and market share.

Some of our current and potential competitors have greater financial, technical and other resources than us and may be able to deploy greater resources to the advancement of autonomous driving technologies. If we fail to compete effectively, or if we are compelled to take costly measures in reaction to the moves of our competitors, our profitability, results of operations and financial condition may be materially and adversely affected. In addition, our competitors in certain geographic markets may enjoy substantial competitive advantages such as greater brand recognition, longer operating histories, better localized knowledge and more supportive regulatory regimes. Some of our competitors may be capable of offering innovative service and product offerings and more desirable pricing models. As a result, such competitors may be able to respond more quickly and effectively than us in such markets to new or changing opportunities, technologies, consumer preferences, regulations, or standards, which may render our products or offerings less attractive. We cannot be certain that the pace of our growth or our product offerings will meet the demand of our customers and end users at all times, the failure of which may materially and adversely affect our business, prospects, financial condition and results of operations. Furthermore, increased competition could also intensify our pricing pressure and force us to adjust our pricing strategies to maintain and grow our market share. We may not have the same financial resources as our competitors that allow us to adjust pricing, which may result in a loss of customers and future market share. On the other hand, if we follow the downward price adjustment trend, our ability to generate revenue and achieve profitability may be adversely affected.

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, including Europe, the Middle East and Southeast Asia, involves new risks and challenges associated with such new markets, such as obtaining permits to conduct test driving and further, commercialization, of our autonomous driving vehicles in these new geographical areas and jurisdictions. We may also need to adjust our pricing policies to adapt to local economic conditions. 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 that we will be able to execute on our business strategy or that our product and service offerings will be successful in such markets.

We may not be able to execute our growth strategies successfully or manage our growth, and as a result, our business may be adversely affected.

Our ability to maintain or enhance our growth rates and achieve profitability partially depends on our ability to increase our revenue and operating income through a series of organic growth initiatives. Our growth strategies include to grow business to reach large-scale commercialization, continue to strengthen our technology, reduce cost and improve operational efficiency, expand global presence and to broaden strategic partnership. However, we may not be able to execute on these strategies as effectively as anticipated. Our ability to execute on these strategies depends on a number of factors, including:

- our ability to build on our technological and business milestones to advance towards full commercialization across robotaxi, robobus, robovan, robosweeper and other autonomous driving use cases;
- our ability to work with OEMs and other suppliers to scale up our products and services to meet our customers' needs;
- our ability to work with business partners to bring leading ADAS to the market;
- our ability to continue to deliver our technology through providing autonomous driving products and services;
- whether we have adequate capital resources to expand and optimize our technology platform, expand our offerings, enhance our data capabilities and increase our spending on talent development;
- our ability to continue to upgrade our technology platform and to accelerate the evolution of our product and service offerings;
- our successful execution of our overseas expansion plan;
- our ability to improve operational efficiency;
- our ability to strengthen our existing partnerships and enter into new strategic partnerships with industry leaders across the value chain;
- our ability to hire, train and retain top talent in the autonomous driving industry; and
- our ability to navigate an evolving and complex regulatory environment.

Our current and future autonomous driving products and services may not generate the expected levels of sales and profitability, and our growth strategies may not lead to the commercialization necessary to achieve a comparable level of profitability. To the extent that we are unable to execute on our growth strategies in accordance with our expectations and fail to achieve the expected levels of sales and profitability, our business and results of operations may be adversely impacted. In addition, our growth may continue to fluctuate and may be below our historical rates. Therefore, we cannot assure you that we will achieve and subsequently maintain profitability in the future.

Our autonomous driving technology and related software and hardware could have undetected defects or contain serious errors, and even where insurance coverage and supplier warranties are in place, such protections may prove inadequate, which could create safety issues, reduce market adoption, damage our brand image, subject us to product recalls or expose us to product liability and other claims that could materially and adversely affect our business.

Our autonomous driving technology is highly technical and very complex, and has in the past and may in the future experience defects, errors or bugs at various stages of development. We may be unable to timely correct problems to our business partners' and end users' satisfaction. Additionally, there may be undetected errors or defects especially as we introduce new systems or as new versions are released. Undetected errors and defects may cause our autonomous driving vehicles that make up our fleet and the vehicles of our customers applying our autonomous driving technology to malfunction, which could result in serious injury to or death of the end users of vehicles, or those in the surrounding area. Errors or defects in our products and services may only be discovered after they have been tested, commercialized and deployed. We generally offer a limited warranty to our customers for our products in order to repair or replace for the aforementioned errors, defects or hardware component failures. However, subject to the product liability related laws and regulations in the jurisdictions where our products and services are offered, we may incur significant additional development costs and product recall, repair or replacement costs, or more importantly, liability for personal injury or property damage caused by such errors or defects, as these problems would also likely result in claims against us. The occurrence of any of the above could cost us significant expense and diversion of management attention and other resources. Our reputation or brand may be damaged as a result of these problems and end customers may be reluctant to use our vehicles and services, which could adversely affect our ability to retain existing customers and attract new customers, and could materially and adversely affect our financial results.

For each autonomous driving vehicle type we have developed, the vehicles that adopt our ADAS and our future autonomous driving vehicle models, once production begins, we may experience product liability disputes and product recalls, which could adversely affect our brand in our target markets and could adversely affect our business, prospects, financial conditions and results of operations. Any product liability dispute or product recall in the future may result in adverse publicity, damage our brand and materially adversely affect our business, prospects, operating results, and financial condition. In the future, we may be subject to product recalls if any of the components of our autonomous driving vehicles prove to be defective or non-compliant with applicable motor vehicle safety standards. Such recalls typically involve significant expense and diversion of management attention and other resources, which could adversely affect our brand image, as well as our business, prospects, financial condition and results of operations. In addition, we could face material legal claims for breach of contract, product liability, tort or breach of warranty as a result of defects and errors in our software and hardware. Any such lawsuit may cause irreparable damage to our brand and reputation. In addition, defending a lawsuit, regardless of its merit, could be costly and may divert management's attention and adversely affect the market's perception of our brand and our products. Furthermore, even where we maintain business liability insurance coverage or benefit from supplier warranties, such coverage or warranties could prove inadequate with respect to a claim, and future coverage may be unavailable on acceptable terms or at all. These product-related issues could result in claims against us and our business could be materially and adversely affected.

Our business generates and processes a large amount of data, and we are required to comply with PRC and other regions' applicable laws relating to privacy and cybersecurity. The improper use or disclosure of data or failure to comply with applicable laws and regulations could have a material and adverse effect on our business and prospects.

In operating our business and providing services to customers and end users, we collect, use, store, transmit and otherwise process various types of data. While we take measures to comply with all applicable cybersecurity and data privacy laws and regulations, we face risks and challenges inherent in processing and protecting large volume of data, including:

- protecting the data collected, stored and processed on our technology systems, including against attacks on our system by outside parties or fraudulent behavior or improper use by our employees;
- addressing concerns related to privacy and sharing, safety, security and other factors, including properly sanitizing personal data collected; and
- complying with applicable laws, rules and regulations relating to the collection, use, storage, transfer, disclosure and security of personal information and other data.

The users' data obtained by us through the *WeRide Go* app, our online taxi platform, is stored on the cloud provided by a leading cloud service supplier in China. We have reached written agreements with this cloud service supplier on data security obligations, requiring it to adopt appropriate technical measures and management measures to protect the data.

Even with the aforementioned agreements, we do not control the cloud services provided by the aforementioned cloud service supplier, and there is a risk that such services may not be reliable. If the cloud service supplier violates the agreements or relevant regulations, we may incur additional costs and time to supervise their work, and we may be held responsible for their misconduct and face claims from users.

When our L4 autonomous driving vehicles are in operation, with certain camera angle, camera accuracy and the relative speed and position between our vehicle and pedestrians or other vehicles under limited circumstances, the cameras of our vehicles may collect certain personal information. According to the Several Provisions on Vehicle Data Security Management (Trial Implementation), if it is impossible to obtain consent from individuals to collect and provide personal information outside the vehicle due to the need to ensure driving safety, anonymization should be performed, including deleting images containing natural persons that can be identified, or performing partial blurring of human figures in the videos. For personal information originated outside the vehicle, we are unable to obtain the consent of the relevant individuals. As such, we desensitize the videos collected by smearing facial features and license plates before such information leaves the vehicles. The original videos are deleted immediately after such desensitization is completed. However, we cannot assure you that the de-identification measures we take fully comply with regulatory requirements in this regard, the failure of which may subject us to administrative measures and severely disrupt our business operations.

In addition to the regulations on vehicle-collected data discussed above, the PRC regulatory and enforcement regime with regard to data security and data protection in general is evolving and may be subject to different interpretations or changes. Moreover, different PRC regulatory bodies, including the Standing Committee of the National People's Congress, or the SCNPC, the MIIT, the CAC, the MPS and the State Administration for Market Regulation, or the SAMR, have enforced data privacy and protections laws and regulations with varying standards and applications. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Cybersecurity and Data Security" and "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Privacy."

In December 2021, the CAC, together with other authorities, jointly promulgated the Revised Cybersecurity Review Measures, which became effective on February 15, 2022 and replaces its predecessor regulation. Pursuant to the Revised Cybersecurity Review Measures, critical information infrastructure operators that purchase internet products and services and network platform operators that conduct data processing activities must be subject to the cybersecurity review if their activities affect or may affect national security. The Revised Cybersecurity Review Measures further stipulates that a network platform operator that hold personal information of over one million users shall apply with the Cybersecurity Review Office for a cybersecurity review when it seeks to abroad. This requirement only applies in situations where a company is seeking to list its securities in other countries. Even if we become in possession of more than one million users' personal information, this requirement will not apply, unless we seek to list our securities in countries other than the U.S., mainland China and Hong Kong in the future.

We do not believe that the users' data stored by our cloud services provider could result in us or the cloud services provider being subject to a cybersecurity review by the CAC. Under the Revised Cybersecurity Review Measures, a CAC cybersecurity review may be triggered when (i) operators of "critical information infrastructure" purchase network products and services that affect or may affect national security; (ii) network platform operators holding the personal information of more than one million users plan to list abroad; and (iii) network platform operators conduct data processing activities that affect or may affect national security. With respect to (i) and (ii), we have not been designated by the relevant PRC authorities as an operator of "critical information infrastructure" and are currently not in possession of more than one million users' data. In terms of (iii), we do not believe that our handling of the data stored by our cloud service provider affects or may affect national security, given that (a) we only collect user data necessary for providing our services and ensuring user safety, and none of such data is considered "important data" under the relevant PRC regulations that may endanger national security and public interests if tampered with, damaged, disclosed, illegally obtained or illegally utilized; (b) the amount of personal information we hold is currently far less than one million; (c) we have adopted security measures to safeguard users' data stored in the cloud and prevent cybersecurity incidents such as data breach, tampering, damage or loss; and (d) the users' data stored in the cloud are not provided to any non-PRC entities in any form. As of the date of this annual report, we have not been subject to or received any notice requiring us to file for a cybersecurity review by the CAC with respect to the users' data stored by our cloud services provider.

As of the date of this annual report, we have not been designated by the relevant PRC authorities as a critical information infrastructure operator, nor have we been involved in any formal investigations on cybersecurity review made by the CAC or any other PRC authority on such basis or any cybersecurity-related warning or sanction from the PRC government or any notice from relevant authorities specifying us to file for the cybersecurity review.

However, if we plan to list our securities on other foreign stock exchanges in the future, and if by that time the amount of users' personal information we possess exceeds one million, we will be obligated to apply for a cybersecurity review. If and when we are required to go through a cybersecurity review, we face uncertainties as to whether we will be able to timely complete the review, or at all, which may bring substantial uncertainties to our future listing and financing plan, and therefore adversely affect our business and results of operations.

In general, compliance with the existing PRC laws and regulations, as well as additional laws and regulations that PRC regulatory bodies may enact in the future, related to data security and personal information protection, may be costly and may result in additional expenses to us, and subject us to negative publicity, which could harm our reputation and business operations. There are also uncertainties with respect to how such laws and regulations will be implemented and interpreted in practice.

In addition to mainland China, we have also commenced testing and commercialization of our autonomous driving vehicles overseas. As we expand our global footprints, we expect to be subject to laws and regulations in foreign jurisdictions, such as the U.S., regarding data privacy, protection, and security. These regimes may, among other things, impose data security requirements, disclosure requirements, and restrictions on data collection, uses, and sharing that may impact our operations and the development of our business. Currently, we have not offered any services to the general public in the United States and have not collected any consumer information there. However, our products and services may evolve to add new features and functionality to respond to market demand that may change our privacy obligations. Therefore, the full impact of these privacy regimes on our business is rapidly evolving across jurisdictions and remains uncertain at this time. Complying with these obligations could cause us to incur substantial costs and could increase negative publicity surrounding any incident that compromises user data. Failure to fully comply with these laws and regulations in overseas jurisdictions could also result in regulatory enforcement actions against us or otherwise subject us to significant liability, costs and a material loss of revenue resulting from the adverse impact on our reputation and brand. Any of such events could have materially adverse effect on our business, financial condition, results of operations and prospects.

Our operations are subject to extensive and evolving governmental regulations and may be adversely affected by changes in automotive safety regulations that could impose substantial costs, legal prohibitions or unfavorable changes upon our operations, and we may incur material liabilities under, or costs in order to comply with, existing or future laws and regulations.

We are subject to legal and regulatory requirements, political uncertainty and social, environmental and economic conditions in jurisdictions we operate, including markets in which we generate significant sales, over which we have little control and which are inherently unpredictable. The costs of compliance, including remediations of any discovered issues and any changes to our operations mandated by new or amended laws, may be significant, and any failures to comply could result in significant expenses, delays or fines. We are subject to laws and regulations applicable to the manufacture, sale, import, export and service of automobiles in general, both domestically and abroad. In addition, there are a variety of international and domestic regulations that may apply to autonomous driving vehicles, which include many existing vehicle standards that were not originally intended to apply to vehicles that may not have a driver. The laws, regulations, administrative orders and regulatory standards relating to autonomous driving are still developing and remain subject to substantial uncertainty. There has been relatively little mandatory government regulation of the autonomous driving industry to date and no widely accepted uniform standards to certify autonomous driving technology and its commercial use on public roads. On July 27, 2021, the Ministry of Industry and Information Technology, or the MIIT, the Ministry of Public Security, or the MPS, and the Ministry of Transport, or the MOT, jointly issued the Circular on the Norms on Administration of Road Testing and Demonstrative Application of Autonomous Driving Vehicles (Trial Implementation), or the Road Testing and Demonstrative Application Circular, which replaced the Circular on the Norms on Administration of Road Testing of Autonomous Driving Vehicles (Trial Implementation). According to the Road Testing and Demonstrative Application Circular, a subject for road testing refers to an entity that applies for and organizes a road testing for autonomous driving vehicles, and bears corresponding liability. Such entity shall meet various regulatory requirements, including related business capacity, ability to pay civil compensation for possible personal and property losses caused by road tests, evaluation rules for test driving, ability to safeguard network security and others. On November 17, 2023, the MIIT, the MPS, the MOT, and Ministry of Housing and Urban-Rural Development of the PRC jointly issued the Notice on the Pilot Implementation of Intelligent Connected Vehicle Access, which took effect immediately. This notice outlines detailed regulations for the admission and road operation of intelligent connected vehicles during the pilot period. On November 21, 2023, the MOT released the Service Guidelines on Transportation Safety for Autonomous Driving Vehicles (for Trial Implementation), effective immediately. These guidelines govern the use of autonomous driving vehicles for various transportation operations on different roadways, specifying the scenarios and conditions under which these vehicles can be used in different transportation contexts. In addition, certain local governments in mainland China, such as Shenzhen, Wuhan, Guangzhou, Zhengzhou, Nanjing, Qionghai, Wuxi, Dalian, Suzhou, Ordos, Qingdao, and Beijing, have issued or applied local rules and regulations for the road testing of autonomous driving vehicles in accordance with the central-level regulations. See “Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Autonomous Driving Vehicles” for details. We have been approved by local governmental authorities to conduct test driving of our autonomous driving vehicles in cities such as Guangzhou, Shenzhen, Beijing, Wuxi, Dalian and others. However, such governmental approvals are for specific time periods, and we cannot guarantee that we will be able to renew the approvals when needed. In addition, we may not be able to obtain approvals from the local governments of other cities where we expect to conduct road tests in the future, in a timely manner or at all. Furthermore, while we have built safety processes to ensure that the performance of our technology meets the regulatory requirements and standards as we interpret the applicable laws and regulations, there can be no assurance that these measures will be deemed by relevant governmental authorities as sufficient, or will meet future regulatory requirements enacted regarding the operation and commercialization of self-driving technology. Moreover, laws, regulations, administrative orders and regulatory standards with regard to autonomous driving vehicles and their road tests in the jurisdictions we operate continue to rapidly evolve and are complex, which increases the likelihood of varying complex or conflicting regulations or may limit global adoption, impede our strategy, or negatively impact our long-term expectations for our investments in these areas, and could adversely affect our business. In addition, certain regulations and implementation provides new requirements and local government authorities have significant amount of discretion in interpreting, implementing and enforcing rules and regulations. If we fail to comply with the applicable legal requirements concerning the autonomous driving industry in a timely manner, our operation may be subject to the order of rectification, fine or the suspension of non-compliant operations, which may materially and adversely affect our business and results of operations.

In addition, as we grow our business to provide our products and services in additional countries and regions, we will be subject to complex environmental, manufacturing, health and safety laws and regulations at numerous jurisdictions, including but not limited to laws relating to autonomous driving, vehicle transportation, product material inputs and product liability. Particularly, the rate at which governments approve autonomous driving products could impact our operations. The deployment and operational capability of our L4 autonomous driving vehicles in real-world scenarios are contingent upon receiving timely governmental approvals, especially for our projects overseas. Delays in securing these essential regulatory approvals can significantly affect our commercialization timing, as these approvals are indispensable for progressing from the testing phase to full-scale commercialization. Furthermore, we may become subject to laws with respect to anti-corruption, anti-bribery, anti-money laundering and other similar laws and regulations in various jurisdictions in which we conduct, or in the future may conduct, activities. Non-compliance with any of the foregoing laws and regulations may subject us to significant fines, penalties, lawsuits and enforcement actions, result in regulatory sanctions and additional compliance requirements, increase regulatory scrutiny of our business, restrict our operations or damage our reputation.

Any lack of requisite approvals, licenses or permits applicable to our business operation may have a material and adverse impact on our business and results of operations.

Our business is subject to intense regulation, and we are required to hold a number of licenses and permits in connection with our business operations. As advised by our PRC legal counsel, as of the date of this annual report, we had obtained all the licenses and permits necessary for our current business operations in China in all material aspects. However, we cannot assure you that we will be able to renew the licenses and permits that we have obtained, or obtain new licenses and permits required for our future business operations, when necessary in a timely manner, or at all.

We currently collaborate with Guangzhou Yuji Technology Co., Ltd., or Guangzhou Yuji, a service provider that possesses a navigation electronic map production and surveying license, to provide surveying and mapping services to our company. Under the cooperation, the service provider provides us with HD maps services to complement the vision of our sensors. In October 2022, in order to comply with certain regulatory development, we expanded our cooperation scope with Guangzhou Yuji to also cover the conduction of activities that requires qualification in order to facilitate the operation of our vehicles. If our cooperation with Guangzhou Yuji is terminated or expires without timely renewal for any reason, and we cannot reach similar cooperation arrangements with other qualified service providers on terms acceptable to us, or at all, we may have to halt the relevant operation of our vehicles until we can obtain such licenses, if ever. Any of the foregoing may disrupt our operations and may materially and adversely affect our business, financial condition and results of operations. Moreover, we had historically conducted surveying and mapping in internet mapping service category and hold the relevant certificate through Guangzhou Jingqi. After the unwinding of the VIE structure in March 2023, we terminated the surveying and mapping business of Guangzhou Jingqi. If our cooperation with Guangzhou Yuji is terminated for any reason, we may need to, based on our business needs, engage another licensed surveying and mapping service provider in China to conduct the surveying and mapping business. We cannot assure you that, if and when it becomes necessary for us to do so, we will successfully engage such service provider/expand our cooperation scope with such service provider on commercially acceptable terms and in a timely manner, or at all. Failure to do so will disrupt our business operations and negatively affect our results of operations, financial performance and prospects.

In addition, new laws and regulations may be enforced from time to time to require additional licenses and permits other than those we currently have. We cannot assure you that we will be able to obtain such licenses and permits in a timely and cost-effective manner. If any applicable local government authorities consider that we were operating without the proper approvals, licenses or permits, they have the power to, among other things, levy fines, confiscate our income, revoke our business licenses, and require us to discontinue our relevant business or impose restrictions on the affected portion of our business. Any of these actions by government authorities may have a material and adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our Class A ordinary shares and ADSs. For further details on the requisite licenses and approvals for our business operations, see “Item 4. Information on the Company—B. Business Overview—Regulations.”

We depend on the experience and expertise of our senior management team, technical engineers and certain key employees, and the loss of any executive officer or key employee, or the inability to identify, recruit or retain executive officers, technical engineers and 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. There had been, and may from time to time be, changes in our executive management team. There may also be disputes and proceedings surrounding compensation, non-compete obligations and intellectual properties with former employees. Such changes, disputes and proceedings could disrupt our business, result in negative publicity of our company, and cause diversion of management attention and financial resources. We do not maintain key-man insurance for any member of our senior management team or any other employee. The loss of one or more of our executive officers or key employees could have a material adverse effect on our business.

To execute our growth plan, we must attract and retain highly qualified personnel. Competition for talent is intense in the autonomous driving industry and the technology-related labor market in general, especially for engineers with high levels of experience in designing and developing autonomous driving related algorithms. We may also need to recruit highly qualified personnel internationally. We have, from time to time, experienced, and we 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 technology platform in a timely manner and our business and future growth prospects could be adversely affected.

It is possible that the unit economics of our autonomous driving vehicles do not materialize as expected, which could adversely affect our business prospects.

Our business model is partially premised on our future expectations and assumptions regarding unit economics of our robotaxi, robobus, robovan and potentially other autonomous driving vehicles, 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 the autonomous driving system hardware, other fixed and variable costs associated with autonomous driving vehicle operation, useful life of autonomous driving vehicles, vehicle utilization and product 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 continually push initiatives to optimize other cost components such as maintenance and insurance costs. This will require significant coordination with our OEM 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, products and services are new to market, and the appropriate price points are still being assessed by the market. 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 unit economics-related factors, many of which are beyond our control, could materially and adversely affect our business, prospects, financial condition and results of operations.

Strategic acquisition of and investments in businesses and assets, and the subsequent integration of newly acquired businesses into our own, create significant challenges.

To further expand our business and strengthen our market-leading position, we may tap into new market opportunities or enter into new markets by forming strategic alliances, including joint ventures, or making strategic investments and acquisitions. If we are presented with appropriate opportunities in the future, we may acquire or invest in additional businesses or assets that are complementary to our business. However, strategic acquisitions and the subsequent integration of new businesses and assets into our own would require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our business operations. In addition, acquisitions could result in potential dilutive issuances of equity securities, use of substantial amounts of cash, significant increase of our interest expense, leverage and debt service requirements if we incur additional debt to pay for an acquisition or investment and exposure to potential ongoing financial obligations and unforeseen or hidden liabilities of the acquired businesses. The cost and duration of, and difficulties in, integrating newly acquired businesses and managing a larger overall business could also materially exceed our expectations. On the other hand, we may not be able to successfully select investment and acquisition targets that supplement our business and growth strategies. After devoting significant resources to potential acquisitions, the transactions may not be closed successfully due to strengthened anti-monopoly enforcement in mainland China. Moreover, we may not be able to achieve our intended strategic synergies and may record substantial impairment charges to goodwill, if we fail to successfully integrate the newly acquired businesses or manage a larger business. Our equity investees may generate significant losses, a portion of which will be shared by us in accordance with IFRS. In addition, we may incur impairment losses if the financial or operating results of those investees fail to meet the expectations. No assurance can be given that our acquisitions, joint ventures and other strategic investments will be successful and any negative developments in connection with our acquisitions or strategic investment could have a material adverse effect on our business, reputation, results of operations and financial condition.

In addition, we intend to pursue joint venture opportunities which we believe will allow us to expand into more markets and complement our growth strategy. We may be required to contribute significant amount of capital and managerial resources in forming joint ventures with third parties. We may not succeed in the collaboration with third parties to meet our performance and financial expectations, which could adversely impact our ability to meet internal forecasts and expectations. In addition, in forming joint ventures, we may not be able to, at all times, comply with local or foreign regulatory requirements, and the joint ventures may not be able to obtain necessary regulatory clearance, licenses and permits for its intended business purposes. Any of the foregoing could have a material adverse effect on our business, reputation, results of operations and financial condition.

The current tensions in international trade and rising political tensions, particularly between the U.S. and China and between the U.S. and the European Union, or the EU, may adversely impact our business, financial condition, and results of operations.

It is unknown whether and to what extent new tariffs, economic or trade sanctions, export controls or other new laws or regulations related to trade (and in particular trade with or involving China) will be adopted by the U.S. government or EU authorities, or the effect that any such actions would have on us, the industry we operate in, our business partners and end users. Any unfavorable government policies on international trade, such as capital controls, export controls, sanctions or tariffs, may affect the demand for our products and services, impact the competitive position of our products or prevent us from being able to sell products in certain countries. Any new trade-related laws or restrictions, or the regeneration of existing trade agreements could have an adverse effect on our business, financial condition, and results of operations.

We have been closely monitoring policies in the United States that are aimed at restricting U.S. persons from investing in or supplying to certain Chinese companies. The United States and various foreign governments have imposed controls, license requirements and restrictions on the import or export of technologies and products, or voiced the intention to do so. For instance, in the last few years, the United States has implemented more stringent export controls with respect to certain AI and semiconductor technologies, and additional controls are possible in the near future. Moreover, many of the recent policy updates in the United States may have unforeseen implications for our business. On October 28, 2024, the U.S. Department of the Treasury issued a final rule on U.S. outbound investment, or the Final Rule, which became effective on January 2, 2025. In addition, President Trump issued the America First Investment Policy Memorandum on February 21, 2025, which proposes to further expand the set of technologies and investment types of concern. We cannot rule out the possibility that our development of autonomous driving systems could be considered a “covered activity” (as defined in the Final Rule) or that we may otherwise meet the definition of Covered Foreign Persons provided in the Final Rule. If we are deemed a Covered Foreign Person under the Final Rule investment in our potential future offerings may be subject to notification requirements or otherwise qualify for certain exemptions under the Final Rule. In addition, the Final Rule could still limit our ability to raise capital or contingent equity capital from U.S. investors given that relevant laws, regulations, and policies continue to evolve, the U.S. government’s interpretation of the criteria in the Final Rule may change over time, and potential amendments to the Final Rule or the introduction of similar regulations may occur in the future. If our ability to raise such capital is significantly and negatively affected, it could be detrimental to our business, financial condition and prospects. In such a case, the value of our shares may significantly decline, or in extreme cases, become worthless.

The U.S. Department of Commerce’s Bureau of Industry and Security, or BIS, has promulgated a final rule, the BIS Final Rule, which went into effect on March 17, 2025, which prohibits vehicle connectivity system, or VCS, hardware importers from knowingly importing into the United States certain hardware for VCS and prohibits connected vehicle manufacturers from knowingly importing into the United States or selling within the United States completed connected vehicles that incorporate covered software, unless otherwise authorized. These prohibitions apply to transactions involving VCS hardware or software designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction of the PRC or Russia. In addition, connected vehicle manufacturers under PRC or Russian control are prohibited from selling completed connected vehicles with VCS hardware or covered software in the United States, regardless of the origin of that hardware or software. Our business in the United States is limited to research and development and road testing, and the United States has not been, and will not be, a market for our products or services. We do not believe our current road testing activities in the United States are prohibited or restricted by the BIS Final Rule in its current form. However, if our road testing activities become prohibited or restricted, due to the future amendments of the BIS Final Rule, other potential prohibition of autonomous driving companies from conducting testing in the United States, or otherwise, we expect to be able to discontinue road testing in the United States without materially affecting our overall testing capabilities, given the limited scope of our testing activities in the United States. As such, we do not expect the BIS Final Rule to have a material impact on our ability to continue our research and development in the United States.

Additionally, there have been media reports on deliberations within the U.S. government regarding limiting or restricting China-based companies from accessing U.S. capital markets, and delisting China-based companies from U.S. national securities exchanges. On April 9, 2025, the U.S. Secretary of the Treasury, Scott Bessent, indicated the possibility of delisting U.S.-listed China-based issuers, amid the escalating trade war between the U.S. and China. Subsequently, on May 2, 2025, certain members of the U.S. House Select Committee on China and the Senate Special Committee on Aging sent a joint letter to the SEC urging the SEC to consider delisting certain China-based issuers, including us. If any such deliberations were to materialize, the resulting legislation, executive orders or administrative actions or other actions from U.S. government may have material and adverse impact on the stock performance of China-based issuers listed in the United States, including our Company, and there can be no assurance that we will always be able to maintain the listing of our ADSs on a national stock exchange in the U.S., such as the Nasdaq Stock Market, or that you will always be allowed to trade our ADSs in the U.S. See “—Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting or prohibition of trading of our ADSs, or the threat of their being delisted or prohibited from trading, may materially and adversely affect the value of your investment.”

Our business in Europe includes a commercial deployment in France, which is part of the EU, and a pilot project in Switzerland, which is part of the European Economic Area, or EEA. We have been closely monitoring policies in the EU and EEA which are relevant to our plans to offer services in these markets, including tariffs, export controls and other international trade issues that may affect our business. In addition, trade tensions between the U.S. and EU, such as the recent countermeasures imposed on U.S. steel and aluminum exports by the EU could have an impact on our business, in particular if they are expanded by the EU to cover China or alternatively if the EU adopts similar restrictions to the U.S. on VCS or our other technologies described above in order to secure decreases to, or avoid future escalation of U.S. tariffs on EU products.

It is uncertain whether and how the U.S. government or EU government will further regulate the autonomous driving and artificial intelligence industries or whether any new and more stringent regulations and/or limitations, restrictions or prohibitions will be promulgated and implemented on the application, development, commercialization and use in the United States or EU of autonomous driving technology by entities deemed to be PRC affiliated, based or controlled, as well as how entities deemed to be U.S./EU and/or U.S./EU affiliated entities interact with the foregoing entities. There could be regulatory or legislative changes targeting this industry that have a material adverse impact on our business and operations, our ability to raise capital and the market price of our Class A ordinary shares and ADSs.

Moreover, national security and foreign policy concerns may prompt governments to impose trade or other restrictions, which could make it more difficult to or restrict our access to certain markets or technology. The political landscape in the United States could affect the U.S. government's attitude towards China and cause uncertainty to restrictions it may impose on Chinese technology. Measures such as these could deter suppliers and investors in the United States and/or other countries that impose export controls and other restrictions from providing technologies and products to, making investments in, or otherwise engaging in transactions with Chinese companies. For example, on February 21, 2025, U.S. President Donald J. Trump issued a memo titled the "America First Investment Policy," or the America First Memo, outlining the ongoing review and consideration of potential new or expanded restrictions on U.S. outbound investment in the PRC in sectors such as semiconductors, artificial intelligence, quantum, biotechnology, hypersonics, aerospace, advanced manufacturing, directed energy, and other areas implicated by the PRC's national military-civil fusion strategy. The America First Memo also contemplates potential restrictions on investments in publicly traded securities by pension funds, university endowments and other limited partner investors. Investor concerns may also adversely affect the value and trading of the securities of China-based companies. As a result, Chinese companies would have to identify and secure alternative supplies or sources of financing, which they may not be able to do in a timely manner and on commercially acceptable terms, or at all. In addition, Chinese companies may have to limit and reduce their research and development and other business activities, or cease conducting transactions with parties, in the United States and other countries that impose export controls or other restrictions. Given that we operate a research and development center in the United States, and we cooperate with certain U.S.-based suppliers, our business is particularly susceptible to these controls and restrictions. In addition, the U.S. government could enhance scrutiny on China-based autonomous driving companies, including prohibiting these companies from conducting testing or making it not feasible for these companies to conduct testing in the U.S. Our financial condition and results of operations could be materially and adversely affected as a result.

We are subject to anti-corruption, export control, sanctions, trade policies and similar laws and regulations, and non-compliance with such laws, regulations, policies and administrative orders can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, financial condition and results of operations.

Any Chinese companies or individuals targeted under U.S. economic sanctions or export control restrictions may lose access to the U.S. markets. U.S. entities and individuals may not be permitted to do business with sanctioned companies and individuals, and other international enterprises may as a matter of law and/or policy decide not to engage in transactions with such companies or individuals. In addition, policies that are aimed at restricting U.S. or other foreign persons from supplying certain Chinese companies have been issued in the U.S. and other foreign jurisdictions in recent years. These measures could deter suppliers and investors in the United States and/or other countries that impose export controls and other restrictions from providing technologies and products to, making investments in, or otherwise engaging in transactions with Chinese companies. We may be affected by future changes in U.S. export control laws and regulations. In particular, the tightened U.S. export controls, including export controls related to the export to mainland China of certain advanced semiconductors and equipment to manufacture them, as well as export control on emerging technologies could become an additional barrier in securing sufficient supplies of semiconductors. In addition, in the future, if we, any of our customers, suppliers or other ecosystem partners that have collaborative relationships with our company or our affiliates were to become targeted under sanctions or export control restrictions, or if we were unable to source U.S.-origin software and components from third parties or otherwise access U.S. technology as a result of such regulatory changes, our product and service development, commercialization and other aspects of our business operations may be materially interrupted. In addition, under the Foreign Investment Risk Review Modernization Act, investments in companies that deal in critical technology are, in some instances, subject to filing requirements and, review and approval by the Committee on Foreign Investment in the United States, or CFIUS. The term critical technology includes, among others, technology subject to U.S. export controls and certain emerging and foundational technology.

Non-compliance with these laws and regulations could subject us to adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, prospects, results of operations, financial condition and reputation.

Tariffs, sanctions, trade barriers and other international trade policies may adversely affect our business, financial condition, results of operations and prospects.

The recent announcements of substantial new tariffs and other restrictive trade policies have created a dynamic and unpredictable trade landscape, which may adversely impact our business.

Current or future tariffs or other restrictive trade measures may raise the costs of raw materials, components or finished goods, which may adversely impact both our product offerings and our operational expenses. Such cost increases may reduce our margins and require us to increase prices, which could harm our competitive position, reduce customer demand and damage customer relationships. Our manufacturers, suppliers and distribution channels are also affected by the current trade environment, and we may experience supply chain disruptions as a result of increased costs and uncertainty, as well as risks to the long-term viability of key vendors, which may impact our ability to meet customer demand or manage inventory efficiently. Tariff and other trade-related cost pressures and supply chain disruptions may lead to reputational harm if we are unable to deliver products or services on expected timelines or if any price increases are poorly received by customers or business partners. In addition, many of our customers operate businesses that may be impacted by trade policies, which may result in decreased demand for our products or extended sales cycles as customers assess the impact of evolving trade policies on their operations and face increased costs or decreased revenue due to tariffs and trade restrictions.

Trade disputes, trade restrictions, tariffs and other political tensions between the U.S. and other countries may also exacerbate unfavorable macroeconomic conditions including inflationary pressures, foreign exchange volatility, financial market instability, and economic recessions or downturns, which may also negatively impact customer demand for our products or services, delay purchases or renewals, limit expansion opportunities with customers, limit our access to capital, or otherwise negatively impact our business and operations. Ongoing tariff, trade restrictions and macroeconomic uncertainty have and may continue to contribute to volatility in the price of our ADSs and Class A ordinary shares.

The complexity of announced or future tariffs may also increase the risk that we or our customers or suppliers may be subject to civil or criminal enforcement actions in the U.S. or foreign jurisdictions related to compliance with trade regulations. In addition, retaliatory trade policies or anti-U.S. sentiment in certain regions whether driven by trade tensions, political disagreements, or regulatory concerns may make customers, governments and investors more hesitant to engage with, purchase from or invest in U.S. firms. This may lead to increased preference for local competitors, changes to government procurement policies, heightened regulatory scrutiny, decreased intellectual property protections, delays in regulatory approvals or other retaliatory regulatory non-tariff policies, which may result in heightened international legal and operational risks and difficulties in attracting and retaining non-U.S. customers, suppliers, employees, partners and investors.

Ongoing uncertainty regarding trade policies may also complicate our short- and long-term strategic planning, and that of our partners and customers, including decisions regarding hiring, product strategy, capital investment, supply chain design and geographic expansion.

While we continue to monitor trade developments, the ultimate impact of these risks remains uncertain and any prolonged economic downturn, escalation in trade tensions, or deterioration in international perception of U.S.-based companies could materially and adversely affect our business, results of operations, financial condition and prospects. In addition, tariffs and other trade developments have and may continue to heighten the risks related to the other risk factors described herein.

A severe or prolonged downturn in the Chinese or global economy could materially and adversely affect our business and financial condition.

The Chinese economy and global economy from 2020 to 2022 were adversely impacted by the COVID-19 pandemic, and the macroeconomic environments continue to face numerous challenges. The growth rate of the Chinese economy has been slowing since 2010 and the Chinese population began to decline in 2022. The Federal Reserve and other central banks outside of China have raised interest rates. The Russia-Ukraine conflict, the Hamas-Israel conflict and the attacks on shipping in the Red Sea have heightened geopolitical tensions across the world. Several factors have adversely impacted a global economy already weakened by the pandemic, including higher-than-expected inflation worldwide, supply chain disruptions and pressures, rising energy prices and further negative spillovers from the global conflicts. There have also been concerns on the relationship between China and other countries, which may potentially lead to foreign investors closing down their businesses or withdrawing their investments in mainland China and, thus, exiting the China market, and other economic effects. In particular, there is significant uncertainty about the future relationship between the United States and China with respect to a wide range of issues including trade policies, treaties, government regulations, tariffs, cybersecurity, market entry and supply chain regulations. Economic conditions in mainland China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in mainland China. Any severe or prolonged slowdown in the global or Chinese economy may have a negative impact on our business, results of operations and financial condition, and continued turbulence in the international markets may adversely affect our ability to access the capital markets to meet liquidity needs. Our customers may reduce or delay purchasing or using our products and services, while we may have difficulty expanding our offerings and commercialization fast enough, or at all, to offset the impact of decreased demand by our existing customers.

Geopolitical instability in the Middle East could disrupt our operations, partnerships and expansion plans in the region, increase our operating costs, and materially adversely affect our business, results of operations and prospects.

We have significant and growing operations in the Middle East, including in the United Arab Emirates (UAE), such as Abu Dhabi and Dubai, and Saudi Arabia. The Middle East represents a strategically critical region for our global expansion. Our robotaxi services in the UAE and Saudi Arabia are conducted in partnership with third parties, and we rely on these local partners for field operations such as dispatch, cleaning and maintenance. Any disruption to these partnerships or to the broader operating environment in the region could adversely affect our ability to scale our fleet, generate revenue and execute our commercialization strategy.

Ongoing and escalating geopolitical tensions in the Middle East, including conflicts involving Iran and other regional actors, pose risks to the stability of the markets in which we operate. Such instability could result in disruptions to local infrastructure, restrictions on business activity, changes in regulatory frameworks, or deterioration in the safety and security environment in cities where we operate or plan to expand.

Geopolitical instability in the Middle East could also significantly affect global oil and energy markets, with direct consequences for our operating costs. Increases in oil and fuel prices resulting from regional conflict, disruptions to supply routes or economic sanctions on oil-producing nations could increase the cost of operating our vehicle fleet, as well as transportation and logistics costs associated with vehicle deployment, maintenance and supply chain operations. Any sustained increase in energy costs could compress our margins and adversely affect our path to profitability.

Furthermore, geopolitical instability could affect our ability to attract and retain partners, investors and talent in the region, disrupt our supply chain for vehicle hardware and components, and increase insurance and operational costs. Because we have adopted an asset-light model that relies heavily on local partners for on-the-ground operations, any deterioration in the political or economic environment that impairs the operations or financial condition of those partners could directly impact the quality and continuity of our services.

More broadly, regional conflict could affect investor sentiment toward companies with significant exposure to the Middle East, which could reduce our access to capital and adversely affect our business reputation and growth prospects. The duration, severity and ultimate resolution of geopolitical tensions in the region remain highly uncertain, and any escalation could materially and adversely affect our business, financial condition, results of operations and prospects.

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. We believe our autonomous technology delivers a safer transportation experience both for the passengers and the environment around by significantly reducing the risk of accidents, particularly for those associated with human errors. We are dedicated to delivering optimization of vehicle controls and maneuvers that in turn brings improvement of energy efficiency. Despite our continual efforts to adapt to and comply with investor, lender or other industry shareholder expectations and standards related to ESG, we may not be able to always meet the evolving expectations and 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 stock price.

Any disruption to our technology systems and facilities, operational systems, security systems, infrastructure or integrated software could adversely affect our business and results of operations.

We collect and maintain information in digital form that is necessary to conduct our business, and we rely on our technology systems and facilities, comprising of our operational systems, data management systems, security systems, servers and others, in connection with many of our business activities. Some of these networks and systems are managed by third-party service providers and are not under our direct control, and as a result, a number of third-party service providers may or could have access to our confidential information. Our operations routinely involve receiving, storing, processing and transmitting confidential or sensitive information pertaining to our business, users, customers, ecosystem partners, employees and other sensitive matters, including intellectual property, proprietary business information and personal information. It is critical that we do so in a secure manner to maintain the confidentiality and integrity of such confidential or sensitive information. We have established physical, electronic, and organizational measures designed to safeguard and secure our systems to prevent a data compromise, and rely on commercially available systems, software, tools, and monitoring to provide security for our technology systems and the processing, transmission, and storage of digital information. Despite the implementation of preventative and detective security controls, such technology systems are vulnerable to damage or interruption from a variety of sources, including telecommunications or network failures or interruptions, system malfunction, natural disasters, malicious human acts, terrorism, and war. For example, our data held in third-party servers may be subject to access requests by regulators and others. Our technology systems and facilities, including our servers, are additionally vulnerable to physical or electronic break-ins, security breaches from inadvertent or intentional actions by our employees, third-party service providers, contractors, consultants, business partners, and/ or other third parties, or from cyber-attacks by malicious third parties, including the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering, and other means to affect service reliability and threaten the confidentiality, integrity, and availability of information.

We have experienced attempts to breach our systems and other similar incidents, none of which have been material. Any future cyber incidents could, however, materially disrupt operational systems, result in the loss of trade secrets or other proprietary or competitively sensitive information, compromise personally identifiable information regarding end users or employees and jeopardize the security of our facilities. Any disruption to our technology system may also affect our ability to manage our data and inventory, procure parts or supplies or produce, sell and deliver our products and provide services to customers, adequately protect our intellectual property or achieve and maintain compliance with applicable laws, regulations and contracts. The risk of a security breach or disruption, particularly through cyber-attacks or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity, and sophistication of attempted attacks and intrusions from around the world have increased. We can provide no assurance that our current technology systems, or those of the third parties upon which we rely, are fully protected against cybersecurity threats. It is possible that we or our third-party service providers may experience cybersecurity and other breach incidents that remain undetected for an extended period. Even when a security breach is detected, the full extent of the breach may not be determined immediately. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Information technology security threats, including security breaches, computer malware and other cyber-attacks are increasing in both frequency and sophistication and could cause us to incur financial liability, subject us to legal or regulatory sanctions or damage our reputation with users, customers, ecosystem partners and other stakeholders. We continually seek to maintain information security and controls, however, our efforts to mitigate and address network security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities may not be successful, and the impact of a material cybersecurity event could have a material adverse effect on our competitive position, reputation, results of operations, financial condition and cash flows.

Unauthorized control or manipulation of systems in autonomous driving vehicles may cause them to operate improperly or not at all, or compromise their safety and data security, which could result in loss of confidence in us and our technology solutions, cancellation of contracts with certain of our customers and materially harm our business.

Our product and service offerings rely on our complex information technology systems. While we have implemented security measures intended to prevent unauthorized access to our information technology networks, our vehicles and their systems, malicious entities may attempt to gain unauthorized access to modify, alter and use such networks, vehicles and systems to gain control of, or to change, our vehicles' functionality, user interface and performance characteristics or to gain access to data stored in or generated by our vehicles. We encourage reporting of potential vulnerabilities in the security of our products and services through our security vulnerability reporting policy, and we aim to remedy any reported and verified vulnerability. However, there can be no assurance that any vulnerabilities will not be exploited before they can be identified, or that our remediation efforts are or will be successful.

Any unauthorized access to or control of our vehicles or their systems or any loss of data could result in legal claims or government investigations. In addition, regardless of their veracity, reports of unauthorized access to our vehicles, their systems or data, as well as other factors that may result in the perception that our products and services, their systems or data are capable of being hacked, may harm our brand, prospects and operating results.

We maintain share plan for the granting of options and other types of awards, which will result in a substantial amount of share-based compensation expenses and may have a significant impact on our results of operations.

We adopted the 2018 Share Plan in June 2018, which was amended and restated in July 2024, in order to attract, incentivize and retain employees, outside directors and consultants of our company and to promote the success of our business. For the years ended December 31, 2023, 2024 and 2025, we recorded RMB931.8 million, RMB1,187.9 million and RMB450.0 million (US\$64.3 million), respectively, of share-based compensation expenses in the statement of consolidated statements of profit or loss. The 2018 Share Plan was terminated in November 2025 upon the completion of our Hong Kong Listing. In March 2026, we adopted the 2026 Share Plan. We have granted and will continue to grant options and other types of equity awards pursuant to the 2026 Share Plan, and may record substantial share-based compensation expenses in the future.

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. We may adopt additional share plans to recruit new employees and to compensate existing employees. Furthermore, prospective candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. Thus, our ability to attract or retain highly skilled employees may be adversely affected by declines in the perceived value of our equity or equity awards. To attract and retain qualified employees, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations. In addition, the issuance of additional equity upon the exercise of options or other types of awards would result in further dilution to our shareholders.

Fair value change in financial assets at FVTPL may materially and adversely affect our results of operations and financial performance.

Our financial assets at fair value through profit or loss, or the FVTPL primarily represent our investments in wealth management products, private investment funds and listed companies. As of December 31, 2024 and 2025, our financial assets at FVTPL were RMB1,742.1 million and RMB332.3 million (US\$47.5 million), respectively. We recorded a gain from fair value changes of financial assets at FVTPL of RMB43.0 million in 2023, a loss of RMB61.8 million in 2024 and a gain of RMB41.8 million (US\$6.0 million) in 2025. The wealth management products issued by banks are influenced by the overall market conditions. Any market volatility or fluctuations in interest rates may affect the fair value of our financial assets at fair value through profit or loss. Our investments in private investment funds are subject to the changes of the net asset values of the funds. Our investment in listed companies is subject to stock price fluctuations, resulting in fluctuations in fair value change in financial assets at FVTPL. Additionally, we may hold other financial assets whose fair value is determined with a greater degree of judgment and is more sensitive to market conditions. Changes in fair value are recognized in profit or loss and such treatment of gain or loss may introduce volatility or materially and adversely affect our business, results of operations and financial performance.

The successful operation of our business depends upon the performance and reliability of internet, mobile and other infrastructures that are beyond our control.

Our business depends on the performance and reliability of internet, mobile and other infrastructures that are not under our control. The functionality, connectivity and safe operation of our autonomous driving vehicles rely on the mobile communication infrastructure and wireless technology. The occurrence of an unanticipated problem, such as a power outage, telecommunications delay or failure, security breach or computer virus could result in delays or interruptions to our product and service offerings and our technology platform, as well as business interruptions for us and our users, customers and business partners. Any of these events could damage our reputation, significantly disrupt our operations and subject us to liability, which could adversely affect our business, financial condition, and operating results.

In addition, disruptions in internet infrastructure or GPS signals or the failure of telecommunications network operators to provide us with the bandwidth we need to provide our product and service offerings may interfere with the speed and availability of our technology platform and product and service offerings. For example, if our *WeRide Go* is unavailable when users of our robotaxi services attempt to access it due to any disruption to telecommunications network, they may not apply our services as often in the future, or at all, and may use our competitors' product or service offerings more often. Furthermore, if mobile internet access fees or other charges to internet users increase, consumer traffic to our *WeRide Go* may decrease, which may in turn cause our revenue to decrease.

Our rights to use our leased properties may be defective and could be challenged by property owners or other third parties, which may disrupt our operations and incur relocation costs.

As of December 31, 2025, we leased a number of premises in mainland China, which are used mainly as office space, research and development centers and workshops. Any defects in lessors' title to the leased properties may disrupt our use of these properties, which may, in turn, affect our business operations. We had not been provided with building ownership certificates or the proofs of having the right to sublease the properties by the respective lessors with regard to 13 of our leased properties as of December 31, 2025. Without valid real estate ownership certificates or proof of authorizations from the relevant lessor or property owner, we may not be entitled to use the leased property or may be affected by third parties' claims or challenges against the relevant lease.

Furthermore, under the Measures for Administration of Lease of Commodity Properties, which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on December 1, 2010 and became effective on February 1, 2011, both lessors and lessees are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. As of December 31, 2025, 42 of our leased properties in mainland China had not been registered with the relevant PRC government authorities. Although failure to do so does not in itself invalidate the leases, we may be subject to fines if we fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors.

We previously identified a material weakness in our internal control over financial reporting. If we fail to develop and maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud.

As a public company, we are subject to the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act. Section 404 of the Sarbanes-Oxley Act, or Section 404, requires us to include a report from management on the effectiveness of our internal control over financial reporting in our annual reports on Form 20-F. In addition, because we no longer qualify as an “emerging growth company” as such term is defined in the Jumpstart Our Business Startups Act, or 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 or the level at which our control is documented, designed, operated, or reviewed, or if it interprets the relevant requirements differently from us. In addition, as a result of becoming 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.

In connection with the audits of our consolidated financial statements as of and for the years ended December 31, 2023 and 2024, we and our independent registered public accounting firm identified a material weakness in our internal control over financial reporting. As defined in the standards established by the 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 was that we lacked sufficient financial reporting and accounting personnel with appropriate knowledge of IFRS and the SEC reporting requirements to properly address complex IFRS accounting issues and related disclosures in accordance with IFRS and financial reporting requirements set forth by the SEC. As of December 31, 2025, we determined the material weakness described above has been remediated as management has completed the design and implementation of controls over financial reporting, including but not limited to (i) hired additional qualified accounting and financial personnel with appropriate knowledge and experience in IFRS and SEC reporting; (ii) organized regular trainings for our accounting staffs, especially trainings related to IFRS and SEC reporting requirements; (iii) improved our periodic closing process, related financial reporting and disclosure procedures, especially for non-recurring and complex transactions to ensure that the consolidated financial statements and related disclosures are in compliance with IFRS and SEC reporting requirements. See “Item 15. Controls and Procedures—Internal Control Over Financial Reporting” for management’s assertion with respect to the effective disclosure controls and procedures in place as of the end of the period covered by this Annual Report on Form 20-F.

We cannot ensure that the measures we have taken to date, and actions we may take in the future, will prevent or avoid potential future material weaknesses due to a failure to implement and maintain adequate internal control over financial reporting or circumvention of these controls. 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.

In addition, if we fail to maintain adequate and effective 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. 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 Class A ordinary shares and/or ADSs. Additionally, ineffective internal control over financial reporting could expose us to increasing risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchanges on which we list, regulatory investigations, and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

Our risk management and internal control systems may not be adequate or effective.

We have designed and implemented risk management and internal control systems consisting of policies and procedures in relation to financial reporting processes, information system risk management, human resource risk management, regulatory compliance risk management and internal audit. While we seek to improve our risk management and internal control systems on a continuous basis, we cannot assure you that these systems are sufficiently effective in ensuring the prevention of fraud. Since our risk management and internal control systems depend on implementation by our employees, we cannot assure you that our employees or other related third parties are sufficiently or fully trained to implement these systems, or that their implementation will be free from human error or mistakes. If we fail to timely update, implement, and modify, or fail to deploy sufficient human resources to maintain our risk management policies and procedures, our business, results of operations, financial condition and prospects could be materially and adversely affected.

We may be subject to inventory obsolescence risk and credit risk of our customers.

Our inventories during the last three financial years ended December 31, 2025 primarily consisted of production supplies and work in progress. Our inventories decreased by 6.2% from RMB218.2 million as of December 31, 2023 to RMB204.7 million as of December 31, 2024, primarily attributable to our enhanced inventory management and increased product sales compared to 2023, as well as RMB50.0 million of inventories of vehicles and onboard equipment transferred to our property and equipment. Our inventories increased by 56.8% from RMB204.7 million as of December 31, 2024 to RMB321.0 million (US\$45.9 million) as of December 31, 2025, primarily attributable to an increase in work in progress resulting from increased vehicle inventories for our products, including robotaxi and robovan. Our inventory turnover days decreased from 313 days in 2023 to 308 days in 2024 and decreased to 201 days in 2025. We actively manage our cash conversion cycle through measures such as strengthening demand forecasting, coordinating production planning with sales schedules, enhancing supply chain management, and improving receivables collection efficiency. Despite our mitigating measures, we cannot guarantee that our inventories can be fully utilized within their effective lifespan. As our business expands, our inventory obsolescence risk may also increase commensurately with the increase in our inventories and our inventory turnover days.

Our trade receivables turnover days increased from 249 days in 2023 to 314 days in 2024, as we continued to grow our customer base and granted credit periods to accommodate customers' payment practices. Our trade receivables turnover days decreased from 314 days in 2024 to 227 days in 2025 due to the improved collection of our trade receivables. Any deterioration in the financial position of our customers may materially or adversely affect our profits and cash flow as these customers may default on their payments to us. We cannot assure you that the risks of default by our customers will not increase in the future or that we will not experience cash flow problems as a result of such defaults. Should these events develop into actual events, our operations and profitability will be adversely affected.

We have limited insurance coverage, which could expose us to significant costs and business disruption.

We provide social security insurance including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance for our employees. We also provide vehicle insurance for all of our vehicles in operation. However, insurance companies in China currently offer limited business-related insurance products. Consistent with customary industry practice in China, we do not maintain business interruption insurance or key-man insurance. We cannot assure you that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

According to the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases, which became effective on September 1, 2025, where the employer and the employee agree, or the employee promises the employer, that there is no need to make social insurance contributions, the people's court shall determine that such agreement or promise is invalid. Where the employer fails to make social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claim economic compensation in accordance with item (3) of Article 38 of the Labor Contract Law of the People's Republic of China, the people's court shall uphold such claim. According to our PRC Legal Advisor's understanding of PRC laws and regulations, this provision generally applies to situations where the employer has completely failed to make social insurance contributions for the employees. In cases where contributions have been made but the contribution base is insufficient, the likelihood of the court upholding the employee's claim is relatively low. While certain domestic subsidiaries did not make full social insurance contributions for certain employees during the last three financial years ended December 31, 2025, our Group has made social insurance contributions for all employees, and there have been no agreements with, or commitments from, employees waiving the social insurance contributions. As of the date of this annual report, none of our domestic subsidiaries have received any notices from the relevant authorities regarding complaints by employees concerning the social insurance contributions, nor have there been any penalties imposed by relevant authorities or orders to make retroactive payments. Therefore, we believe this interpretation will not have a material adverse effect on our operations or financial condition.

In addition, as we operate in the autonomous driving sector, we face unique and evolving challenges that may expose us to risks that are not adequately covered under existing insurance policies. The insurance industry worldwide is still in the early stages of adapting to the complexities of autonomous driving technologies. Traditional automobile insurance products were developed with human drivers in mind and may not fully address the specific liabilities and risks arising from the operation of autonomous driving systems. As a result, our current insurance coverage may not provide comprehensive protection against potential losses related to system malfunctions, software or hardware failures, or cybersecurity vulnerabilities.

Insurance products tailored to autonomous vehicles remain limited in scope and availability globally, and coverage limits under existing policies may be insufficient to address the full range of liabilities that could arise in the event of an accident involving our vehicles. In addition, as the regulatory landscape governing autonomous vehicles continues to evolve, new or amended laws and regulations may require us to obtain additional or different types of insurance coverage. In the absence of clear regulatory guidance, we may inadvertently fail to comply with emerging insurance requirements, potentially exposing us to regulatory penalties or significant financial losses in the event of an accident or product liability claim.

There can be no assurance that we will not be classified as a passive foreign investment company for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. Holders of our ADSs or Class A ordinary shares.

A non-U.S. corporation, such as our company, will generally be classified as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes, for any taxable year, if either (i) 75% or more of its gross income for such year consists of certain types of "passive" income or (ii) 50% or more of its assets (generally determined on the basis of a quarterly average) during such year produce or are held for the production of passive income, or the asset test.

Based on our analysis of our income, assets, activities and market capitalization, we believe that we likely were not a PFIC for the year ending December 31, 2025. However, our status as a PFIC will depend on the composition of our income and the composition and value of our assets (which may be determined in large part by reference to the market value of our ADSs or Class A ordinary shares, which may be volatile) from time to time. Furthermore, there are uncertainties in the application of the relevant rules, and it is possible that the IRS may challenge our classification of certain income or assets as non-passive, or our valuation of our goodwill and other intangibles, each of which may increase the likelihood of us becoming a PFIC for the current or subsequent taxable years. Accordingly, our status as a PFIC is a fact-intensive determination made on an annual basis and we cannot provide any assurance regarding our PFIC status for the past, current or future taxable years. Our U.S. counsel expresses no opinion regarding our past, current or future PFIC status.

If we are classified as a PFIC for any taxable year during which a U.S. Holder (as defined in "Taxation—United States Federal Income Tax Considerations") holds our ADSs or Class A ordinary shares, certain adverse U.S. federal income tax consequences could apply to such U.S. Holder. For more information, see "Item 10. Additional Information — E. Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Considerations".

We may, from time to time, be subject to legal proceedings during the course of our business operations.

We may be subject to legal proceedings or administrative penalties from time to time in the ordinary course of our business, which could have a material adverse effect on our business, results of operations and financial condition. For example, we are currently subject to certain labor disputes. Claims arising out of actual or alleged violations of law could be asserted against us by consumers and businesses that utilize our services, by competitors, or by governmental entities in civil or criminal investigations and proceedings or by other entities. These claims could be asserted under a variety of laws, including but not limited to transportation and vehicle regulations, product liability laws, consumer protection laws, intellectual property laws, unfair competition laws, privacy laws, labor and employment laws, securities laws, real estate laws, tort laws, contract laws, property laws and employee benefit laws. We may continue to be involved in various legal or administrative proceedings and there is no guarantee that we will be successful in defending ourselves in legal and administrative actions or in asserting our rights under various laws. Even if we are successful in our attempt to defend ourselves in legal and administrative actions or to assert our rights under various laws, enforcing our rights against the various parties involved may be expensive, time-consuming and ultimately futile. These actions could expose us to negative publicity and to substantial monetary damages and legal defense costs, injunctive relief and criminal and civil fines and penalties, including but not limited to suspension or revocation of licenses to conduct business.

Our business could be adversely affected by natural disasters, public health crises, political crises, economic downturns or other unexpected events.

A significant natural disaster, such as an earthquake, fire, hurricane, tornado, flood or significant power outage, could disrupt our operations, mobile networks, the internet or the operations of our third-party technology providers. In addition, any further outbreaks of COVID-19 or other unforeseen public health crises, or political crises, such as terrorist attacks, war and other political instability, or other catastrophic events, whether in mainland China or abroad, could adversely affect our operations or the economies of the markets where we operate. The COVID-19 pandemic adversely affected our testing and commercialization efforts between 2020 and 2022, and we cannot assure you that new outbreaks, particularly with new variants, will not occur. Any such occurrences could cause severe disruption to our daily operations, including our research and development center and conducting test-drives of our autonomous driving vehicles, and may even require a temporary closure of our facilities. In recent years, there have been outbreaks of epidemics in mainland China and globally. Any natural disaster, act of terrorism or other disruption to us or our business partners' abilities could result in decreased demand for our product and service offerings or a delay in the provision of our offerings, which could adversely affect our business, financial condition and results of operations. All of the aforementioned risks may be further increased if our disaster recovery plans prove to be inadequate. Disruptions or downturns in global or national or local economic conditions may cause demand for autonomous driving services to decline. An economic downturn resulting in a prolonged recessionary period would have a material adverse effect on our business, financial condition, and operating results.

Risks Related to Doing Business in Mainland China

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

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

The Chinese economy, political and social conditions differ from those of many other jurisdictions. Over the past decades, the Chinese government has taken various measures to promote the market economy and encourage entities to establish sound corporate governance. The PRC government has also implemented certain measures in the past, including interest rate adjustment, aiming at sustaining the pace of economic growth. Any such development may cause decreased economic activity and affect the overall economic growth, and may adversely affect our business and operating results, leading to reduction in demand for our services and adversely affect our competitive position. We currently enjoy preferential local governmental policies, which contain eligibility requirements. We cannot guarantee that we will be able to successfully renew our preferential treatment in the future.

Litigation and negative publicity surrounding companies with significant operations in China listed in the U.S. may result in increased regulatory scrutiny of us and negatively impact the trading price of our Class A ordinary shares and ADSs and could have a material adverse effect upon our business, including our results of operations, financial condition, cash flows and prospects.

We believe that litigation and negative publicity surrounding companies with operations in China that are listed in the U.S. have negatively impacted stock prices for such companies. Various equity-based research organizations have published reports on China-based companies after examining, among other things, their corporate governance practices, related party transactions, sales practices and financial statements that have led to special investigations and stock suspensions on national exchanges. Any similar scrutiny of us, regardless of its lack of merit, could result in a diversion of management resources and energy, potential costs to defend ourselves against rumors, decreases and volatility in the trading price of our Class A ordinary shares and ADSs, and increased directors and officers insurance premiums and could have a material adverse effect upon our business, including our results of operations, financial condition, cash flows and prospects.

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

Shareholder claims or regulatory investigation that are common in the United States generally are difficult to pursue as a matter of law or practicality in China. For example, in China, there are legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the United States may not be efficient in the absence of mutual and practical cooperation mechanism. According to Article 177 of the *PRC Securities Law*, or Article 177, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC. Furthermore, pursuant to the *Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises* which became effective on March 31, 2023, the investigation and evidence collection in relation to the overseas securities offering and listing of the PRC companies by overseas securities regulatory authorities and relevant authorities shall be conducted through the cross-border cooperation mechanism for supervision and administration. The PRC companies shall obtain the prior consent from the CSRC or relevant authorities before cooperating with such overseas securities regulatory authorities or relevant authorities in connection with relevant inspections or investigations or providing relevant documents to such overseas securities regulatory authorities or relevant authorities. The inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within China may further increase difficulties faced by you in protecting your interests. See also “—Risks Related to Our Class A Ordinary Shares and ADSs—You may face difficulties in protecting your interests, and your ability to protect your rights through Hong Kong or U.S. courts may be limited, because we are incorporated under Cayman Islands law” for risks associated with investing in us as a Cayman Islands company.

The PCAOB had historically been unable to inspect our auditor in relation to their audit work.

Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. Our auditor is located in mainland China, a jurisdiction where the PCAOB was historically unable to conduct inspections and investigations completely before 2022. 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 mainland China that are subject to the PCAOB inspections. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. However, if the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong, and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we and investors in our Class A ordinary shares and ADSs would be deprived of the benefits of such PCAOB inspections, which could cause investors and potential investors in our Class A ordinary shares and/or ADSs to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting or prohibition of trading of our ADSs, or the threat of their being delisted or prohibited from trading, may materially and adversely affect the value of your investment.

Pursuant to the HFCAA, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB because of a position taken by an authority in the foreign jurisdiction for two consecutive years, the SEC will prohibit our shares or ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States.

On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong and our auditor was subject to that determination. On December 15, 2022, the PCAOB removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms.

Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. In accordance with the HFCAA, our securities would be prohibited from being traded on a national securities exchange or in the over-the-counter trading market in the United States if we are identified as a Commission-Identified Issuer for two consecutive years in the future.

If our ADSs are prohibited from trading in the United States, there is no certainty that we will remain compliant with the listing requirements of the Hong Kong Stock Exchange, or we will be able to list on a non-U.S. exchange, in addition to the Hong Kong Stock Exchange, or that a market for our shares will develop or sustain outside of the United States. A prohibition of being able to trade in the United States would substantially impair your ability to sell or purchase our ADSs when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of our Class A ordinary shares or ADSs. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

There may be changes from time to time in the interpretation and application of the laws of mainland China, and any failure to comply with laws and regulations could have a material adverse effect on our business, results of operations, financial condition and the value of our Class A ordinary shares and ADSs.

Our operations in mainland China are governed by PRC laws and regulations. Our mainland China subsidiaries are subject to laws and regulations applicable to foreign investment in mainland China. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value. Many laws, regulations and legal requirements are relatively new and may change from time to time. The PRC legal system is evolving quickly. The interpretation and enforcement of relevant laws and regulations are subject to change. New laws and regulations may be promulgated and existing laws and regulations, as well as the interpretation and enforcement thereof, may change quickly. In addition, any new or changes in PRC laws and regulations related to foreign investment in mainland China could affect the business environment and our ability to operate our business in mainland China.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. While this may also apply to other jurisdictions, administrative and court proceedings in mainland China may take a long time, resulting in substantial costs and diversion of resources and management attention. Since PRC administrative and court authorities retain discretion in interpreting and implementing statutory provisions and contractual terms like other jurisdictions do, it may be difficult to predict the outcome of administrative and court proceedings that we are involved in. These uncertainties may impede our ability to enforce the contracts we have entered into and could materially and adversely affect our business and results of operations.

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

We conduct our business primarily in China. Our operations in mainland China are governed by PRC laws and regulations. The PRC government has significant oversight and discretion over the conduct of our business, and may intervene or influence our operations. The PRC government has recently published new policies that significantly affected certain industries and we cannot rule out the possibility that it will in the future release regulations or policies that directly or indirectly affect our industry or require us to seek additional permission to continue our operations, which could result in a material adverse change in our operation and/or the value of our Class A ordinary shares and ADSs. Any such action could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or become worthless. Therefore, investors of our company and our business face potential uncertainty from actions taken by the PRC government affecting our business.

Fluctuations in exchange rates could have a material and adverse effect on our results of operations and the value of your investment.

The conversion of Renminbi, the official currency of mainland China, into other currencies, including Hong Kong dollars and U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against other currencies, at times significantly and unpredictably. The value of the Renminbi against the Hong Kong dollars, U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in global and geographical political and economic conditions and China's foreign exchange policies. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

Significant revaluation of the Renminbi may have a material and adverse effect on your investment. For example, if we decide to convert our Renminbi into Hong Kong dollars or U.S. dollars for the purpose of making payments for dividends on our Class A ordinary shares or ADSs or for other business purposes, appreciation of such currencies against the Renminbi would have a negative effect on the amount available to us.

Limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transaction 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 foreign exchange regulations that restrict our ability to convert Renminbi into foreign currency.

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

A number of PRC laws and regulations have established procedures and requirements that could make merger and acquisition activities in China by foreign investors more time consuming and complex, such as the PRC Anti-monopoly Law, the *Rules on the Merger and Acquisition of Domestic Enterprises by Foreign Investors*, or the M&A Rules, the *Rules of the Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors*, or the M&A Security Review Rules, and the *Measures for the Security Review of Foreign Investment*. These laws and regulations impose requirements in some instances that MOFCOM and the NDRC 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 Anti-Monopoly Law requires that MOFCOM be notified in advance of any concentration of undertaking if certain thresholds are triggered. The M&A Security Review Rules provide that mergers and acquisitions by foreign investors that raise "national 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 MOFCOM, and prohibit any attempt to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. Moreover, the Measures for the Security Review of Foreign Investment provide that foreign investors or the relevant parties in China shall proactively report to the Office of the Working Mechanism any foreign investment in, among other sectors, important information technology and key technology that involve national security concerns and result in the foreign investor's acquisition of actual control of the enterprise invested in before making such investment. In the future, we may grow our business by acquiring complementary businesses, and complying with the applicable requirements of the relevant regulations to complete any future acquisitions that we may engage in could be time consuming, and any required approval processes, including approval from MOFCOM, may delay or inhibit our ability to complete such acquisitions, which could affect our ability to expand our business or maintain our market share.

PRC regulations relating to offshore investment activities by PRC residents may limit our mainland China subsidiaries' ability to change their registered capital or distribute profits to us or otherwise expose us or our PRC resident beneficial owners to liability and penalties under PRC law.

In July 2014, the State Administration of Foreign Exchange, or SAFE, promulgated the *Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment Through Special Purpose Vehicles*, or SAFE Circular 37. SAFE Circular 37 requires PRC residents (including PRC individuals and PRC corporate entities as well as foreign individuals that are deemed as PRC residents for foreign exchange administration purpose) to register with SAFE or its local branches in connection with their direct or indirect offshore investment activities and also requires the foreign-invested enterprise that is established through round-trip investment to truthfully disclose its controller(s). SAFE Circular 37 further requires amendment to the SAFE registrations in the event of any changes with respect to the basic information of the offshore special purpose vehicle, such as change of a PRC individual shareholder, name and operation term, or any significant changes with respect to the offshore special purpose vehicle, such as increase or decrease of capital contribution, share transfer or exchange, or mergers or divisions. SAFE Circular 37 is applicable to our shareholders or beneficial owners who are PRC residents and may be applicable to any offshore acquisitions that we make in the future. In February 2015, SAFE promulgated the *Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment*, or SAFE Notice 13, effective since June 2015. Under SAFE Notice 13, applications for foreign exchange registration of inbound foreign direct investments and outbound overseas direct investments, including those required under SAFE Circular 37, should be registered with qualified banks instead of SAFE. The qualified banks examine the applications and accept registrations under the supervision of SAFE. Any failure or inability of the relevant shareholders or beneficial owners who are PRC residents to comply with the registration procedures set forth in these regulations, or any failure to disclose or misrepresentation of the controller(s) of the foreign-invested enterprise that is established through round-trip investment, may subject us to fines and legal sanctions, such as restrictions on our cross-border investment activities, on the ability of our PRC subsidiaries to distribute dividends and the proceeds from any reduction in capital, share transfer or liquidation to us.

We may not at all times be fully informed of the identities of all the PRC residents holding direct or indirect interest in our company, and we cannot provide any assurance that these PRC residents will comply with our request to make or obtain any applicable registrations or continually 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 or obtain any applicable registrations or approvals required by, SAFE regulations. Registration for the change in our round-trip invested entity might not be completed in a timely manner. Failure by our 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 or affect our ownership structure. As a result, our business operations and our ability to distribute profits to you could be materially and adversely affected.

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

We are a Cayman Islands holding company and we may rely on dividends and other distributions on equity paid by our mainland China subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. If any of our mainland China subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us. Under PRC laws and regulations, our mainland China subsidiaries may pay dividends only out of its respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, each of our mainland China subsidiaries is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund a certain statutory reserve fund, until the aggregate amount of such reserve funds reach 50% of their registered capital.

Our mainland China subsidiaries generate primarily all of their revenue in Renminbi, which is not freely convertible into other currencies. As a result, any restriction on currency exchange may limit the ability of our mainland China subsidiaries to use their Renminbi revenue to pay dividends to us. For instance, when we repatriate funds to the PRC from overseas financing activities, we may be required to complete certain filing or approval procedures to transfer funds out of the PRC for purposes such as investment, acquisition, or other capital account activities. Failure to complete these procedures could negatively affect our ability to pursue overseas expansion. Additionally, we cannot assure that additional regulatory requirements governing the convertibility of RMB into foreign currencies will not be imposed in the future, such as due to foreign exchange policy adjustments in response to changes in global economic conditions. If we are unable to access sufficient foreign currencies to meet our needs, we may face challenges in paying dividends to shareholders in foreign currencies or funding our overseas expansion efforts. Any limitation on the ability of our mainland China subsidiaries to pay dividends or make other kinds of payments 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.

In addition, the *EIT Law* and its implementation rules provide that a withholding tax rate of up to 10% will be applicable to dividends payable by PRC 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.

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.

In February 2012, SAFE promulgated the *Notice of the State Administration of Foreign Exchange of Issues Related to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company*, replacing earlier rules promulgated in 2007. Pursuant to these rules, 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 mainland China 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 and our executive officers and other employees who are PRC citizens or who reside in China for a continuous period of not less than one year and who have been granted options are subject to these regulations as we are a public company listed on the Nasdaq Stock Market and the Hong Kong Stock Exchange. Failure to complete SAFE registrations may subject them to fines of up to RMB300,000 for entities and up to RMB50,000 for individuals, and legal sanctions and may also limit our ability to contribute additional capital into our PRC subsidiary and limit our PRC subsidiary's 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 "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Share Incentive Plans."

In addition, the State Administration of Taxation, or SAT, 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 share unites will be subject to PRC individual income tax. Our mainland China subsidiaries have obligations to file documents related to employee share options or restricted share units 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 government authorities. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Share Incentive Plans."

Increases in labor costs and enforcement of stricter labor laws and regulations in China may adversely affect our business and our financial condition.

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

In addition, we have been subject to stricter regulatory requirements in terms of entering into labor contracts with our employees and paying various statutory employee benefits, including pensions, housing provident fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. In order to efficiently administer the contribution of employment benefit plans of our employees in some cities, we engaged third-party agents to make the contribution for our employees. In addition, for some of our employees, we did not pay social insurance and housing provident fund in full. If the relevant competent government authority is of the view that we have underpaid social insurance and housing provident fund for our employees or the third-party agency arrangement does not satisfy the requirements under the relevant PRC laws and regulations, we may be required to pay the shortage of our contributions or subject to fines or other legal sanctions. If we are subject to full contribution, late fees or fines in relation to the underpaid employee benefits, our financial condition and results of operations may be adversely affected. Pursuant to the *PRC Labor Contract Law* and its implementation rules, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employee's probation and unilaterally terminating labor contracts. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the *PRC Labor Contract Law* and its implementation rules may limit our ability to effect those changes in a cost-effective manner, which could adversely affect our business and results of operations. Furthermore, we have historically outsourced test driving operations to a third-party service provider, with whom the test drivers maintain employment relationships. The Road Testing and Demonstrative Application Norm and several local regulations require the entities conducting road testing and demonstration applications to execute employment contracts or labor service agreements with test drivers. As these regulations do not explicitly stipulate penalties, failing to sign such contracts per se would not give rise to any financial penalties to our Group but may affect the approval of corresponding road testing permits applications. Additionally, we do not expect failing to sign such contracts will have any material adverse impacts on our financial prospects. Since we apply for road testing permits based on actual projects in different cities, not all drivers are engaged simultaneously. As of December 31, 2025, we had 963 test drivers employed by third parties, all drivers involved in our road testing applications have signed employment contracts or labor service agreements with us.

In October 2010, the SCNPC promulgated the *PRC Social Insurance Law*, or the Social Insurance Law, effective on July 1, 2011 and amended on December 29, 2018. On April 3, 1999, the State Council promulgated the *Regulations on the Administration of Housing Provident Funds*, which was amended on March 24, 2002 and March 24, 2019. Companies registered and operating in China are required under the Social Insurance Law and the Regulations on the Administration of Housing Provident Funds to apply for social insurance registration and housing provident fund deposit registration within 30 days of their establishment and to pay for their employees different social insurance including pension insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to the extent required by law. As advised by our PRC legal counsel, (i) under the Regulations on Administration of Housing Provident Fund, (a) if we fail to complete housing provident fund registration before the prescribed deadlines, we may be subject to a fine ranging from RMB10,000 to RMB50,000; and (b) if we fail to pay housing provident fund contributions within the prescribed deadlines, we may be subject to an order by the relevant PRC authorities to make such payments; and (ii) according to the Social Insurance Law, (a) for outstanding social insurance fund contributions that we did not fully pay within the prescribed deadlines, the relevant PRC authorities may demand that we pay the outstanding social insurance contributions within a stipulated deadline and we may be liable for a late payment fee equal to 0.05% of the outstanding contribution amount for each day of delay; and (b) if we fail to make such payments, we may be liable to a fine of one to three times the outstanding contribution amount.

As the interpretation and implementation of labor-related laws and regulations are still evolving, we cannot assure you that our employment practices do not and will not violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. We cannot assure you that we have complied or will be able to comply with all labor-related law and regulations including those relating to obligations to make social insurance payments and contribute to the housing provident funds. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations will be adversely affected.

If the chops of our mainland China subsidiaries are not kept safely, are stolen or are used by unauthorized persons or for unauthorized purposes, the corporate governance of these entities could be severely and adversely compromised.

In China, a company chop or seal serves as the legal representation of the company towards third parties even when unaccompanied by a signature. Each legally registered company in China is required to maintain a company chop, which must be registered with the local Public Security Bureau. In addition to this mandatory company chop, companies may have several other chops which can be used for specific purposes. The chops of our mainland China subsidiaries are generally held securely by personnel designated or approved by us in accordance with our internal control procedures. To the extent those chops are not kept safely, are stolen or are used by unauthorized persons or for unauthorized purposes, the corporate governance of these entities could be severely and adversely compromised and those corporate entities may be bound to abide by the terms of any documents so chopped, even if they were chopped by an individual who lacked the requisite power and authority to do so. In addition, if the chops are misused by unauthorized persons, 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 while distracting management from our operations.

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of our offshore offerings to make loans or additional capital contributions to our mainland China subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We are an offshore holding company conducting our operations in mainland China through our mainland China subsidiaries. We may make loans to our mainland China subsidiaries subject to the approval from governmental authorities and limitation of amount, or we may make additional capital contributions to our mainland China subsidiaries.

Any loans to our mainland China subsidiaries, which are treated as foreign-invested enterprises under PRC law, are subject to PRC regulations and foreign exchange loan registrations. For example, loans by us to our mainland China subsidiaries to finance their activities cannot exceed statutory limits and must be registered with the local counterpart of SAFE, and medium or long-term loans by us to our mainland China subsidiaries must be recorded and registered with the National Development and Reform Committee, or the NDRC. In addition, a foreign invested enterprise shall use its capital pursuant to the principle of authenticity and self-use within its business scope. The capital of a foreign invested enterprise shall not be used for the following purposes: (i) directly or indirectly used for payment beyond the business scope of the enterprises or the payment prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities or investments other than banks' principal-secured products unless otherwise provided by relevant laws and regulations; (iii) the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business license; and (iv) paying the expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

SAFE promulgated the *Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises*, or SAFE Circular 19, effective June 2015, in replacement of the Circular of General Affairs Department of State Administration of Foreign Exchange on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, Supplementary Notice of General Affairs Department of State Administration of Foreign Exchange on Issues Relating to Improving the Relevant Business Operations of Administration of Foreign Exchange Settlement for Payment of Foreign Currency Capital Funds of Foreign Investment Enterprises and Notice of the State Administration of Foreign Exchange on Issues Relating to Pilot Scheme of Reform of Administration of Foreign Currency Capital Settlement by Foreign Investment Enterprises in Certain Localities. According to SAFE Circular 19, the flow and use of the RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company is regulated such that RMB capital may not be used for the issuance of RMB entrusted loans, the repayment of inter-enterprise loans or the repayment of banks loans that have been transferred to a third party. Although SAFE Circular 19 allows RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to be used for equity investments within China, it also reiterates the principle that RMB converted from the foreign currency-denominated capital of a foreign-invested company may not be directly or indirectly used for purposes beyond its business scope. Thus, it is unclear whether SAFE will permit such capital to be used for equity investments in China in actual practice. SAFE promulgated the *Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account*, or SAFE Circular 16, effective on June 9, 2016, which reiterates some of the rules set forth in SAFE Circular 19, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Violations of SAFE Circular 19 and SAFE Circular 16 could result in administrative penalties. SAFE Circular 19 and SAFE Circular 16 may affect our ability to transfer any foreign currency we hold to our mainland China subsidiaries, which may adversely affect our liquidity and our ability to fund and expand our business in China.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans to our mainland China subsidiaries or future capital contributions by us to our mainland China subsidiaries. As a result, uncertainties exist as to our ability to provide prompt financial support to our mainland China subsidiaries when needed. If we fail to complete such registrations or obtain such approvals, our ability to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders.

Under the EIT Law and its implementation rules, an enterprise established outside of the PRC with “de facto management body” within China is considered a “resident enterprise” and will be subject to the 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 and overall management over the business, productions, personnel, accounts and properties of an enterprise. In 2009, the SAT, issued the Circular of the State Administration of Taxation on Issues Relating to Identification of PRC-Controlled Overseas Registered Enterprises as Resident Enterprises in Accordance with the De Facto Standards of Organizational Management, or SAT 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, the criteria set forth in the circular may reflect SAT’s general position on how the “de facto management body” text should be applied in determining the tax resident status of all offshore enterprises. According to SAT 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 China; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in China; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in China; and (iv) at least 50% of voting board members or senior executives habitually reside in China.

We believe that we are not 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.” If the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, we could be subject to PRC tax at a rate of 25% on our worldwide income, which could materially reduce our net income, and 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 our Class A ordinary shares and ADSs, if such dividends are treated as sourced from within the PRC. In addition, non-resident enterprise shareholders (including our ADS holders) may be subject to PRC tax 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 China. Furthermore, if we are deemed a PRC resident enterprise, dividends payable to our non-PRC individual shareholders (including our ADS holders) and any gain realized on the transfer of the ADSs or Class A ordinary shares by such shareholders may be subject to PRC tax at a rate of 10% in the case of non-PRC enterprises or a rate of 20% in the case of non-PRC individuals unless a tax reduction or exemption is available under an applicable tax treaty. It is unclear whether non-PRC shareholders of our company would be able to claim 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 may reduce the returns on your investment in the ADSs or Class A ordinary shares.

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

In February 2015, the SAT issued the *Public Notice Regarding Certain Enterprise Income Tax Matters on Indirect Transfer of Properties by Non-Resident Enterprises*, or SAT Public Notice 7. SAT Public Notice 7 extends its tax jurisdiction to not only indirect transfers but also transactions involving transfer of other taxable assets, through the offshore transfer of a foreign intermediate holding company. In addition, SAT Public Notice 7 provides certain criteria on how to assess reasonable commercial purposes and has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. SAT Public Notice 7 also brings challenges to both the foreign transferor and transferee (or other person who is obligated to pay for the transfer) of the taxable assets. Where a non-resident enterprise conducts an “indirect transfer” by transferring the taxable assets indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise being the transferor, or the transferee, or the PRC entity which directly owns the taxable assets may report to the relevant tax authority such indirect transfer. Using a “substance over form” principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such indirect transfer may be subject to PRC 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 tax 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. However, according to the aforementioned safe harbor rule, the PRC tax would not be applicable to the transfer by any non-resident enterprise of the ADSs acquired and sold on public securities markets.

On October 17, 2017, the SAT issued the *Public Notice on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises*, or SAT Public Notice 37, which became effective on December 1, 2017. According to SAT Public Notice 37, where the non-resident enterprise fails to declare its tax payable pursuant to Article 39 of the EIT Law, the tax authority may order it to pay its tax due within required time limits, and the non-resident enterprise shall declare and pay its tax payable within such time limits specified by the tax authority. If the non-resident enterprise voluntarily declares and pays its tax payable before the tax authority orders it to do so, it shall be deemed that such enterprise has paid its tax payable in time.

We face uncertainties on the reporting and consequences of previous and future private equity financing transactions, share exchanges or other transactions involving the transfer of shares in our company by investors that are non-PRC resident enterprises. The PRC tax authorities may pursue such non-resident enterprises with respect to a filing or the transferees with respect to withholding obligation and request our mainland China subsidiaries to assist in the filing. As a result, we and non-resident enterprises in such transactions may become at risk of being subject to filing obligations or being taxed under SAT Public Notice 7 and SAT Public Notice 37, and may be required to expend valuable resources to comply with them or to establish that we and our non-resident enterprises should not be taxed under these regulations, which may have a material adverse effect on our financial condition and results of operations.

Risks Related to Our Class A Ordinary Shares and ADSs

The trading price and trading volume of our Class A ordinary shares or ADSs may be volatile, which could lead to substantial losses to you.

The trading price of our ADSs has been volatile since the ADSs started to trade on the Nasdaq on October 25, 2024. The trading price of the ADSs could continue to fluctuate widely due to a variety of factors, many of which are beyond our control. The trading price of our Class A ordinary shares, likewise, can be volatile and fluctuate widely in response to factors beyond our control. In addition, the performance and fluctuation of the market prices of other companies with business operations located mainly in the PRC that have listed their securities in Hong Kong or the United States may affect the volatility in the price of and trading volumes for our Class A ordinary shares and ADSs. Some of these companies have experienced significant volatility. The trading performances of these PRC companies' securities may affect the overall investor sentiment towards other PRC companies listed in the United States and consequently may impact the trading performance of our Class A ordinary shares and ADSs, regardless of our actual operating performance.

In addition to the above factors, the price and trading volume of our Class A ordinary shares and ADSs may be highly volatile due to multiple factors, including the following:

- regulatory developments affecting us or our industry, strategic business partners and third parties that collaborate with us;
- announcements of studies and reports relating to the quality of our products and services or those of our competitors;
- changes in the economic performance or market valuations of our competitors;
- actual or anticipated fluctuations in our quarterly results of operations and changes or revisions of our expected results;
- changes in financial estimates by securities research analysts;
- conditions in the autonomous driving industry;
- announcements by us or our competitors of acquisitions, strategic relationships, joint ventures, capital raisings or capital commitments;
- additions to or departures of our senior management;
- fluctuations of exchange rates between the RMB and the U.S. dollar;
- release or expiry of lock-up or other transfer restrictions on our issued and outstanding shares or ADSs;
- potential listing on other overseas markets;
- sales or perceived potential sales of additional Class A ordinary shares or ADSs;
- changes in relations between the United States and China; and
- potential litigation or regulatory investigations.

Substantial future sales or perceived potential sales of our Class A ordinary shares and ADSs in the public market could cause the price of our Class A ordinary shares and ADSs to decline.

Future sales of a substantial number of our Class A ordinary shares or ADSs in the public market, or the perception that these sales could occur, could cause the market price of our Class A ordinary shares or ADSs to decline and could impair our ability to raise capital through the sale of additional equity securities. Such sales also might make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate. Additionally, our shareholders may, subject to any applicable lock-up restrictions, sell their securities in the market. In connection with the Hong Kong Listing, Dr. Tony Xu Han, our founder, chairman and chief executive officer, Dr. Yan Li, our co-founder, director and chief technology officer, and Dr. Hua Zhong, Senior Vice President, entered into lock-up agreements for a period of 12-month following November 6, 2025, the date of the Hong Kong Listing, subject to early release at the discretion of the designated underwriter representatives of the Hong Kong Listing. In addition, Dr. Han has voluntarily committed to a three-year lock-up, effective as of October 28, 2025, covering all shares of our share capital or securities convertible into, exchangeable, or exercisable for any share of our share capital, directly or indirectly owned or controlled by him. During this lock-up period, Dr. Han will not sell, transfer, pledge, or otherwise dispose of any of such securities, subject to customary exceptions. However, we cannot predict what effect, if any, the market sales of securities held by a principal shareholder or any other shareholder or the availability of these securities for future sale will have on the market price of our Class A ordinary shares or ADSs. In addition, if we issue additional ordinary shares, in the form of ADSs or otherwise, either through private transactions or in the public markets in the United States or other jurisdiction, your ownership interests in our company would be diluted and this, in turn, would have an adverse effect on the price of our Class A ordinary shares or ADSs.

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.

We have in place a dual-class share structure such that our ordinary shares consist of Class A ordinary shares and Class B ordinary shares. 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 10 votes per share. 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.

Dr. Tony Xu Han, our founder, chairman and chief executive officer, and Dr. Yan Li, our co-founder, director and chief technology officer, beneficially own all of our issued Class B ordinary shares. As of the date of this annual report, these Class B ordinary shares constitute approximately 5.4% of our total outstanding share capital and 36.6% of the aggregate voting power of our total outstanding share capital due to the disparate voting powers associated with our dual-class share structure. See “Item 6. Directors, Senior Management and Employees—E. Share ownership.” As a result of the dual-class share structure and the concentration of ownership, holders of Class B ordinary shares will have considerable influence over matters such as decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions. Such holders 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.

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

The trading market for our Class A ordinary shares and ADSs will depend 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 covers us downgrades our Class A ordinary shares and ADSs or publishes inaccurate or unfavorable research about our business, the market price for our Class A ordinary shares and 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 our Class A ordinary shares and ADSs to decline.

Techniques employed by short sellers may drive down the market price of our Class A ordinary shares and/or 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 selling of shares in the market.

Public companies that have a substantial majority 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 SEC enforcement actions.

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 our Class A ordinary shares and ADSs could be greatly reduced or even rendered worthless.

Because we do not expect to pay dividends in the foreseeable future, you must rely on price appreciation of our Class A ordinary shares and ADSs for return on your investment.

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

Our board of directors has complete 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 directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account of the company, provided that in no circumstances may a dividend be paid out of share premium 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 declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our Class A ordinary shares and ADSs will likely depend entirely upon any future price appreciation of such securities. There is no guarantee that our Class A ordinary shares and ADSs will appreciate in value or even maintain the price at which you purchased them. You may not realize a return on your investment in our Class A ordinary shares and ADSs and you may even lose your entire investment.

The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and the holders of ADSs may not be able to exercise the same rights as our shareholders.

Holders of our ADSs do not have the same rights as our shareholders. Holders of our ADSs will not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings. Our ADS holder will only be able to exercise the voting rights carried by the underlying Class A ordinary shares which are represented by their ADSs indirectly by giving voting instructions to the depository in accordance with the provisions of the deposit agreement. Under the deposit agreement, holders of our ADSs may vote only by giving voting instructions to the depository. Upon receipt of the voting instructions of the holders of our ADSs, the depository will try, as far as is practicable, to vote the Class A ordinary shares underlying their ADSs in accordance with the instructions of holders of our ADSs. If we ask for the instructions of our ADS holders, then upon receipt of their voting instructions, the depository will try to vote the underlying Class A ordinary shares in accordance with these instructions. If we do not instruct the depository to ask for your instructions, the depository may still vote in accordance with instructions our holders of our ADSs give, but it is not required to do so. Holders of our ADSs will not be able to directly exercise their right to vote with respect to the underlying Class A ordinary shares unless they withdraw such shares, and become the registered holder of such shares prior to the record date for the general meeting. When a general meeting is convened, holders of our ADSs may not receive sufficient advance notice of the meeting to withdraw the Class A ordinary shares underlying their ADSs and become the registered holder of such shares to allow them to attend the general meeting and 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 currently effective memorandum and articles of association, 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/or fix in advance a record date for such meeting, and such closure of our register of members or the setting of such a record date may prevent holders of our ADSs from withdrawing the Class A ordinary shares underlying their ADSs and becoming the registered holder of such shares prior to the record date, so that they would not be able to attend the general meeting or to vote directly. If we ask for instructions of holders of our ADSs, the depository will notify them of the upcoming vote and will arrange to deliver our voting materials to the holders of our ADSs. We have agreed to give the depository notice of shareholder meetings sufficiently in advance of such meetings. Nevertheless, we cannot assure that holders of our ADSs will receive the voting materials in time to ensure that they can instruct the depository to vote the underlying Class A ordinary shares represented by their ADSs. In addition, the depository and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out their voting instructions. This means that holders of our ADSs may not be able to exercise their right to direct how the Class A ordinary shares underlying their ADSs are voted and they may have no legal remedy if the Class A ordinary shares underlying their ADSs are not voted as they requested. In addition, in the capacity as an ADS holder, they will not be able to call a shareholders' meeting. Except in limited circumstances, the depository for our ADSs will give us a discretionary proxy to vote the Class A ordinary shares underlying their ADSs if holders of our ADSs do not provide timely instructions to the depository as to how to vote the shares underlying their ADSs at shareholders' meetings, which could adversely affect their interests.

Under the deposit agreement for the ADSs, if holders of our ADSs do not provide timely instructions to the depository as to how to vote the shares underlying your ADSs, the depository will give us a discretionary proxy to vote the Class A ordinary shares underlying your ADSs at shareholders' meetings unless:

- we have instructed the depository that we do not wish a discretionary proxy to be given;
- we have informed the depository that there is substantial opposition as to a matter to be voted on at the meeting;
- a matter to be voted on at the meeting would have a material adverse impact on shareholders; or
- the voting at the meeting is to be made on a show of hands.

The effect of this discretionary proxy is that holders of our ADSs cannot prevent the Class A ordinary shares underlying their ADSs from being voted, except under the circumstances described above. This may make it more difficult for ADS holders to influence the management of our company. Holders of our Class A ordinary shares are not subject to this discretionary proxy.

Forum selection provisions in our currently effective 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, and 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 currently effective memorandum and articles of association provide that the federal courts of the United States shall be the exclusive forum 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. 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 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 Class A ordinary shares and 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, Class A ordinary shares and 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 a court could find this type of provision to be inapplicable, unenforceable, or inconsistent with other documents relevant to the filing of such lawsuits. If a court were to find the federal court choice of forum provision contained in our currently effective 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 currently effective 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 currently effective 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.

We are entitled to amend the deposit agreement and to change the rights of ADS holders under the terms of such agreement, or to terminate the deposit agreement, without the prior consent of the ADS holders.

We are entitled to amend the deposit agreement and to change the rights of the ADS holders under the terms of such agreement, without the prior consent of the ADS holders. We and the depositary may agree to amend the deposit agreement in any way we decide is necessary or advantageous to us. Amendments may reflect, among other things, operational changes in the ADS program, legal developments affecting ADSs or changes in the terms of our business relationship with the depositary. In the event that the terms of an amendment impose or increase fees or charges (other than taxes and other governmental charges, registration fees, cable (including SWIFT) or facsimile transmission costs, delivery costs or other such expenses) or that would otherwise prejudice any substantial existing right of the ADS holders, such amendment will not become effective as to outstanding ADSs until the expiration of 30 days after notice of that amendment has been disseminated to the ADS holders, but no prior consent of the ADS holders is required under the deposit agreement. Furthermore, we may decide to terminate the ADS facility at any time for any reason. For example, terminations may occur when the ADSs are delisted from the stock exchange in the United States on which the ADSs are listed and we do not list the ADSs on another stock exchange in the United States, nor is there a symbol available for over-the-counter trading of the ADSs in the United States. If the ADS facility is terminated, ADS holders will receive at least 90 days' prior notice, but no prior consent is required from them. Under the circumstances that we decide to make an amendment to the deposit agreement that is disadvantageous to ADS holders or terminate the deposit agreement, the ADS holders may choose to sell their ADSs or surrender their ADSs and become direct holders of the underlying Class A ordinary shares, but will have no right to any compensation whatsoever.

Rights to pursue claims against the depository as a holder of our ADSs are limited by the terms of the deposit agreement.

Under the deposit agreement, any legal suit, action or proceeding against or involving the depository, arising out of or relating in any way to the deposit agreement or the transactions contemplated thereby or by virtue of owning the ADSs may only be instituted in the United States District Court of the Southern District of New York (or, if the United States District Court of the Southern District of New York lacks subject matter jurisdiction over a particular dispute, the state courts of New York County, New York) and holders of our ADSs, will have irrevocably waived any objection which our ADS holders 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 deposit agreement provides that the depository may, in its sole discretion, require that any dispute or difference arising from the relationship created by the deposit agreement be referred to and finally settled by an arbitration conducted under the terms described in the deposit agreement, although the arbitration provisions do not preclude holders of our ADSs from pursuing any claims under the Securities Act or the Exchange Act in state or federal court.

Our ADS holders may not receive cash dividends if the depository decides it is impractical to make them available to them.

The depository will pay cash dividends on the ADSs only to the extent that we decide to distribute dividends on our Class A ordinary shares or other deposited securities, and we do not have any present plan to pay any cash dividends on our Class A ordinary shares in the foreseeable future. To the extent that there is a distribution, the depository of our ADSs has agreed to pay to our ADS holders the cash dividends or other distributions it or the custodian receives on our Class A ordinary shares or other deposited securities after deducting its fees and expenses. Holders of our ADSs will receive these distributions in proportion to the number of Class A ordinary shares their ADSs represent. However, the depository may, at its discretion, decide that it is inequitable or impractical to make a distribution available to any holders of ADSs. For example, the depository may determine that it is not practicable to distribute certain property through the mail, or that the value of certain distributions may be less than the cost of mailing them. In these cases, the depository may decide not to distribute such property to our ADS holders.

Our 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 ordinary shares provides that, subject to the depository's right to require a claim to be submitted to arbitration, the United States District Court of the Southern District of New York (or, if the United States District Court of the Southern District of New York lacks subject matter jurisdiction over a particular dispute, the state courts of New York County, New York) have exclusive jurisdiction to hear and determine claims arising under the deposit agreement and in that regard, to the fullest extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depository arising out of or relating to our Class A ordinary shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws.

If we or the depository opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the 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. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is 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 entering into the deposit agreement.

If any holders or beneficial owners of ADSs bring a claim against us or the depository in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, they 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 depository. If a lawsuit is brought against us or the depository 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 had, including results that could be less favorable to the plaintiff(s) in any such action.

Nevertheless, if this jury trial waiver provision is not enforced, to the extent a court action proceeds, it would proceed under the terms of the deposit agreement with a jury trial. No condition, stipulation or provision of the deposit agreement or ADSs shall relieve us or the depository from our respective obligations to comply with the Securities Act and the Exchange Act.

You may face difficulties in protecting your interests, and your ability to protect your rights through Hong Kong or 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 with limited liability. Our corporate affairs are governed by our currently effective memorandum and articles of association, the Companies Act (Revised) of the Cayman Islands, which we refer to as the Companies Act, 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, 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 Hong Kong or the United States. In particular, the Cayman Islands has a less developed body of securities laws than Hong Kong or 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 standing to initiate a shareholder derivative action in a court in Hong Kong or a federal court of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (other than copies of the memorandum and articles of association, the register of mortgages and charges and any special resolutions passed by the shareholders) or to obtain copies of lists of shareholders of these companies. Save that any register of members held in Hong Kong shall during normal business hours be open to inspection by a shareholder without charge and any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Hong Kong Listing Rules as the board of directors may determine for each inspection, our directors have discretion under our currently effective memorandum and 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.

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 management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in Hong Kong or the United States. For a discussion of significant differences between the provisions of the Companies Act and the laws applicable to companies incorporated in the United States and their shareholders, see “Item 10. Additional Information—B. Memorandum and Articles of Association—Differences in Corporate Law.”

Our ADS holders may be subject to limitations on transfer of the ADSs.

Our ADSs are transferable on the books of the depository. However, the depository may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depository 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 depository needs to maintain an exact number of ADS holders on its books for a specified period. The depository may also close its books in emergencies, and on weekends and public holidays. In addition, the depository may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depository are closed, or at any time if we or the depository deems it advisable to do so 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.

The rights of our ADS holders to participate in any future rights offerings may be limited, which may cause dilution to their holdings.

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

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 our filings with the SEC based on foreign laws.

We are a company incorporated under the laws of the Cayman Islands. We conduct a majority of our operations in mainland China and a majority of our assets are located in China. In addition, most of our directors and senior executive officers reside within China for a significant portion of the time and most are PRC nationals. As a result, it may be difficult for you to effect service of process upon us or those persons inside China. It may also be difficult for you to enforce in U.S. courts judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors who reside and whose assets are located outside the United States. In addition, there is uncertainty as to whether the courts of the Cayman Islands or the PRC would recognize or enforce judgments of U.S. courts against us or such persons predicated upon the civil liability provisions of the securities laws of the United States or any state.

The United States and the Cayman Islands do not have a treaty providing for reciprocal recognition and enforcement of judgments of U.S. courts in civil and commercial matters and there is uncertainty as to whether the courts of the Cayman Islands would (i) recognize or enforce judgments of U.S. 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 (ii) entertain original actions brought in the Cayman Islands against us or our directors or officers, predicated upon the securities laws of the United States or any state in the United States. A judgment obtained in any federal or state court in the United States will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination 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. However, the Cayman Islands courts are unlikely to enforce a judgment obtained from the United States courts under the civil liability provisions of the securities laws if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. Because the courts of the Cayman Islands have yet to rule on whether such judgments are penal or punitive in nature, it is uncertain whether such civil liability judgments from U.S. courts would be enforceable in the Cayman Islands.

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 and other applicable laws and regulations based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other forms of reciprocity with the United States that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, the PRC courts 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 laws or national sovereignty, security or public interest. As a result, as this may also apply to other jurisdictions, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States. Under the PRC Civil Procedures Law, foreign shareholders may originate actions based on PRC law against a company in China for disputes if they can establish sufficient nexus to the PRC for a PRC court to have jurisdiction, and meet other procedural requirements. It will be, however, difficult for U.S. shareholders to originate actions against us in the PRC in accordance with PRC laws because we are incorporated under the laws of the Cayman Islands and it will be difficult for U.S. shareholders, by virtue only of holding our Class A ordinary shares and/or ADSs, to establish a connection to the PRC for a PRC court to have jurisdiction as required under the PRC Civil Procedures Law.

Our currently effective memorandum and articles of association contain anti-takeover provisions that could discourage a third party from acquiring us and adversely affect the rights of holders of our Class A ordinary shares and the ADSs.

Our currently effective memorandum and articles of association 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. 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 our Class A ordinary shares and/or ADSs may fall and the voting and other rights of the holders of our Class A ordinary shares and ADSs may be materially and adversely affected.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.

Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time;
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD promulgated by SEC; and
- certain audit committee independence requirements in Rule 10A-3 of 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. In addition, we intend to publish our results on a quarterly basis as press releases, distributed pursuant to the rules and regulations of the Nasdaq Stock Market. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer, which may be difficult for overseas regulators to conduct investigation or collect evidence within China.

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 Nasdaq Stock Market's corporate governance requirements; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the Nasdaq Stock Market's corporate governance requirements.

As a Cayman Islands company listed on the Nasdaq Stock Market, we are subject to the corporate governance listing standards of the Nasdaq Stock Market. However, rules of the Nasdaq Stock Market 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 corporate governance listing standards of the Nasdaq Stock Market. If we choose to follow home country practices in the future, our shareholders may be afforded less protection than they would otherwise enjoy under the corporate governance listing standards of the Nasdaq Stock Market that are applicable to U.S. domestic issuers.

If we are deemed an “investment company” under the Investment Company Act of 1940, it could adversely affect the price of our Class A ordinary shares and ADSs and could materially and adversely affect our business, results of operations, and financial condition.

We do not intend to become registered as an “investment company” under Section 3(a) of the Investment Company Act of 1940, or the Investment Company Act. We are primarily engaged in the businesses of the research, development and commercialization of autonomous driving technology.

Under Sections 3(a)(1)(A) and 3(a)(1)(C) of the Investment Company Act, a company is deemed to be an “investment company” if it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities or if it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding, or trading in securities and owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of government securities and cash items) on an unconsolidated basis. Section 3(b)(1) of the Investment Company Act provides that notwithstanding Section 3(a)(1)(C) of the Investment Company Act a company will not be deemed to be an “investment company” if it is primarily engaged, directly or through a wholly owned subsidiary or subsidiaries, in a business or businesses other than that of investing, reinvesting, owning, holding, or trading in securities. Rule 3a-8 under the Investment Company Act provides a nonexclusive safe harbor from the definition of “investment company” for certain research and development companies. We do not believe that we are an “investment company” under the Investment Company Act, including by operation of Section 3(b)(1) of the Investment Company Act and as a result of our compliance with the safe harbor of Rule 3a-8 under the Investment Company Act as a research and development company, within the meaning of such rule. We currently conduct, and intend to continue to conduct, our operations so that neither we, nor any of our subsidiaries, are required to register as an “investment company” under the Investment Company Act. If we and/or certain of our subsidiaries are deemed to be an investment company within the meaning of the Investment Company Act, we would have to dispose of investment securities (as defined in the Investment Company Act) in order to fall outside the definition of an investment company. Additionally, we may have to forgo potential future acquisitions of investment securities (as defined in the Investment Company Act). Failure to avoid being deemed an investment company under the Investment Company Act, coupled with our inability as a foreign private issuer to register under the Investment Company Act, could make us unable to comply with our reporting obligations as a public company in the United States and lead to our being delisted from the Nasdaq, which would materially and adversely affect the liquidity and value of our Class A ordinary shares and ADSs. We would also be unable to raise capital through the sale of securities in the United States or to conduct business in the United States. In addition, we may be subject to SEC enforcement action or purported class action lawsuits for alleged violations of U.S. securities laws. Defending ourselves against any such enforcement action or lawsuits would require significant attention from our management and divert resources from our existing businesses and could materially and adversely affect our business, results of operations, and financial condition.

ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

We commenced our business in February 2017. In March 2017, our Cayman Islands holding company, WeRide Inc., formerly known as JingChi Inc., was incorporated, and later became the sole shareholder of WeRide Corp. Our Cayman Islands holding company further established WeRide HongKong Limited, or WeRide HK, formerly known as JingChi Hong Kong Limited, as its wholly-owned subsidiary in Hong Kong in May 2017.

We commenced our operations in mainland China shortly after the establishment of our offshore structure. In December 2017, we selected Guangzhou as our global headquarters. In January 2018, WeRide HK established a wholly-owned subsidiary, Guangzhou Wenyuan Zhixing Technology Co., Ltd., or the WFOE, in mainland China. In March 2018, our founder established Guangzhou Jingqi Technology Co., Ltd., or Guangzhou Jingqi, in mainland China. In July 2018, we started to direct the activities of and consolidate the financial results of Guangzhou Jingqi by entering into a series of contractual arrangements by and among our WFOE, Guangzhou Jingqi and its nominee shareholders. In March 2023, we terminated such contractual arrangements and acquired Guangzhou Jingqi as a wholly-owned subsidiary of our company.

In August 2019, for the operation of our robotaxi business, Guangzhou Jingqi, WeRide HK, and two investors jointly established Wenyuan Yuexing (Guangdong) Travel Technology Co., Ltd., or Wenyuan Yuexing, in which Guangzhou Jingqi currently holds 69% equity interests. In order to conduct test driving in Nanjing, Guangzhou Jingqi further established Wenyuan Suxing (Jiangsu) Technology Co., Ltd., its wholly-owned subsidiary. In addition, Guangzhou Jingqi established wholly-owned subsidiaries, Shenzhen Wenyuan Zhixing Intelligent Technology Co., Ltd. and Wenyuan Jingxing for business operation and research and development center in Shenzhen and Beijing, respectively. From June 2022 to the date of this annual report, WFOE further established wholly-owned subsidiaries in various cities, including Guangzhou, Shenzhen, Wuhan, Nanjing, Beijing, Shanghai, Zhengzhou, Wuxi, Xi'an, Anqing, Qionghai, Dongguan and Zhuhai.

On October 25, 2024, our ADSs commenced trading on Nasdaq under the symbol “WRD.” We raised an aggregate of US\$125.5 million in net proceeds from our initial public offering and the underwriters’ partial exercise of their option to purchase additional ADSs after deducting underwriting commissions and the offering expenses payable by us.

On November 6, 2025, Hong Kong time, our Class A ordinary shares commenced trading on the Main Board of the Hong Kong Stock Exchange under the stock code “0800.” We raised from our Global Offering in connection with the listing in Hong Kong approximately HK\$2,314.6 million in net proceeds after deducting underwriting commissions and offering expenses.

Corporate Information

Our principal executive offices are located at 21st Floor, Tower A, Guangzhou Life Science Innovation Center, No. 51, Luoxuan Road, Guangzhou International Biotech Island, Guangzhou, People’s Republic of China. Our telephone number at this address is +86 (20) 2909-3388. Our registered office in the Cayman Islands is located at the offices of International Corporation Services Ltd, P.O. Box 472, Harbour Place, 2nd Floor, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands.

The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. We maintain our website for investor relations at <http://ir.weride.ai>. The information contained on this website is not a part of this annual report.

B. BUSINESS OVERVIEW

WeRide is a global pioneer in L4 autonomous driving. We have deployed autonomous driving products and solutions in over 40 cities across 12 countries, including China, Slovakia, the United Arab Emirates (UAE), Saudi Arabia, Switzerland, France, Singapore and Japan. Our global autonomous vehicle fleet, spanning robotaxis, robobuses, robovans, and robosweepers, grew rapidly from 1,089 vehicles at the end of 2024 to 2,113 as of March 23, 2026. In particular, our global robotaxi fleet has reached 1,125 vehicles, and based on our current expansion pipeline, we project our global robotaxi fleet to reach 2,600 vehicles by the end of 2026, subject to market and regulatory conditions, laying the foundation for our long-term plan to deploy tens of thousands of robotaxis globally by 2030. In 2026, our one-stage end-to-end ADAS solution, jointly developed with Bosch, has achieved four consecutive championship wins in the Second China Urban Intelligent Driving Competition, making WeRide WRD 3.0 the first and only solution in the competition’s history to secure this record and underscoring its breakthrough leadership in complex urban driving environments.

We recently published WeRide GENESIS, our general-purpose simulation platform that combines physical AI and generative AI to generate photorealistic virtual driving environments, including rare edge cases, in minutes rather than days. WeRide GENESIS enables unsupervised, closed-loop training at scale, accelerating model iteration and safety validation while significantly reducing on-road testing costs, and reinforcing the technological moat underpinning our L2-to-L4 product portfolio. WeRide GENESIS is a cornerstone of WeRide One, our universal technology platform that integrates proprietary stacks such as simulation engines, hybrid architectures, in-house infrastructure, high-quality datasets, high-performance computing, and unified operations. Together, WeRide One and WeRide GENESIS exemplify our progress toward a more data-driven autonomy stack through end-to-end learning, large-scale data training, and world model simulation, enabling us to consistently develop and deliver safe, reliable, and commercially viable autonomous vehicles that meet the demands of everyday use.

We adopt a balanced growth strategy, prioritizing markets that demonstrate strong potential for autonomous driving adoption in the long run—both internationally and in China’s major cities—while focusing on regions where autonomous vehicles offer clear economic and operational advantages.

In China, our robotaxi fleet size exceeds 800 vehicles, making it one of the leading fully driverless autonomous driving operational fleets in China, with services covering an area of over 1,000 square kilometers, including key transportation hubs such as airports and major railway stations and high-demand districts in Beijing and Guangzhou. During the fourth quarter of 2025, registered users of our robotaxi service in China saw year-over-year growth of more than 900%, reflecting strong and growing consumer demand. In 2025, we cut total cost of ownership by up to 38% compared with 2024, through improved operating efficiency and lower vehicle bill of materials costs. In 2026, we plan to expand our robotaxi fleet operations to further Tier-1 cities in China.

Overseas, our deployments span the Middle East, Europe, and developed Asia-Pacific, primarily Southeast Asia, with a fleet of over 250 robotaxis outside China and the U.S., and a dedicated fleet of over 200 robotaxis in Middle East alone. This represents the largest robotaxi fleet operated in these regions, with the Middle East potentially among the first regions to approach unit-level profitability.

In Abu Dhabi, in October 2025, we secured the world's first city-level fully driverless robotaxi commercial permit outside the U.S., removing the requirement for an in-vehicle safety officer and enabling breakeven unit economics. Also in October 2025, we began offering the first public robotaxi rides in Riyadh with Uber, and launched robotaxi GXR and robobus pilot operations in Ras Al Khaimah, expanding into a third UAE emirate. In November 2025, we and Uber launched fully driverless robotaxi commercial operations in Abu Dhabi, and over time expanded to cover 70% of the city's core area, with passengers able to book under Uber Comfort, UberX or the new "Autonomous" category, which is Uber's first dedicated autonomous ride option globally. In December 2025, we launched public robotaxi passenger rides in Dubai in partnership with Uber and Dubai's Roads and Transport Authority (RTA), with riders able to book through the "Autonomous" option on the Uber app. In March 2026, we launched fully driverless Robotaxi fare-charging operations in Dubai, as part of the first batch of Level 4 Robotaxis to enter commercial service in the city.

In Europe, in November 2025, we received the first-ever driverless robotaxi permit for passenger service in Europe from Switzerland's Federal Roads Office (FEDRO), authorizing autonomous operations in the Greater Zurich area across a 110-kilometer operating area, establishing our first-mover advantage in the European market, and making us the world's only company with vehicles holding autonomous driving permits in eight countries, namely Switzerland, China, the UAE, Saudi Arabia, Singapore, France, Belgium and the United States. In March 2026, we entered Slovakia through a strategic partnership with ELEVATE Slovakia to deploy autonomous vehicles including robotaxi, robobus, robovan, and robosweeper, launching the country's first autonomous vehicle program and Europe's first large-scale, multi-product autonomous driving commercial deployment, bringing our global footprint to over 40 cities across 12 countries.

In Southeast Asia, in March 2026, we officially commenced public operations of the Ai.R (Autonomously Intelligent Ride) service in Punggol with Grab, marking the first deployment of an autonomous passenger service in a residential estate in Singapore.

One of our strategies overseas is to prioritize jurisdictions with supportive regulatory frameworks and favorable economic conditions that are conducive to long-term profitability. We adopt an asset-light model, under which local partners are responsible for dispatch, cleaning and maintenance, while robotaxi services are delivered by leveraging our technology and operational expertise. This approach is designed to enable faster market deployment, enhance operational efficiency, reduce capital commitments and operating expenditure and allow us to maintain our focus on technology development.

We are committed to fostering dialogue and building relationships with regulators and governments to understand their needs and work collaboratively to support the development of responsible autonomous driving ecosystems. We have cultivated a robust ecosystem around our autonomous driving technology and solutions by forming strategic partnerships with leading global vehicle OEMs, shared mobility platforms, Tier-1 suppliers, logistics providers, and urban service operators, and other key industry stakeholders. Through these collaborations, we aim to accelerate the responsible adoption of autonomous driving and foster innovation across the industry, ultimately creating a positive impact on society.

Our advanced technology, safety record, global footprint and strong partnerships position us as a global leader in autonomous driving.

On industry collaboration, we continue to attract leading global investors and ecosystem partners, building a strategic network with companies such as Bosch, Uber and Grab. For example, we have received investment commitments from ride-hailing giants such as Uber and Grab, highlighting our strategic position and leading role in the industry.

WeRide Technology

By adopting our *WeRide One* unified approach, our technology stack and operations capabilities cut across all application scenarios, with the utmost effectiveness and efficiency. Our technology stack is designed in-house as no commercially available alternatives could meet our stringent requirements or integrate as seamlessly. This technology stack is built on four core elements: infrastructure and core capabilities, data, technology solutions, and an operations platform.

- ***WeRide GENESIS.*** WeRide GENESIS bridges physical AI and generative AI through a proprietary, general-purpose simulation world model, enabling autonomous vehicles to undergo large-scale training and validation in simulation. It can rapidly generate highly realistic virtual worlds, building simulated cities within minutes, creating complex urban layouts and traffic dynamics, and systematically reproducing rare, extreme real-world driving scenarios that are difficult to capture on actual roads. Insights generated are continuously fed back into real-world deployment, forming a closed-loop feedback mechanism between virtual and physical driving. This approach significantly strengthens scenario generalization, robustness, and safety performance in highly complex and unpredictable environments, while dramatically shortening development and iteration cycles. By effectively compressing millions of kilometers of physical road testing into just days of high fidelity virtual simulation, WeRide GENESIS establishes a true technology “acceleration flywheel,” systematically compounding efficiency gains and driving rapid, scalable evolution of WeRide’s autonomous driving capabilities.
- ***HPC 3.0 platform.*** The upgraded GXR will enter serial production equipped with HPC 3.0, our proprietary high-performance computing platform with a more compute-efficient architecture, reducing per-vehicle production time to under 10 minutes and further strengthening the scalability of our asset-light deployment model with fleet partners. HPC 3.0 debuts in our latest-generation robotaxi, the GXR, making it the world’s first mass-produced L4 autonomous vehicle built on this platform. Delivering up to 2,000 TOPS of AI compute, HPC 3.0 represents the most powerful computing platform available to support L4 autonomy. Fully automotive-grade, HPC 3.0 reduces the cost of the autonomous driving suite by 50%, paving the way for GXR’s large-scale commercial deployment.
- ***Infrastructure and Core Capabilities.*** Our infrastructure forms the backbone of our technology capabilities, encompassing data processing and annotation, storage, collaborative distributed model and cloud-native development platform. We also have proprietary model training and inference platforms and an expansive suite of tools for simulation, incident analysis, and data analytics, among others. These capabilities have not only enabled the development of our solutions but are also important to broader AI applications that will be critical to our continued success and innovation.
- ***Data assets.*** Data is the lifeblood of our development and training process. We are the only player globally with an extensive library of real-world data collected under L2 to L4 use cases from diverse vehicle types. We have generated data from over nine years of operations and our partnerships. This dataset is complemented by high-quality synthetic data generated internally, powered by our proprietary general-purpose simulation platform, WeRide GENESIS. Our data strategy allows us to cover long-tail scenarios and corner cases for autonomous driving with precision. As we accumulate more operational miles and encounter more diverse cases, and with the assistance of synthetic data and simulated scenarios, our models improve continuously.
- ***Hybrid Architecture.*** We utilize a hybrid approach that combines a deterministic overlay with an end-to-end model. While pure end-to-end models have many benefits, they may not suit every real-world driving scenario. Our approach provides a balance of adaptability, reliability, safety, and transparency for the most robust and reliable commercial autonomous driving solutions, by combining deterministic logic with end-to-end learning models.
- ***Operations platform.*** All of our services are offered on a market-proven, unified platform that can be utilized for deployment and day-to-day operations. We leverage this platform to replicate our successful deployment experience in new markets. Operationally, we also utilize this platform to manage dynamic trip demand, enhance vehicle utilization, and improve passenger experience. With this platform, we have significantly reduced the time to market for entering new verticals. We have launched a broad range of autonomous products, from L2 to L4, addressing the vast majority of transportation needs across the widest range of use cases on open road across mobility, logistics, and sanitation.

Our Autonomous Driving Products and Solutions

Robotaxi

Robotaxi is our flagship product and a powerful demonstration of our autonomous driving technology. It plays a central role in our expansion and growth strategy. We partner with multiple world-class OEMs to produce our robotaxis.

Robotaxi is a helpful complement and supplement to traditional mobility providers and up to 70% cheaper as compared to traditional taxi services. They can be deployed alongside existing mobility solutions to provide greater benefits to consumers without detriment to labor due to existing labor shortages and imbalances. We believe robotaxis offer superior unit economics and higher profitability compared to traditional taxis.

Business Model

We deliver robotaxi and related services on a whole-package basis, which we believe is more operationally and regulatorily feasible in the near term, as it ensures consistent service quality and safety standards. We generate revenue from vehicle sales, recurring fees based on ongoing operational and technical support services, and service fees based on performance milestones. We could also generate revenue through ride-hailing services. Our robotaxi fee model combines a minimum fixed fee with shared upside, aligning incentives with our partners while ensuring predictable returns. Our latest generation of robotaxi — GXR, introduced in October 2024, is a first-of-its-kind, next-generation robotaxi platform. GXR features our latest autonomous driving system. In 2025, we deepened our collaboration with Geely Farizon to deliver the next-generation robotaxi GXR as a purpose-built, factory pre-installed autonomous vehicle—eliminating post-production retrofitting and delivering higher safety consistency, lower unit costs and faster assembly. The upgraded GXR will enter serial production equipped with HPC 3.0, our proprietary high-performance computing platform with a more compute-efficient architecture, reducing per-vehicle production time to under 10 minutes and further strengthening the scalability of our asset-light deployment model with fleet partners.

We believe robotaxis offer superior unit economics and higher profitability compared to traditional taxis. The payback period following initial deployment is closely tied to vehicle utilization and speed of market expansion, which is why we prioritize rapid deployment in close collaboration with local partners, with a clear roadmap toward fully driverless L4 operations. Once we enter a new market, we build a robust ecosystem around our innovative technology and solutions, including forming strategic partnerships with key players across the mobility landscape, covering leading global vehicle OEMs, shared mobility platforms, and more. For more information relating to our partnership with these OEMs, see “— Our Ecosystem and Partnerships.”

Ride-Hailing through Robotaxi

We operate a robotaxi fleet for the *WeRide Go* app, our own shared mobility network, which primarily relies on our self-owned vehicles and is also accessible through selected third-party aggregation platforms. We have generated an insignificant amount of revenue from the offering of robotaxi rides through *WeRide Go* since 2020.

Achievements and Global Expansion

We made multiple achievements in the robotaxi sector and continue to grow our business. Our latest generation of robotaxis, GXR, entered commercial production and public services in 2024 and now operates commercially across multiple cities in China and internationally. We have also made continued global expansion with strategic launches across Europe, the Middle East and Asia, including commercial deployments in cities such as Abu Dhabi and Dubai, and through expanded partnerships, most notably our collaboration with Uber and Grab to scale robotaxi services across additional international markets.

Other L4 Autonomous Driving Products and Solutions

In addition to robotaxis, we offer other L4 products and solutions across mobility, logistics, and sanitation. These solutions leverage our existing infrastructure and technology stack, including a unified operations platform, and provide a greater diversity of operational data while allowing us to service distinct customer use cases. For robobuses, robovans and robosweepers, we typically generate revenue from vehicle sales and recurring fees based on ongoing operational and technical support.

Robobus

Our robobus can be flexibly deployed in various public and private transportation use cases. We partner with Yutong and Golden Dragon to produce robobuses. Our robobus is designed for a fully autonomous driving experience. In contrast to other alternatives, whose operations are fixed routes or limited to confined areas, Our robobus can handle open roads in urban settings under all weather conditions.

Customers such as local transport service providers typically purchase our robobuses as well as bundled technical supports and services, including system upgrades, maintenance and repair, fleet management, as well as remote assistance services on an as-needed basis. These services are typically charged separately to our customers for an ongoing fee payable on an annual basis.

We have successfully expanded our business development efforts beyond China and achieved commercialization on the global stage.

Robovan

Our robovans provide a more efficient, and cost-effective alternative to traditional logistics vehicles. We partner with JMC-Ford Motors and Ecar Tech to manufacture our robovans.

We typically sell robovans and charge recurring fees from ongoing operational and technical support services. We also use our robovans to provide more capital efficient logistics-as-a service solutions. Our latest robovan W5 model offers a driverless delivery solution that provides long-distance and bulk delivery capabilities and addresses key challenges in express delivery, urban distribution and various point-to-point logistics.

In 2025, we formally launched Robovan W5, and commenced on-road trials in Guangzhou's Nansha and Huangpu Districts.

Robosweeper

Our L4 robosweeper delivers a state-of-the-art sanitation solution that rivals traditional sweepers. We currently partner with Yutong and Ecar Tech to manufacture our robosweepers.

We sell robosweepers to public cleaning service providers and charge recurring fees for technical supports and services. We also use our robosweeper fleet to provide sanitation-as-a-service solutions.

We currently offer robosweepers in four sizes: WeRide S6 is designed to address various cleaning needs, including standard road washing and sweeping, road edge cleaning, dust suppression and high-pressure water jetting. WeRide S1 is an L4 autonomous sanitation device designed for open roads and capable of navigating smoothly around smaller obstacles while effectively cleaning various road surfaces and offering automatic trash dumping and self-parking functionalities. Orders for WeRide S1 reached several million dollars shortly after launch, demonstrating a strong market reception. WeRide S3 is purpose-built for efficient cleaning in refined operating scenarios such as municipal auxiliary roads. With a maximum operating speed of 10 km/h, the S3 provides a more efficient solution for urban sanitation operations. As the world's first autonomous sanitation vehicle equipped with WeRide's self-developed HPC 3.0 high-performance computing platform, WeRide S5 delivers up to 2,000 trillion calculations per second, supporting stable operations in complex environments.

In China, we have successfully rolled out fee-charging large-scale commercial pilots of robosweepers in Guangzhou since 2022. Our robosweeper was subsequently deployed across municipal sanitation projects in key domestic cities. We have also been expanding our robosweeper operations globally, entering overseas markets such as Singapore, the United Arab Emirates and Saudi Arabia.

ADAS and R&D Services

Our L2+ ADAS, *WePilot 3.0*, has been adopted by OEMs and Tier-1 suppliers, including Chery, GAC, and Bosch, across multiple vehicle models. The system features a single-stage end-to-end architecture and vision-based perception, enabling scalable deployment and strong performance across diverse driving conditions.

We provide ADAS and research and development services to Bosch. In our Bosch partnership, we provide leading ADAS technology and rich experience in product development, and Bosch is responsible for selling ADAS solutions to OEMs and contributes its strengths in supply chain management, quality control, rigorous industrial design, verification and validation capabilities. We believe our end-to-end mass-market ADAS solutions brings real value to OEMs today. We collect development fees in respect of the services we deliver as well as milestone-based royalties settled based on sales volume under this partnership.

Our Ecosystem and Partnerships

We have established a robust ecosystem consisting of world-class partners that are crucial to our success. Many of our partners have also become our shareholders and invested in our future, demonstrating their strong conviction in our technology and go-to-market strategy and providing further validation to our product and service offerings. We believe our partnership network creates a significant and sustainable competitive advantage and allows us to stay ahead in terms of our technological competency and in our effort to commercialize autonomous driving technologies. The OEMs and Tier 1 suppliers played an important role in the development and production of our L4 autonomous driving vehicle and our partnership with them forge a vital layer of our ecosystem. These partnerships enable us to maintain strong control over supply chain and hardware design, while remaining asset-light and focusing on developing and upgrading our proprietary autonomous driving products and services.

We partner with OEMs for the production of our L4 autonomous driving vehicles. Typically, under these partnerships, we purchase vehicles from OEM partners and then operate these specialized L4 autonomous driving vehicles that integrate our autonomous driving software and hardware (including sensor suites) that meet our requirements, to provide mobility, logistics and other urban services on our own. We also sell these customized autonomous vehicles to our customers and provide related deployment and localization services, which optimize the vehicles for operation on specific roads and ensure they meet customer-specific technical metrics and autonomous functions. In addition, we also provide ADAS and research and development services to Bosch and autonomous driving research and development services to Nissan.

We also work closely with other ecosystem partners in developing our L4 autonomous technologies, products and services. Such ecosystem partners include Uber, AiDriver, Baiyun Taxi Group, NVIDIA, Lenovo Vehicle Computing, ioki, Grab and ELEVATE Slovakia.

Our Major Customers

A substantial portion of our revenue is contributed by our top five customers in 2023, 2024 and 2025. We primarily supply our autonomous driving products and services to automobile manufacturers, Tier 1 suppliers and public transportation service operators.

Competition

We face competition, both in China and globally, from autonomous driving companies that offer autonomous driving technologies, products and services. We also potentially face competition from automotive OEMs global-wide and other global technology giants, particularly those who are building internal autonomous driving development programs.

Competition is based primarily on technology, ability to source capital, safety, efficiency and cost-effectiveness. Our future success will depend on our ability to maintain our leading competitive position with respect to our technological advances over our existing and any new competitors.

Research and Development

We believe our strong research and development capability is our principal competitive strength. We have invested a significant amount of time and resources in research and development to solidify and maintain our industry leadership in the market. We have built a world-class team that is focused on rigorous engineering. As of December 31, 2025, we had 829 research and development engineers and 2,694 R&D data processing staff worldwide. Our research and development activities are conducted at multiple research and development centers, including but not limited to mainland China and Singapore.

Our research and development expenses were RMB1,058.4 million, RMB1,091.4 million and RMB1,372.2 million (US\$196.2 million) in 2023, 2024 and 2025, respectively.

Intellectual Property

As of December 31, 2025, we had 646 issued patents and 444 pending patent applications in China, consisting of 451 invention patents, 102 utility patents and 93 design patents, and we had 15 issued patents and 20 pending patent overseas. Our issued patents and patent applications cover our algorithms, embedded software, and a broad range of system level and component level aspects of autonomous technology, and we intend to continue to file additional patent applications with respect to our intellectual property. Our patents cover the following categories: perception, planning and control, map and localization, hardware, and data.

Our ability to remain at the forefront of innovation in the autonomous driving industry depends largely on our ability to obtain, maintain, and protect our intellectual property and other proprietary rights relating to our technology and to successfully enforce these rights against third parties. To accomplish this, we rely on a combination of intellectual property rights, such as patents, trademarks, copyrights and trade secrets (including know-how), in addition to internal policies, and employee and third-party nondisclosure agreements, intellectual property licenses and other contractual rights. Specifically, we enter into confidentiality and non-disclosure agreements with our employees, ecosystem partners (including suppliers) and other relevant parties to protect our proprietary rights. We also enact internal policies and procedures and employ encryptions and data security measures to provide additional safeguards. The foregoing notwithstanding, there can be no assurance that our efforts will be successful. Even if our efforts are successful, we may incur significant costs in defending our rights.

It is equally important for us to operate without infringing, misappropriating, or otherwise violating the intellectual property or proprietary rights of others. From time to time, third parties may initiate litigation against us alleging infringement of their proprietary rights.

Environmental, Social and Governance

We are committed to corporate social responsibility and we aim to create a positive social, environmental and economic impact. We have implemented initiatives on Sustainability and Corporate Social Responsibility, or CSR, and Environmental, Social and Governance, or ESG, making social and environmental impact a core factor in many of our business decisions. We are committed to collaborating closely with industry stakeholders and domestic and international organizations to support broader industry-wide CSR and ESG practices, to explore multi-dimensional use cases for our technology, to empower traditional industries with our capabilities and to promote the long-term sustainability of our society.

We are committed to building a more sustainable future and bringing positive changes to communities. WeRide's autonomous driving technologies enable a more efficient transportation network with higher vehicle utilization and less congestion and alleviate any shortage of human drivers. More importantly, we believe our autonomous technology products and services deliver a safer transportation experience both for the passengers and the surrounding environment. It does so by significantly reducing the risk of accidents, particularly for those associated with human errors which contribute to 90% of traffic accidents. Our autonomous driving vehicles also render transportation more accessible to certain individuals, particularly people with mobility difficulties. Our commitment to safety is unmatched and deeply embedded in our technological leadership.

We are committed to decarbonization and the building of a greener and more sustainable future. One core benefit of our autonomous technology is the optimization of vehicle controls and maneuvers and in turn the improvement of energy efficiency. The L4 autonomous driving system is able to reduce energy consumption per 100 kilometers by over 15% due to automated lane-changing acceleration/deceleration and braking functions. During a four-month period of open road trial conducted in 2022, our robosweepers achieved a reduction of more than 20,000 kilograms in carbon dioxide emission as compared with conventional street cleaning vehicles. We are dedicated to further advancing our technology for better management of environmental footprint of passengers and freight transportation globally. We are also working with our partners, such as Hyundai, to promote sustainable mobility and the adoption of clean energy.

Our Business in the United States

We conducted limited research and development and road testing activities in the United States, which we consider not material to our overall testing activities. We have obtained permits issued by the California DMV allowing us to test our L4 autonomous driving vehicles on public roads, including permits that allow certain of our vehicles to operate without any human driver onboard. We obtained a permit in California in August 2024 that allows us to carry passengers in testing vehicles. We are not allowed to offer rides to the general public and cannot charge any fares under this permit. We have also obtained a permit issued by the Nevada DMV, but no vehicles are currently registered for testing in that state.

Data Privacy and Security

We collect, use, store, transmit and otherwise process various types of data. The localization, perception, prediction, planning and control modules on our L4 autonomous driving vehicles collect and generate certain types of data, such as street view and architecture images, while in operation and during road tests. The types of data collected through our testing vehicles are solely for the purposes of and are limited to the scope necessary for enabling safe functioning, training and perfection of our autonomous driving system. These data are collected and processed in compliance with applicable laws and regulations in all material respects. We also collaborate with a service provider that possesses a navigation electronic map production and surveying license. Under the cooperation, the service provider provides us with HD maps services to complement the vision of our sensors.

We are committed to protecting personal information and privacy. The operation of our robotaxi services through *WeRide Go* involves the collection and processing of contact information and other information of our passengers that is necessary for the delivery of our services, such as route planning, order placement and management, payment and invoicing, as well as certain basic personal information of our safety drivers. The privacy policy of *WeRide Go* outlines what personal information is being collected and how we collect and utilize personal data. It also describes our use practices and how privacy works on our platform. Specially, we provide users and passengers of *WeRide Go* with prior notice and obtain their consent before any of their personal information is collected or processed. In addition, we collect vehicle-related data through operating and testing vehicles, specifically including exterior and interior video, vehicle location data, command data, abnormal warning information, vehicle driving status, human driving behavior data, and basic vehicle attribute data, for the purposes of optimizing our *WeRide Go* services and vehicle testing.

We collect the aforementioned data in accordance with the principle of minimality and necessity, and retain it only for the shortest duration required to achieve the processing purpose. For in-vehicle information collection, we fulfill our legal obligation to inform users, passengers, and safety drivers about data collection through documents such as privacy policies. Before collecting any personal information, we obtain their explicit consent. In addition, they have the right to access, inquire about, and request copies of their personal information. To exercise these rights, they may contact us using the information provided in our privacy policy.

For off-vehicle information collection, after personal information of traffic participants outside the vehicles, such as license plate number or human face, is picked up by the sensor suite on our L4 autonomous driving vehicles, it is automatically desensitized before leaving the vehicles and the original video clips which contain the relevant personal information will then be removed. We also implement a stringent data control system to ensure that only authorized personnel can view and retrieve these video clips and in a manner that meets security, privacy and compliance requirements. In emergency situations, such as remote driving scenarios where real-time access to off-vehicle video is necessary, anonymization may not be feasible. In such cases, video feeds are accessed solely for the purpose of safeguarding life, health, and property. More importantly, raw video footage is not retained after the emergency is resolved.

We employ HTTPS and certificate-based encryption for all data transmissions, including sensitive personal information. Data is encrypted end-to-end, ensuring that the transmission process remains secure, tamper-proof, and inaccessible to unauthorized parties. All data collected or generated within China is stored in a domestic data center in Guangzhou, while data collected or generated in the United States is stored in a data center in California and processed locally. We have implemented robust data storage security measures, including encryption, access controls, and regular backups, tailored to different data categories to ensure their confidentiality and integrity. We do not engage in any cross-border transfer of personal information, important data or surveying and mapping geographic information data including from China to other jurisdictions in which we operate and vice versa.

We have also invested in developing a rigorous information security system and governance framework and implemented procedures defining roles and responsibilities for managing information security. Our information security and compliance efforts are headed by the Information Security Steering Committee and supported by our Information Security Supervisory Committee, which oversees the management of information security, and our Information Security Planning Committee, which devises information security strategies and planning. We have also set up an Information Security Execution Committee that works closely with other departments to jointly establish and enforce procedures regarding the management of information security. We have also designated specific personnel to be responsible for cybersecurity, data security and privacy.

We have established a comprehensive system to regulate our data processing activities. These procedures and policies guide the strategy of our information security and compliance initiatives, prescribe a hierarchical data classification and management system, clarify the management and compliance requirements applicable to the full data processing cycle and for cybersecurity and information system security, mandate trainings for related personnel and prescribe data security and compliance risk assessment and audit procedures. We have also set up an emergency response mechanism for information security incidents. All our personnel are required to strictly follow our internal rules, policies and protocols to safeguard the integrity of our data.

As of the date of this annual report, we had not received any claim from any third party against us on the ground of infringement of such party's right to data protection as provided by applicable laws and regulations.

Insurance

We consider our insurance coverage to be adequate, as we have in place all insurance policies mandated by Chinese laws and regulations, and in line with common commercial practices in our industry.

Pursuant to PRC regulations, we provide social insurance including pension insurance, unemployment insurance, maternity insurance, work-related injury insurance and medical insurance for our employees based in mainland China. We also purchase additional commercial insurance to increase insurance coverage of our employees.

Insurance products for autonomous vehicles are still in the stage of adaptation and exploration. As advised by our PRC Legal Advisor, we are responsible for compensation for personal injury and property damage caused by our product defects, but automobile manufacturers are the primary responsible parties for vehicle recalls under the PRC laws. We maintain compulsory traffic accident liability insurance, and supplemental commercial accident insurance for each of the test vehicles. We also maintain compulsory traffic accident liability insurance, supplemental commercial accident insurance and carrier liability insurance for each vehicle used for commercial activities in accordance with applicable regulations. We have also obtained insurance coverage for losses of and damages to our L4 autonomous driving vehicles and their respective equipment. However, we do not maintain any product liability insurance, which is not mandatory under the relevant PRC laws and regulations, as advised by our PRC Legal Advisor.

We also attempt to mitigate the risks of liabilities and claims by subjecting our L4 autonomous driving vehicles to rigid testing and by including security features in product design. To enhance the safety level of our products and operations, we are also establishing a remote assistance center which allows us to manage and monitor our L4 autonomous driving fleet in operation, and to intervene, where necessary.

Consistent with customary industry practice in mainland China, we do not maintain business interruption insurance, key-man insurance or insurance policies covering damages to our properties, facilities or technical infrastructure. Any uninsured occurrence of business disruption, natural disaster, liabilities, claims, or losses of or significant damages to our uninsured equipment, facilities or properties could have a material adverse effect on our results of operations.

Regulations

This section sets forth a summary of the most significant rules and regulations of mainland China and elsewhere that affect our business activities and the rights of our shareholders to receive dividends and other distributions from us.

Regulations in Mainland China

Regulations Relating to Corporation

All companies established in the PRC are subject to the *Company Law of the People's Republic of China*, or the Company Law, which was lastly amended on December 29, 2023 and came into effect on July 1, 2024. The Company Law provides for the establishment, corporate structure and corporate management of companies, which also applies to foreign-invested enterprises. Where laws relating to foreign investment provide otherwise, such stipulations shall apply. The main amendments of the Company Law involve strengthening the responsibilities of controlling shareholders, directors and management personnel, and stipulating that the subscribed capital contributions should be fully paid by the shareholder(s) within five years from the date of incorporation according to its articles of association. On July 1, 2024, the State Council promulgated the *Provisions on Implementation of the Registered Capital Management System under the Company Law of the People's Republic of China*, which further stipulates that for a company registered for incorporation before June 30, 2024, if the remaining capital contribution period of a limited liability company exceeds five years as from July 1, 2027, the company shall adjust the remaining capital contribution period to five years by June 30, 2027, and record the same in its articles of association. The shareholders shall fully pay the amount of capital contributions they subscribe for within the adjusted capital contribution period. If a PRC domestic enterprise fails to adjust within the grace period, it may be subject to an order of rectification or a fine. As of the date of this annual report, we are in the process of completing the full paid-up of all registered capital.

Regulations Relating to Foreign Investment

Investment activities in mainland China by foreign investors are principally regulated by (i) the *Catalog of Industries for Encouraging Foreign Investment*, or the Encouraging Catalog, (ii) the *Special Administrative Measures for Access of Foreign Investments*, or the Negative List, each of which was promulgated and were amended from time to time by the Ministry of Commerce, or the MOFCOM, and the National Development and Reform Commission, or the NDRC, and (iii) the *Foreign Investment Law of the People's Republic of China*, or the Foreign Investment Law, which was adopted by the National People's Congress on March 15, 2019, and became effective on January 1, 2020, as well as their respective implementation rules and ancillary regulations.

Guidance Catalog of Industries for Foreign Investment

The Encouraging Catalog and the Negative List lay out the basic framework governing foreign investment in mainland China, classifying businesses into three categories, namely the "encouraged" category, the "restricted" category, and the "prohibited" category, based on the level of participation allowed to and conditions required of foreign investment.

On December 15, 2025, the MOFCOM and the NDRC released the *Catalog of Industries for Encouraging Foreign Investment (2025 Version)*, which became effective on February 1, 2026, and replaced the previous Encouraging Catalog. On September 6, 2024, the MOFCOM and the NDRC released the *Special Administrative Measures for Access of Foreign Investments (2024 Version)*, or the Negative List 2024, which became effective on November 1, 2024 and replaced the previous Negative List. Any industry not listed on the Negative List 2024, including autonomous driving, is a permitted industry and generally accessible to foreign investment unless specifically prohibited or restricted by any PRC laws or regulations. Our PRC subsidiaries do not engage in any business activities that are prohibited or restricted for foreign investment under the Negative List 2024.

The Foreign Investment Law

The Foreign Investment Law is formulated to further expand the opening-up of the Chinese economy, vigorously promote foreign investment and safeguard the legitimate rights and interests of foreign investors. According to the Foreign Investment Law, foreign investment means any foreign investor's direct or indirect investment in mainland China, including: (i) establishing foreign-invested enterprises, or FIEs, in mainland China either individually or jointly with other investors; (ii) obtaining stock shares, stock equity, property shares or other similar interests in Chinese domestic enterprises; (iii) investing in new projects in mainland China either individually or jointly with other investors; and (iv) making investment through other means provided by laws, administrative regulations or by the State Council. Foreign investments are entitled to pre-entry national treatment and are subject to the Negative List. The pre-entry national treatment means that the treatment accorded to foreign investors and their investments at the stage of investment access is not lower than that of domestic investors and their investments. The State implements special administrative procedures for access to foreign investment in specific fields and foreign investors shall not invest in any prohibited fields stipulated in the Negative List and shall meet the conditions stipulated in the Negative List before investing in any restricted fields.

The investment, earnings, and other legitimate rights and interests of a foreign investor within the territory of mainland China shall be protected in accordance with the law, and all national policies supporting the development of enterprises shall apply equally to FIEs. The State guarantees that FIEs are able to participate in the formulation of standards in an equal manner and in government procurement activities through fair competition in accordance with the law. The State shall not expropriate any foreign investment except under special circumstances. The State may levy or expropriate the investment of foreign investors in accordance with the law for public interest. The expropriation and requisition shall follow legal procedures and timely and reasonable compensation shall be given. In carrying out business activities, FIEs shall comply with applicable rules and regulations on labor protection, social insurance, tax, accounting, foreign exchange and other matters prescribed by law.

The Wholly Foreign-Owned Enterprises Law of the People's Republic of China, together with the Law of the People's Republic of China on Sino-Foreign Equity Joint Ventures and the Law of the People's Republic of China on Sino-Foreign Cooperative Joint Ventures were abolished on January 1, 2020. The organization arrangement structure and activities of FIEs have since been governed by the Company Law and the Partnership Enterprise Law of the People's Republic of China. FIEs established before the implementation of the Foreign Investment Law may retain the original forms of business organization within five years after the implementation of the Foreign Investment Law.

On December 26, 2019, the State Council promulgated the Implementation Regulations on the Foreign Investment Law, which came into effect on January 1, 2020, and further requires that FIEs and domestic enterprises be treated equally with respect to policy making and implementation in accordance with the law. Pursuant to the Implementation Regulations on the Foreign Investment Law, if an existing FIE fails to change its original form of business organization in accordance with the Foreign Investment Law by January 1, 2025, the relevant market regulatory departments will cease to process any registration in respect of such enterprise and may publish information relating to its non-compliance with the Foreign Investment Law.

On December 30, 2019, the MOFCOM and the SAMR jointly issued the *Measures for Reporting of Foreign Investment Information*, or the Foreign Investment Information Measures, which came into effect on January 1, 2020 and replaced the *Interim Administrative Measures for the Record-filing of the Establishment and Modification of Foreign-invested Enterprises*. Starting from January 1, 2020, foreign investors and FIEs in the PRC shall submit information relating to their investment through the Enterprise Registration System and the National Enterprise Credit Information Publicity System established by the SAMR by submitting initial reports of establishment, reports on changes, reports on termination and annual reports in accordance with the Foreign Investment Information Measures. Where a foreign investor or an FIE fails to submit any required information or fails to make any correction or resubmission where directed by the competent authority, it may be subject to a fine of up to RMB300,000 (or RMB500,000 in the event of serious violations).

Security Review Relating to Foreign Investment

On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the *Measures on the Security Review of Foreign Investment* which took effect on January 18, 2021, and set forth provisions on security review concerning foreign investment, including the types of investments subject to such review and the scopes and procedures of such review. The Office of the Working Mechanism, jointly led by the NDRC and the MOFCOM, has been established under the NDRC to undertake routine security review work relating to foreign investment. Foreign investors or other relevant parties shall proactively declare information relating to their proposed foreign investment transactions to the Office of the Working Mechanism before carrying out such transaction if (i) it is in sectors related to national defense and security, such as arms and arms related industries, or in geographic locations in close proximity of military facilities or defense-related industries facilities; or (ii) (a) it involves sectors critical to national security, such as critical agricultural products, critical energy and resources, critical equipment manufacturing, critical infrastructure, critical transportation services, critical cultural products and services, critical information technology and internet products and services, critical financial services and key technologies, and (b) will result in the foreign investor acquiring control over the investee enterprise. A foreign investor is deemed to have "control" over an investee enterprise if (i) the foreign investor holds 50% or more of the equity interests in the enterprise, (ii) has significant influence in the investee enterprise either at the board or the shareholder level by virtue of its voting power even if it holds less than 50% of the equity interests, or (iii) it is otherwise able to exert significant influence over the enterprise's business decisions, human resources, finance and technology. While we are not and have not been subject to the requirement of security review, we may in the future pursue potential strategic acquisitions which may require us to comply with the requirements of the above-mentioned rules.

Regulations Relating to Value-added Telecommunications Services

Foreign Investment in Value-Added Telecommunications

Foreign direct investment in telecommunications companies in mainland China is regulated by the *Administrative Provisions of Foreign-Invested Telecommunications Enterprises*, or the FITE Regulation, which was issued by the State Council on December 11, 2001, and most recently amended on March 29, 2022. The FITE Regulation stipulates that a foreign-invested telecommunications enterprise in the PRC, or the FITE, refers to an enterprise legally established by a foreign investor within the territory of the PRC to operate telecommunications business. Under the FITE Regulation and in accordance with WTO-related agreements, unless otherwise stipulated by the State, the foreign party investing in an FITE that engages in value-added telecommunications services may hold up to 50% of the ultimate equity interests of the FITE. An FITE shall apply for a telecommunications business license from the Ministry of Industry and Information Technology, or the MIIT, upon completion of its registration with the competent market supervisory authority. The relevant PRC authorities retain considerable discretion in granting such approvals. Furthermore, a foreign party investing in e-commerce business, as a type of value-added telecommunications services, has been allowed to hold up to 100% of the equity interests of an FITE based on the *Circular of the Ministry of Industry and Information Technology on Removing the Restrictions on Shareholding Ratio Held by Foreign Investors in Online Data Processing and Transaction Processing (Operating E-commerce) Business* issued on June 19, 2015 and the current effective *Catalogue of Telecommunications Services*, or the Telecom Catalog.

On July 13, 2006, the Ministry of Information Industry of the PRC, or the MII (which is the predecessor of the MIIT) promulgated the *Notice of the Ministry of Information Industry on Strengthening the Administration of Foreign Investment in Value-added Telecommunications Services*, or the MII Notice, which reiterates certain requirements of the FITE Regulation and strengthens the administrative authority of the MII. Under the MII Notice, if a foreign investor intends to invest in value-added telecommunications businesses in mainland China, it shall establish an FITE which shall apply for the relevant telecommunications business licenses. In addition, a domestic company that holds a license for the provision of value-added telecommunications services is prohibited from leasing, transferring or selling the license to foreign investors in any form, and from providing any assistance, including providing resources, sites or facilities, to foreign investors to allow the latter to conduct value-added telecommunications businesses in mainland China against the law. Trademarks and domain names that are used in the provision of value-added telecommunications services must be owned by the license holder or its shareholders. The MII Notice also requires that each value-added telecommunications service license holder must have appropriate facilities for its approved business operations and to maintain such facilities in the business regions covered by its license. The value-added telecommunications services license holder shall implement measures to safeguard its network and information, establish an administrative system to protect information security, set up procedures for the handling of emergencies relating to network and information security and designate responsibilities and allocation liabilities with respect to information security.

Telecommunications Regulations

The *Telecommunications Regulations of the People's Republic of China*, or the Telecom Regulations, promulgated on September 25, 2000, and most recently amended on February 6, 2016, is the primary law governing telecommunications services, and sets out the general framework for the provision of telecommunications services by PRC companies. The Telecom Regulations require that telecommunications service providers obtain operating licenses prior to commencing operations. The Telecom Regulations draw a distinction between basic telecommunications services and value-added telecommunications services. Based on the Telecom Catalog promulgated by the MII on February 21, 2003 and most recently amended by the MIIT on June 6, 2019, “internet information services” and “online data processing and transaction processing” are identified as value-added telecommunications services.

On July 3, 2017, the MIIT issued the revised *Administrative Measures for the Licensing of Telecommunications Business*, or the Telecom License Measures, which became effective on September 1, 2017, to supplement the Telecom Regulations. The Telecom License Measures require that an operator of value-added telecommunications services shall obtain a value-added telecommunications business operating license from the MIIT or its provincial-level counterparts. The term of a value-added telecommunications business license is five years and subject to annual inspection.

Pursuant to the *Administrative Measures on Internet Information Services*, promulgated by the State Council on September 25, 2000, and most recently amended on December 6, 2024, “internet information services” refer to the provision of information through the internet to online users, and can be categorized into “commercial internet information services” and “non-commercial internet information services.” A commercial operator of internet content provision services must obtain a value-added telecommunications business operating license, or the ICP License, for the provision of internet information services from the appropriate telecommunications authorities. The ICP License is however not required if the operator will only provide internet information on a non-commercial basis.

Regulations on Mobile Internet Applications

We conduct online ride-hailing services mainly through *WeRide Go*, the mobile application owned and operated by our subsidiary. As a result, we may be subject to PRC law in respect of mobile internet applications.

On June 28, 2016, the CAC promulgated the *Administrative Provisions on Mobile Internet Application Information Services*, or the Mobile Application Administrative Provisions, which was subsequently amended on June 14, 2022 and took effect on August 1, 2022. Pursuant to the Mobile Application Administrative Provisions, a “mobile internet app” refers to an app that runs on mobile smart devices providing information services. “Mobile internet app providers” refers to the owners or operators of mobile internet apps. Pursuant to the Mobile Application Administrative Provisions, a provider of mobile internet app who provides information releasing service, instant messaging service or any other services must verify a user’s mobile phone number, identity number, unified social credit code or other identity information. Mobile internet app providers shall process personal information by following the principles of lawfulness, legitimacy, necessity, and good faith, have clear and reasonable purposes, disclose protocols relating to the processing of personal information, comply with the relevant provisions on the scope of necessary personal information, regulate personal information processing activities, take necessary measures to safeguard the security of personal information, and shall not force users to consent to the processing of personal information for any reason, or refuse to provide basic functional services to users on the ground that such users fail to agree to provide personal information that is unnecessary.

On December 16, 2016, the MIIT promulgated the *Interim Measures on the Administration of Pre-Installation and Distribution of Applications for Mobile Smart Terminals*, or the Interim Measures, which came into effect on July 1, 2017. The Interim Measures aims to enhance the administration of mobile apps, and requires, among others, that mobile phone manufacturers and internet information service providers must ensure that a mobile app, as well as its ancillary resource files, configuration files and user data can be uninstalled by a user conveniently, unless it is a basic function software. “Basic function software” refers to software that supports the standard functioning of the hardware and operating system of a mobile smart device.

Regulations Relating to Autonomous Driving Vehicles

The MIIT, the MPS, and the MOT issued the *Circular on the Norms on Administration of Road Testing of Autonomous Driving Vehicles (Trial Implementation)* on April 3, 2018, or the Road Testing Circular, which became effective on May 1, 2018 and is the primary regulation governing the road testing of autonomous driving vehicles in the PRC. Pursuant to the Road Testing Circular, any entity intending to conduct a road testing of autonomous driving vehicles must apply for and obtain a road-testing certificate and a temporary license plate for each vehicle to be tested. To qualify for these required licenses, an applicant entity must satisfy applicable requirements set forth in the Road Testing Circular and comply with applicable rules and conditions during testing.

On December 20, 2020, the MOT promulgated the *Guiding Opinions on Promoting the Development and Application of Road Transport Autonomous Driving Technologies*, which clarified the development goal of the application of autonomous driving technology in road transportation. Specifically, (i) by 2025, the research on the basic theory of autonomous driving has made positive progress, and key technologies such as road infrastructure intelligence, vehicle-road collaboration and product research and development and test verification have made important breakthroughs, (ii) a number of basic and key standards for autonomous driving have been issued, and (iii) a number of national autonomous driving test bases and pilot application demonstration projects have been built to realize large-scale application in some scenarios and promote the industrialization of autonomous driving technology.

On July 27, 2021, the MIIT, the MPS, and the MOT issued the *Circular on the Norms on Administration of Road Testing and Demonstrative Application of Autonomous Driving Vehicles (Trial Implementation)*, or the Road Testing and Demonstrative Application Circular, which replaced the Road Testing Circular. According to the Road Testing and Demonstrative Application Circular, a subject for road testing refers to an entity that applies for and organizes a road test for autonomous driving vehicles, and which shall bear corresponding liabilities. A subject for road testing must meet the following requirements: (i) it must be an independent legal entity registered within the territory of mainland China; (ii) it must possess the relevant business capacity, such as the capacity to carry out the manufacturing of automobiles and parts thereof, technological research and development, or experiments and tests; (iii) it must have sufficient capacity to pay civil compensatory damages that may arise from potential personal injuries and property losses caused by road tests; (iv) it must have a set of rules to evaluate the testing of self-driving functions; (v) it must have the ability to conduct real-time and remote monitoring of testing vehicles; (vi) it must have the ability to record, analyze and replay events during the road testing; (vii) it must have the ability to safeguard the network security of testing vehicles and the remote monitoring platform; and (viii) other conditions stipulated by laws, administrative regulations and rules. Prior to conducting a road test, a subject for road tests shall ensure that the testing vehicle (i) has undergone sufficient field tests in specific locations such as a testing area (site), (ii) complies with applicable national and industry standards and specifications, testing requirements issued by competent authorities of the provincial or municipal government as well as the evaluation rules of the subject for road tests, and (iii) meets the conditions for road tests. After confirmation is received from the competent authorities, the subject for road tests shall apply to the traffic management department for a temporary car number plate for the testing vehicle. Once a temporary car number plate expires, the subject for road tests may apply for a new temporary car number plate by providing the self-declaration regarding the safety of tested vehicles, which is still within the validity period. Several local governments, such as in Shenzhen, Wuhan, Guangzhou, Zhengzhou, Nanjing, Qionghai, Wuxi, Dalian, Suzhou, Ordos, Qingdao, and Beijing, have additionally issued or applied local rules and regulations to regulate road testing of autonomous driving cars.

On July 30, 2021, the MIIT promulgated the *Opinions on Strengthening the Management of Intelligent Networked Vehicle Manufacturing Enterprises and Product Admission*, or the Opinion, which provides that enterprises should strengthen data security management ability and network security guarantee ability, as well as strengthen management ability and ensure product production consistency. Moreover, enterprises should strengthen product management: (i) Enterprises should strictly perform the obligation of informing. Where the enterprise produces automobile products with driving assistance and autonomous driving functions, it shall clearly inform the vehicle functions and performance limits, driver responsibilities, human-computer interaction equipment indication information, function activation and exit methods and conditions, and more; (ii) Enterprises should strengthen the safety management of combined driving assistance products; (iii) Enterprises should strengthen the safety management of autonomous driving function products; and (iv) Enterprises ensure reliable space-time information services.

On June 30, 2022, the Standing Committee of the Shenzhen Municipal People's Congress issued the *Regulations on the Administration of Intelligent Connected Vehicles in Shenzhen Special Economic Zone*, which came into effect on August 1, 2022. Pursuant to the foregoing regulation, intelligent connected vehicles can be sold after being listed in the national automobile product catalog or the Shenzhen intelligent connected vehicle product catalog, and getting access by the industry and information technology authorities; intelligent connected vehicles can be driven on the road after registration with the traffic management department of the public security authority, with the permission of the transportation department, intelligent connected vehicles can engage in road transport business.

On November 17, 2023, the MIIT, the MPS, the MOT, and the Ministry of Housing and Urban-Rural Development of the PRC jointly issued the *Notice regarding the Pilot Implementation of Intelligent Connected Vehicle Access*, which came into effect on the same day. Such notice applies to (i) the product access pilot for intelligent connected vehicle products equipped with autonomous driving functions and (ii) the intelligent connected vehicles that have gained access to carry out road access pilots in restricted areas. To carry out the product access pilot, the applicant must first obtain confirmation from the MIIT and the MPS. They must also pass tests and safety assessments supervised by provincial authorities and city government departments where the vehicles operate. Only then can they submit the application for product access to the MIIT. Additionally, the applicant must purchase insurance for the vehicle and complete the registration process.

On November 21, 2023, the MOT issued the *Service Guidelines on Transportation Safety for Autonomous Driving Vehicles (for Trial Implementation)*, which came into effect on the same day. Such service guidelines regulate the use of autonomous driving vehicles to engage in various types of transportation operations on different roadways, and specify the specific scenarios and conditions applicable to the use of autonomous driving vehicles in different transportation operations. According to the service guidelines, autonomous driving transportation operators must register, obtain the corresponding business licenses, and meet specific insurance requirements for certain operations. Among which, operators of taxi passenger transport (ride-hailing service) and road passenger transport shall maintain the carrier liability insurance in accordance with the laws. The operators need to comply with relevant standards and regulations, including vehicle registration, obtaining necessary documents, providing traffic accident liability insurance, and meeting specific safety technology standards for certain operations. Autonomous driving vehicles need to be equipped with appropriate safety and security personnel. Relevant authority will strengthen daily supervision and inspection of autonomous driving vehicle transportation activities, and require the operators to rectify any significant safety issues that arise. Operators must report to the competent authorities if they find any technical defect, hidden danger and problem of the autonomous driving vehicles.

On December 31, 2024, the Standing Committee of the Beijing Municipal People's Congress issued the *Regulations of Beijing Municipality on Autonomous Vehicle*, which came into effect on April 1, 2025. Pursuant to the foregoing regulation, enterprises related to autonomous vehicles that need to test autonomous driving functions in this city can apply for road testing activities. If the road testing activities have been completed and meet the specified conditions, and it is necessary to test the application scenarios of people and vehicles, demonstration application activities can be applied for.

On February 25, 2025, the MIIT, the SAMR jointly issued the *Notice on Further Strengthening the Administration of the Market Access, Recall and Online Software Upgrading of Intelligent Connected Automobiles*, which came into effect on the same day. Such notice implements the Opinion and other relevant regulations, to further improve the management of access and recall of intelligent connected vehicle products equipped with combined driving assistance systems and Over-The-Air technology, or the OTA upgrade, and to regulate the activities of automobile production enterprises with OTA upgrade.

Regulations Relating to Urban Solid Waste Services

On August 10, 1993, the Ministry of Construction (which was the predecessor of Ministry of Housing and Urban-Rural Development of the PRC) promulgated the *Measures for the Management of Urban Solid Waste*, which was recently amended on May 4, 2015. According to the *Measures for the Management of Urban Solid Waste*, enterprises that engage in commercial cleaning, collection and transportation of urban solid waste shall obtain a license for the service of commercial cleaning, collecting and transporting urban solid waste. Currently, Wenyuan Guangzhou and two of its subsidiaries hold the licenses for the service of cleaning, collecting and transporting urban solid waste.

Regulations Relating to Online Ride-Hailing Services

On July 9, 2014, the General Office of the MOT promulgated the *Notice on Promoting the Orderly Development of Online Taxi-Hailing Services by Mobile Phone Software*, which, among others: (i) requires local transportation authorities to strengthen market supervision over mobile-based online taxi-hailing services offered through mobile phones to protect the legitimate rights and interests of all parties involved; (ii) encourages mobile-based online taxi-hailing service providers to take advantage of their strengths, enhance order management, optimize order dispatch rules, improve standard of service and participate in the establishment of taxi service management information platform and technological transformation; and (iii) requires local transportation authorities to accelerate the establishment and improvement of taxi-service management information systems.

On July 27, 2016, the MOT, the MIIT, the MPS, the MOFCOM, the SAMR and the CAC jointly promulgated the *Interim Measures for the Management of Online Ride-Hailing Operation and Service*, which was latest amended and became effective on November 30, 2022, to regulate the business activities of online ride-hailing services, and ensure the operational safety for passengers. Before carrying out online ride-hailing services, an online ride-hailing service platform company shall obtain the permit for online ride-hailing business and complete the record filing of internet information services at the provincial communications administration authorities of the place of its registration.

We conduct online ride-hailing services primarily through *WeRide Go* and we have obtained the permit for online ride-hailing business and completed the applicable record filing for internet information services as of the date of this annual report.

On September 30, 2014, the MOT promulgated the *Provisions on the Administration of Cruising Taxi Operating Services*, or the Cruising Taxi Administration Provisions, which was mostly recently amended on August 11, 2021. The Cruising Taxi Administration Provisions provides that (i) “cruising taxi online hailing services” refer to provision of cruising taxi operating services at the time and location designated by the passengers through means of telecommunications or the internet; (ii) platforms providing cruising online taxi-hailing services shall provide round-the-clock services and dispatch taxis in accordance with the requirements of the passengers; and (iii) cruising taxi drivers shall arrive at such location and time in accordance with the requirements of the passengers in a timely manner, communicate with online taxi hailing service providers or passengers when the passengers fail to show up at the agreed location on time, and provide a confirmation to online taxi hailing service providers when the passengers are onboard. The Cruising Taxi Administration Provisions further provide that cruising online taxi hailing services shall be carried out at different locations based on the actual condition so as to establish and improve an online taxi hailing service management system. Cruising taxi operators are also required to establish or connect to an online taxi hailing service platform based on actual conditions to provide online taxi hailing services.

On September 7, 2021, the General Office of the MOT promulgated the *Notice on Maintaining a Fair Competition Market Order and Accelerating the Compliance of Online Ride-Hailing*, which requires competent transportation authorities to strengthen their supervision and enforcement, including to strictly regulate their enforcement efforts and to use comprehensive means to crack down on illegal online ride-hailing operations. Online ride-hailing platforms that offer access to non-compliant vehicles and drivers must be investigated and dealt with in accordance with applicable laws and regulations, and the results of such investigation shall be reported to the MOT.

On November 28, 2016, the People’s Government of Guangzhou Municipality promulgated the *Interim Measures for the Administration of Online Taxi-Hailing Services in Guangzhou*, or the Guangzhou Online Taxi-Hailing Measures, which became effective on the same date and amended on November 14, 2019. The Guangzhou Online Taxi-Hailing Measures regulate online-hailing activities and provide for the supervision and administration of online-hailing services in Guangzhou. Pursuant to the Guangzhou Online Taxi-Hailing Measures, online-hailing platforms shall obtain the corresponding online-hailing business license in accordance with applicable laws and regulations and enter into a labor contract or agreement with drivers connected to its platform to specify the rights and obligations of both parties.

Regulations Relating to Surveying and Mapping Services

On December 28, 1992, the SCNPC promulgated the *Surveying and Mapping Law of the People’s Republic of China*, or the Surveying and Mapping Law, which was last amended on April 27, 2017 and became effective on July 1, 2017. According to the Surveying and Mapping Law, entities that engage in surveying and mapping activities shall meet specific requirements and obtain the necessary qualification certificates of surveying and mapping for corresponding grades. Any entity that engages in surveying and mapping activities without relevant qualification certificate shall be ordered to stop the illegal behavior, and be deprived of unlawful gains as well as surveying and mapping work products. In addition, the entity shall be subject to a fine of not less than the amount of, but not more than twice the amount of, the illegal gains from its surveying and mapping activities. In the event of a serious violation, the surveying and mapping tools shall be confiscated. Any foreign entity or individual engaging in surveying and mapping activities without approval or without cooperation with relevant PRC department or entity, the foreign entity or individual shall be ordered to stop the illegal behavior, and be deprived of unlawful gains, surveying and mapping work products as well as tools. In addition, the foreign entity or individual shall be subject to a fine of RMB100,000 to RMB500,000. In the event of a serious violation, the foreign entity or individual shall be subject to a fine of RMB500,000 to RMB1,000,000 and shall be ordered to leave the country within a specified period or expelled from the country. If constituting a crime, the foreign entity or individual shall be investigated for criminal liability in accordance with applicable laws.

Pursuant to the *Administrative Rules of Surveying Qualification Certificate*, as most recently amended by the Ministry of Natural Resources of the People's Republic of China, or the MNR, effective from July 1, 2021, entities conducting surveying and mapping activities in the territory of China, as well as other territorial sea under the jurisdiction of China, shall obtain a Surveying and Mapping Qualification Certificate, and conduct surveying and mapping activities within the specialized categories and restricted scope permitted by their Surveying and Mapping Qualification Certificate. The specialized categories of Surveying and Mapping Qualification Certificate include, among others, internet map services. Pursuant to the *Notice on Further Strengthening the Administration of Internet Map Services Qualification* issued by the National Administration of Surveying, Mapping and Geo-information on December 23, 2011, internet map services cannot be provided by any entity without a Surveying and Mapping Qualification Certificate with respect to internet map services. According to the *Provisions on the Administration of Examination of Maps* most recently amended by the MNR on July 24, 2019, an enterprise must first apply for the approval of the relevant regulatory authorities, subject only to limited exceptions, if it intends to engage in any of the following activities: (i) the publication, display, production, posting, import or export of any map or any product attached with a map; (ii) the re-publication, re-display, re-production, re-posting, re-import or re-export of any map, or any product attached with a map whose content has been changed after its initial approval; and (iii) the publication, display or posting outside China of any map or any product attached with a map. An operator of internet map is required to file any content update relating to its map with the relevant regulatory authorities semi-annually and to reapply for a new approval of the map when the two-year term of the existing approval expires.

Pursuant to the *Notice of the Ministry of Natural Resources on Promoting the Development of Intelligent Connected Vehicles and Maintaining the Security of Surveying, Mapping and Geoinformation* promulgated by the MNR on August 25, 2022, after an intelligent connected vehicle is being equipped with a satellite navigation positioning receiving module, inertial measurement unit, camera, laser radar and other sensors, its activities of collecting, storing, transmitting and processing geographic information data such as spatial coordinates, images, point clouds and attributing information of vehicles and surrounding road facilities during operation, service and road testing will be considered as surveying and mapping activities under the Surveying and Mapping Law. Furthermore, any vehicle manufacturer, service provider or smart driving software provider that needs to engage in the collection, storage, transmission and processing of geographic information data shall obtain the corresponding qualification for surveying and mapping in accordance with the law or entrust an agency with the corresponding qualification for surveying and mapping to carry out the corresponding surveying and mapping activities if it is a domestic enterprise; in the case of a foreign-invested enterprise, it shall entrust an agency with the corresponding qualification for surveying and mapping to carry out the corresponding surveying and mapping activities, and the entrusted agency shall undertake the collection, storage, transmission and processing of geographic information and any other businesses, and to provide geographic information services and support for such foreign-invested enterprise.

On July 26, 2024, the MNR promulgated *The Notice of the Ministry of Natural Resources on Strengthening the Administration of Surveying, Mapping and Geoinformation Security Relating to Intelligent Connected Vehicles*, emphasized various related matters, including the requirement of conducting surveying and mapping activities related to intelligent connected vehicles in accordance with the law, strengthening the management of surveying and mapping activities involving intelligent connected vehicles, strictly managing confidential and sensitive geographic information data, strictly reviewing electronic navigation maps, implementing the requirements for the storage of geoinformation data and cross-border transfer of such data, strengthening the regulation of geoinformation security, encouraging the exploration of geoinformation security application, etc.

Regulations Relating to Cybersecurity and Data Security

The Decision Regarding the Protection of Cybersecurity, enacted by the SCNPC, on December 28, 2000 and amended on August 27, 2009, provides, among other things, that the following activities conducted through the internet, if constituting a crime under PRC laws, are subject to criminal punishment: (i) hacking into a computer or system of strategic importance; (ii) intentionally inventing and spreading destructive programs such as computer viruses to attack computer systems and communications networks, and damaging computer systems and the communications networks; (iii) violation of national regulations or discontinuing computer network or communications services without authorization; (iv) disseminating politically disruptive information or divulging state secrets; (v) spreading false commercial information; or (vi) infringing on intellectual property rights.

On June 22, 2007, the MPS, the National Administration of State Secrets Protection and other governmental authorities jointly promulgated *the Administrative Measures for the Graded Protection of Information Security*, or the Measures for the Graded Protection, effective from June 22, 2007, pursuant to which, graded protection of the state information security shall follow the principle of “independent grading and independent protection”. The Measures for the Graded Protection stipulate that the security protection grade of an information system may be classified into five grades. For an information system determined to be Grade II or above, its operator shall make the record filing with relevant public security departments.

According to the *Cybersecurity Law of the People’s Republic of China*, or the Cybersecurity Law, which was promulgated by the SCNPC on November 7, 2016, amended on October 28, 2025 and became effective on January 1, 2026, and other related laws and regulations, network service providers are required to take measures to safeguard cybersecurity by complying with cybersecurity obligations, formulating cybersecurity emergency response plans, and providing technical assistance and support to public security and national security authorities. Failure to comply with such laws and regulations may subject the network service providers to administrative penalties including, without limitation, fines, suspension of business operation, shutdown of business websites, revocation of licenses as well as criminal liabilities. The Cybersecurity Law applies to the construction, operation, maintenance and use of the network as well as the supervision and administration of cybersecurity within the territory of China. Due to the operation of *WeRide Go*, the remote cockpit management system and the autonomous driving vehicle operation management platform, we may be deemed as a network service provider and be subject to the aforementioned regulations.

After the release of the Cybersecurity Law, on May 2, 2017, the CAC issued the *Measures for Security Reviews of Network Products and Services (Trial)* which was later replaced by the *Cybersecurity Review Measures*. The Cybersecurity Review Measures was promulgated by the CAC and other relevant authorities on April 13, 2020 and most recently amended on December 28, 2021 (such amendment became effective on February 15, 2022). The Cybersecurity Review Measures establish the basic framework and principle for national security reviews of network products and services. Pursuant to the Cybersecurity Review Measures, in addition to critical information infrastructure operators purchasing network products or services that affect or may affect national security, any “online platform operators” controlling personal information of more than one million users which seeks to list on a foreign stock exchange should also be subject to cybersecurity review. Government authorities may initiate a cybersecurity review against an online platform operator if such authorities believe that the network products or services or data processing activities of such operator affect or may affect national security.

On July 30, 2021, the State Council promulgated the *Regulations on Protection of Critical Information Infrastructure* which took effect on September 1, 2021, and pursuant to which, “critical information infrastructures” is defined to mean critical network facilities and information systems involved in important industries and sectors, such as public communication and information services, energy, transportation, water conservancy, finance, public services, governmental digital services, science and technology related to national defense industry, as well as those which may seriously endanger national security, national economy, livelihood of citizens, or public interests if any damage is suffered or caused to malfunction, or if any leakage of data in relation thereto occurs. Pursuant to these regulations, the relevant governmental authorities are responsible for stipulating rules for the identification of critical information infrastructures with reference to several factors set forth in the regulations, and further identifying critical information infrastructure operators in the related industries in accordance with such rules. The relevant authorities shall also notify any operator if it is identified as a critical information infrastructure operator. As of the date of this annual report, we have not been informed as a critical information infrastructure operator by any government authorities.

On June 10, 2021, the SCNPC promulgated the *Data Security Law of the People’s Republic of China*, or the Data Security Law, which took effect on September 1, 2021. The Data Security Law provides for data security and privacy obligations on entities and individuals carrying out data-related activities. The Data Security Law also introduces a data classification and hierarchical protection system based on the importance of the data with respect to economic and social development, as well as the degree of harm that will result on national security, public interests, or legitimate rights and interests of individuals or organizations if 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 have designated personnel and a management body responsible for data security, carry out risk assessments for its data processing activities and file its risk assessment reports with the competent authorities. In addition, the Data Security Law sets out a national security review procedure applicable to data processing activities that affect or may affect national security and imposes restrictions on the export of certain data.

According to the *Several Provisions on Vehicle Data Security Management (Trial Implementation)* promulgated on August 16, 2021 by the CAC, the NDRC, the MIIT, the MPS, and the MOT, which became effective on October 1, 2021, the processing of vehicle data by a vehicle data processor must comply with certain basic principles such as lawfulness and appropriateness, and must be conducted in a way directly relevant to the design, manufacturing, sale, use, operation or maintenance of a vehicle. Where the processing of any vehicle data is carried out using the internet or any other information network, a hierarchical cybersecurity protection scheme shall be implemented to strengthen the protection of vehicle data and obligations relating to data security must be discharged in accordance with applicable laws.

On September 15, 2021, the MIIT issued the *Notice of the Ministry of Industry and Information Technology on Strengthening the Cybersecurity and Data Security of the Internet of Vehicles*, which became effective on the same day. The notice requires relevant enterprises to fulfill their primary responsibility for security, comprehensively strengthen safety protection, especially the security safeguards for intelligent connected vehicles and Internet of Vehicles network facilities. Additionally, it mandates enhanced security management and data security protection for the Internet of Vehicles service platforms, including data classification and grading management, improvement of data security technical safeguards, standardization of data development, utilization, and sharing, as well as reinforcement of data export security management. Furthermore, the notice emphasizes the importance of accelerating the construction of security standards for the Internet of Vehicles and encourages relevant enterprises and social organizations to formulate enterprise standards and group standards that exceed national or industry standards.

On July 7, 2022, the CAC promulgated the *Measures for the Security Assessment of Cross-border Data Transfer*, or the Security Assessment Measures, which took effect on September 1, 2022. The Security Assessment Measures regulate the security assessment of important data and personal information collected and generated within the territory of mainland China and transferred overseas by a data processor during its operation. According to the Security Assessment Measures, where a data processor transfers data overseas under any of the following circumstances, it shall apply to the relevant provincial department of the CAC for a security assessment: (i) a data processor transfers important data overseas; (ii) a critical information infrastructure operator transfers personal information overseas; (iii) a data processor processing personal information of more than one million individuals transfers personal information overseas; (iv) a data processor having, since January 1 of the previous year, cumulatively transferred overseas personal information of 100,000 individuals, or sensitive personal information of 10,000 individuals; or (v) other circumstances where a security assessment for outbound data transfer is required by the CAC. Before applying for a security assessment for the proposed outbound data transfer, a data processor shall conduct a self-assessment of the risks involved in such transfer, and the self-assessment shall focus on the following matters: (i) the lawfulness, legitimacy and necessity of the purpose, scope and method of the proposed overseas data transfer, and of the processing of such data by the foreign recipient; (ii) the scale, scope, type and sensitivity of the outbound data transfer, and the risks to national security, public interest or to the legitimate rights and interests of individuals or organizations that may be caused by the proposed outbound data transfer; (iii) the duties and obligations which the foreign recipient undertakes, and the foreign recipient's organizational and technical capabilities and measures to perform such duties and obligations and guarantee the security of the proposed outbound data transfer; (iv) the risks of the relevant data being tampered with, destroyed, divulged, lost, transferred, illegally obtained or illegally used during and after the proposed outbound data transfer, and whether a proper channel is in place to safeguard rights to and interests in personal information; (v) whether the responsibilities and obligations relating to data security protection have been fully spelt out in the relevant contracts or other legally binding documents to be concluded with the foreign recipient; and (vi) other matters that may affect the security of the proposed outbound data transfer.

On December 8, 2022, the MIIT issued the *Administrative Measures for Data Security in the Field of Industry and Information Technology (Trial Implementation)*, or the MIIT Data Security Measures, which took effect on January 1, 2023. The MIIT Data Security Measures prescribes that data processors in the field of industry and information technology shall follow the principles of lawfulness and appropriateness in collecting data. During the data collection process, the data processors shall take security measures corresponding to and appropriate for the relevant data.

On March 22, 2024, the CAC issued the *Provisions on Promoting and Regulating Cross-border Flow of Data*, or the New Cross-border Data Flow Provisions, which took effect on the same day. The New Cross-border Data Flow Provisions state that if there is any conflict with the *Security Assessment Measures* or the *Measures for the Standard Contract for the Cross-border Transfer of Personal Information*, the New Cross-border Data Flow Provisions shall prevail. The New Cross-border Data Flow Provisions set out scenarios under which certain obligations for the cross-border data transfer are waived, which include, among others, passing the security assessment of cross-border data transfer, concluding a standard contract for the cross-border transfer of personal information or passing the personal information protection certification.

On May 10, 2024, the MIIT issued the *Implementing Rules for the Risk Assessment of Data Security in the Field of Industry and Information Technology (Trial Implementation)*, which took effect on June 1, 2024. Such implementing rules apply to data security risk assessment activities conducted by important data or core data processors in the field of industry and information technology in China. General data processors may also refer to these rules to conduct data security risk assessment. The implementing rules establish data security risk assessment mechanisms at both ministerial and provincial levels, refine assessment obligations of processors of important data and core data, and clarify the mechanism and procedures for competent industrial authorities to supervise and administer such assessment activities.

On September 24, 2024, the State Council issued the *Regulations on Network Data Security Management, or the Network Data Regulations*, which became effective on January 1, 2025. The Network Data Regulations prescribe that network data processors processing personal information of over 10 million individuals shall fulfill certain requirements for processing important data and require network data processors to take certain precautionary measures, such as identifying important data and conducting annual risk assessment. Furthermore, the Network Data Regulations allow network data processors to provide personal information overseas only if it is strictly necessary for fulfilling statutory obligations. The Network Data Regulations also establish certain obligations of online platform service providers, including offering users an option to turn off personalized recommendations.

Regulations Relating to Privacy

According to the *Provisions on Protection of Personal Information of Telecommunications and Internet Users*, which was promulgated by the MIIT on July 16, 2013 and became effective on September 1, 2013, telecommunications business operators and ICP operators are responsible for the security of users' personal information they collect or use in the course of their services. Telecommunications business operators and ICP operators may not collect or use the personal information of their users without their consent. Personal information collected or used by telecommunication business operators or ICP operators in the course of their services must be kept in strict confidence, and may not be divulged, tampered with or damaged, and may not be sold or unlawfully provided to others. ICP operators are required to take certain measures to prevent any divulgence of, damage to, tampering with or loss of personal information belonging to the users. In accordance with the Cybersecurity Law, network operators are required to collect and use personal information in compliance with the principles of legality, appropriateness and necessity, and strictly within the scope of authorization granted by the subject of the relevant personal information unless otherwise prescribed by laws or regulations. In the event of any unauthorized disclosure, damage or loss of personal information collected, network operators must take immediate remedial measures, notify the affected users and report the incidents to the relevant authorities in a timely manner. If any user becomes aware that a network operator collects or uses his or her personal information in violation of applicable laws and regulations or against the terms of any agreement with such user, or if the personal information collected or stored is inaccurate or wrong, the user has the right to request the network operator to delete or correct the relevant information.

Pursuant to the *Announcement of Conducting Special Supervision against the Illegal Collection and Use of Personal Information by Apps*, which was jointly issued by the Office of the Central Cyberspace Affairs Commission, the MIIT, the MPS and the SAMR on January 23, 2019, app operators should collect and use personal information in compliance with the Cybersecurity Law and should be responsible for the security of personal information obtained from users and take effective measures to step up the protection of personal information. Furthermore, app operators should not force their users to grant authorization by means of bundling, suspending installation or in any other default forms and should not collect personal information in violation of laws or regulations or in breach of any agreement with users. The importance of the foregoing regulatory requirements is repeated under the *Notice on the Special Rectification of Apps Infringing upon User's Personal Rights and Interests* issued by MIIT on October 31, 2019. On November 28, 2019, the CAC, the MIIT, the MPS and the SAMR jointly issued the *Methods of Identifying Illegal Acts of Apps to Collect and Use Personal Information*. This regulation illustrates various illegal practices commonly adopted by apps operators with respect to personal information protection, including “the failure to publish rules on the collection and use of personal information,” “the failure to expressly state the purpose, manner and scope for the collection and use of personal information,” “the collection and use of personal information without consent,” “the collection of personal information that is irrelevant to the services provided by the relevant app and in violation of the principle of necessity,” “the provision of personal information to others without users’ consent,” “the failure to allow deletion or correction of personal information as required by laws” and “the failure to publish relevant information such as relating to complaint filing or reporting.” Any of the following acts by an app operator will, amongst others, constitute the “collection and use of personal information without the consent of users”: (i) collecting the personal information or activating the authorization for the collection of personal information without obtaining the consent of the relevant user; (ii) collecting the personal information or activating the authorization for the collection of personal information of any user who explicitly denies collection, or repeatedly soliciting such user’s consent in a way that disrupts his/her normal use of the relevant app; (iii) the personal information collected or the authorization for the collection of personal information activated by the app operator exceeds the scope authorized by the user; (iv) seeking user consent in a non-explicit manner; (v) modifying user settings with respect to the activation of the authorization for the collection of personal information without such user’s consent; (vi) pushing information that is directed at a user based on his/her personal information and algorithms, without providing an opt-out option; (vii) misleading users to authorize the collection of their personal information or activating the authorization for the collection of personal information by improper methods such as fraud and deception; (viii) failing to provide users with the means and methods to withdraw their authorization for the collection of personal information; and (ix) collecting and using personal information in violation of the rules published by the app operator.

On August 20, 2021, the SCNPC issued the *Personal Information Protection Law of the People's Republic of China*, or the Personal Information Protection Law, which took effect on November 1, 2021. The law integrates previously scattered rules with respect to personal information rights and privacy protection. According to the Personal Information Protection Law, personal information refers to information related to identified or identifiable natural persons which is recorded by electronic and other means (excluding anonymized information). The Personal Information Protection Law applies to the processing of personal information within mainland China, as well as certain personal information processing activities outside China, including those for the provision of products and services to natural persons within mainland China or for the analysis and assessment of acts of natural persons within mainland China. It also stipulates certain specific provisions with respect to the obligations of a personal information processor. We update our privacy policies from time to time to meet the latest regulatory requirements of PRC government authorities and adopt technical measures to protect data and ensure cybersecurity in a systematic way. Nonetheless, the Personal Information Protection Law elevates the protection requirements for personal information processing, and many specific requirements of this law remain to be clarified by the CAC, other regulatory authorities, and courts in practice. We may be required to make further adjustments to our business practices to comply with the personal information protection laws and regulations.

On February 22, 2023, the CAC issued the *Measures for the Standard Contract for the Cross-border Transfer of Personal Information*, which took effect on June 1, 2023. Such measures clarify the scope of application of the standard contract, which refers to cross-border transfers of personal information that meet certain scale standards and are conducted by personal information processors who are not operators of critical information infrastructure. The measures also outline the requirements for the conclusion and filing of the standard contract, which provides operational guidance for the cross-border transfer of personal information through filing the standard contract. The measures provide operational guidance for the cross-border transfer of personal information through filing the standard contract.

Regulations Relating to Intellectual Property

China has adopted comprehensive legislation governing intellectual property rights, including copyrights, trademarks, patents and domain names. China is a signatory to the primary international conventions on intellectual property rights and has been a member of the Agreement on Trade Related Aspects of Intellectual Property Rights since its accession to the World Trade Organization in December 2001.

Copyright

On September 7, 1990, the SCNPC promulgated the *Copyright Law of the People's Republic of China*, or the Copyright Law, which was most recently amended on November 11, 2020. The latest amendment took effect on June 1, 2021 and extends copyright protection to internet activities, products disseminated over the internet and software products. In addition, there is a voluntary registration system administered by the Copyright Protection Centre of China. According to the Copyright Law, Chinese citizens, legal persons and organizations shall own copyright to their copyrightable works, regardless of whether such works are published or not, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners enjoy certain legal rights, including the right of publication, right of authorship and right of reproduction. An infringer of copyrights shall be subject to various civil liabilities, which include ceasing infringement activities, apologizing to the copyright owners and compensating the loss of copyright owner. An infringer of copyrights may also be subject to fines and/or administrative or criminal liabilities under certain circumstances.

In order to further implement the *Regulations on Computer Software Protection*, promulgated by the State Council on June 4, 1991 and most recently amended on January 30, 2013, the National Copyright Administration issued the *Measures for the Registration of Computer Software Copyright* on February 20, 2002, which specifies detailed procedures and requirements with respect to the registration of software copyrights.

Trademark

According to the *Trademark Law of the People's Republic of China* promulgated by the SCNPC on August 23, 1982, and most recently amended on April 23, 2019, the Trademark Office of the State Administration for Industry and Commerce Authority, or the SAIC, under the State Council is responsible for the registration and administration of trademarks in mainland China. The SAIC has established a Trademark Review and Adjudication Board for resolving trademark disputes. Registered trademarks are 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. On April 29, 2014, the State Council issued the revised *Implementing Regulations of the Trademark Law of the People's Republic of China*, which specifies the requirements for the application of trademark registration and renewal.

Patent

According to the *Patent Law of the People's Republic of China*, or the Patent Law, which was promulgated by the SCNPC on March 12, 1984 and most recently amended on October 17, 2020 (with such amendment taking effect on June 1, 2021), and the *Implementation Rules of the Patent Law of the People's Republic of China*, or the Implementation Rules of the Patent Law, promulgated by the State Council on June 15, 2001 and most recently revised on December 11, 2023, the patent administrative department under the State Council is responsible for the administration of patent-related work nationwide and the patent administration departments of the provincial, autonomous regions or municipal governments are responsible for the administration of patents within their respective administrative areas. The Patent Law and the Implementation Rules of the Patent Law provide for three types of patents, namely "inventions," "utility patents" and "designs". Invention patents are valid for twenty years, utility model patents are valid for ten years and design patents are valid for fifteen years, in each case from the date of application. The Chinese patent system adopts a "first come, first 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. An invention or a utility model must possess novelty, inventiveness and practical applicability to be patentable. Third parties must obtain consent or a proper license from the patent owner to use the patent. Otherwise, the unauthorized use constitutes an infringement on the patent rights.

Domain Names

On August 24, 2017, the MIIT promulgated the *Administrative Measures for Internet Domain Names*, or the Domain Name Measures, which became effective on November 1, 2017. The Domain Name Measures regulate the registration of domain names, such as China's national top-level domain name ".CN." The China Internet Network Information Center, or the CNNIC, issued the *Administrative Regulations for Country Code Top-Level Domain Name Registration and Country Code Top-Level Dispute Resolutions Rules* on June 18, 2019, pursuant to which the CNNIC can authorize a domain name dispute resolution institution to adjudicate domain name related disputes.

Regulations Relating to Foreign Exchange

The principal regulations governing foreign currency exchange in mainland China are the *Administrative Regulations on Foreign Exchange of the People's Republic of China*, or the Foreign Exchange Administrative Regulation, which was promulgated by the State Council on January 29, 1996 and most recently amended on August 1, 2008 (with such amendment taking effect on August 5, 2008), and the *Administrative Regulations on Foreign Exchange Settlement, Sales and Payment*, which was promulgated by the People's Bank of China on June 20, 1996 and became effective on July 1, 1996. Under these regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without the prior approval from the State Administration of Foreign Exchange, or SAFE, so long as the applicable procedural requirements are complied with. By contrast, the approval of or registration with relevant governmental authorities or designated banks is required where RMB is to be converted into foreign currency and remitted outside of China to pay capital account items such as the repayment of foreign currency-denominated loans, direct investment overseas and investments in securities or derivative products outside of the PRC. FIEs are permitted to convert their after-tax dividends into foreign exchange and remit such foreign exchange out of their foreign exchange bank accounts in the PRC.

On March 30, 2015, SAFE promulgated the *Notice on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-Invested Enterprises*, or SAFE Circular 19, which took effect on June 1, 2015 and was further revised in 2019 and 2023. According to SAFE Circular 19, foreign currency capital contribution to an FIE in its capital account may be converted into RMB on a discretionary basis.

On June 9, 2016, the SAFE promulgated the *Circular on Reforming and Regulating Policies on the Management of the Settlement of Foreign Exchange of Capital Accounts*, or SAFE Circular 16, which was amended on December 4, 2023. SAFE Circular 16 provides for the discretionary foreign exchange settlement for all domestic institutions. Discretionary foreign exchange settlement means the foreign exchange capital in the capital account which has been confirmed by relevant policies to be subject to the discretionary foreign exchange settlement (including foreign exchange capital, foreign loans and funds remitted from the proceeds from the overseas listing) can be settled at banks based on the actual operational needs of the domestic institutions. The proportion of discretionary foreign exchange settlement of the foreign exchange capital is temporarily determined as 100%.

Furthermore, SAFE Circular 16 stipulates foreign exchange incomes of capital accounts shall be utilized by FIEs following the principles of genuineness and self-use and within the business scope of such enterprises. The foreign exchange incomes of capital accounts and capital in RMB obtained by an FIE from foreign exchange settlement shall not be used for any of the following purposes: (i) directly or indirectly for payments outside the business scope of the FIE or payments prohibited by applicable laws and regulations; (ii) directly or indirectly for investment in securities or financial schemes other than bank guaranteed products (except for wealth management products and structured deposits with a risk rating not higher than level two) unless otherwise provided by applicable laws and regulations; (iii) the granting of loans to non-affiliated enterprises, unless otherwise permitted by its business scope; and (iv) the construction or purchase of real estate that is not for self-use (except for enterprises engaged in real estate development and leasing operations).

Violations of above-mentioned regulations may subject an enterprise to fines and other administrative liabilities, and even criminal liabilities under severe circumstances.

According to the *Notice of the State Administration of Foreign Exchange on Further Promoting the Convenience of Cross-border Trade and Investment*, or SAFE Circular 28, which was promulgated by SAFE on October 23, 2019 and amended on December 4, 2023, a non-investment FIE may use its capital to carry out domestic equity investment in accordance with the law so long as it does not violate the negative list and the projects invested are genuine and in compliance with applicable laws and regulations.

On April 10, 2020, SAFE issued the *Notice of the SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business*, or SAFE Circular 8. SAFE 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 having to submit materials evidencing the veracity of such payment to the bank prior to each transaction.

On December 4, 2023, SAFE issued the *Notice on Further Deepening the Reform to Facilitate Cross-border Trade and Investment*, pursuant to which qualified enterprises may independently borrow foreign debts within the limit of the equivalent of US\$5 million or US\$10 million, depending on their areas of incorporation.

Regulations Relating to Dividend Distributions

The principal regulations governing distribution of dividends of wholly foreign-owned enterprises, include the *Company Law*. Under these regulations, wholly foreign-owned enterprises in mainland China may pay dividends only out of their accumulated after-tax profits, if any, determined in accordance with the PRC accounting standards and regulations. In addition, FIEs in the PRC are required to allocate at least 10% of their accumulated profits each year, if any, to fund certain reserve funds unless these reserves have reached 50% of the registered capital of the enterprises. These reserves are not distributable as cash dividends.

Regulations Relating to Foreign Debts

A loan made by foreign investors as shareholders in an FIE is considered to be a foreign debt in the PRC and is regulated by various laws and regulations, including the Foreign Exchange Administrative Regulation, the *Interim Provisions on the Management of Foreign Debts*, which was promulgated by the SAFE, the NDRC and the Ministry of Finance, or the MOF, on January 8, 2003 effective from March 1, 2003 and further amended effective from September 1, 2022, and the *Administrative Measures for Registration of Foreign Debts* promulgated by the SAFE on April 28, 2013 and amended by the *Notice of the SAFE on Abolishing and Amending the Normative Documents Related to the Reform of the Registered Capital Registration System* on May 4, 2015. Under these rules, a shareholder loan in the form of foreign debt made to a Chinese entity does not require the prior approval of the SAFE. However, such foreign debt must be registered with and recorded by local banks. SAFE Circular 28 provides that a non-financial enterprise in the pilot areas may register a permitted amount of foreign debts, which is equivalent to twice the non-financial enterprise's net assets, at the local foreign exchange bureau. Such non-financial enterprise may incur foreign debts within the permitted amount and directly handle the relevant banking procedures without registering each foreign debt. However, the non-financial enterprise shall report its international income and expenditure regularly.

Regulations Relating to Offshore Special Purpose Vehicles Held by PRC Residents

The SAFE promulgated the *Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents* on May 10, 2013, which was most recently amended on December 30, 2019 and specifies that the administration by the SAFE or its local branches over direct investments by foreign investors in the PRC shall be conducted by way of registration and banks shall process foreign exchange business relating to direct investments in the PRC based on the registration information provided by the SAFE and its local branches.

The SAFE promulgated the *Notice on Issues Relating to Foreign Exchange Administration over the Overseas Investment and Financing and Round-trip Investment by Domestic Residents via Special Purpose Vehicles*, or the SAFE Circular 37, on July 4, 2014, which requires PRC residents or entities to register with the 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. In addition, such PRC residents or entities must update their SAFE registrations when a material event occurs with respect to the offshore special purpose vehicle including relating to the change of any basic information (such as change of such PRC citizens or residents, and name and term of operation), capital increase or reduction, transfers or exchanges of shares, or mergers or divisions.

The SAFE further enacted the *Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies* for Direct Investment, or the SAFE Circular 13, on February 13, 2015, which was amended on December 30, 2019 by the *Circular of the State Administration of Foreign Exchange on Repealing and Invalidating Five Normative Documents Concerning Administration of Foreign Exchange and Some Articles of Seven Normative Documents Concerning Administration of Foreign Exchange*. SAFE Circular 13 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. However, remedial registration applications made by PRC residents who have previously failed to comply with SAFE Circular 37 continue to fall under the jurisdiction of the relevant local branch of the SAFE. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the mainland China subsidiaries of that special purpose vehicle may be prohibited from distributing profits to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary.

On January 26, 2017, the SAFE issued the *Notice on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Control*, or the SAFE Circular 3, which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) following the principle of genuine transaction, banks shall examine board resolutions passed for the profit distribution, the original tax filing records and audited financial statements; and (ii) domestic entities shall retain income to account for losses incurred in the past years before remitting profits. Moreover, pursuant to SAFE Circular 3, domestic entities shall provide detailed explanations regarding the sources of capital and how they will be used, relevant board resolutions, contracts and other proof when registering an outbound investment or making an outbound remittance.

Regulations Relating to Share Incentive Plans

According to the *Notice of the State Administration of Foreign Exchange on Issues Relating to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company*, or the Share Incentive Rules, which was issued on February 15, 2012, and other related regulations, directors, supervisors, senior management and other employees who are (i) PRC citizens or non-PRC citizens residing in mainland China for a continuous period of not less than one year, and (ii) participating in any share incentive plan of a company listed overseas, subject to certain exceptions, are required to register with the SAFE. All such participants need to authorize a qualified PRC agent, such as a PRC subsidiary of the company listed overseas, to register with the SAFE and to deal with foreign exchange matters such as account opening and transfer and settlement of proceeds. The Share Incentive Rules further require an offshore agent to be designated to take charge over matters relating to the exercise of share options and sales proceeds for participants of the share incentive plans. Failure to complete the said SAFE registrations may subject the participating directors, supervisors, senior management and other employees to fines and other legal sanctions.

The State Administration of Taxation, or the SAT, has further issued several circulars concerning employee share options and restricted shares. Under these circulars, employees working in the PRC who exercise share options or are granted restricted shares will be subject to PRC individual income tax. The mainland China subsidiaries of a company listed overseas are required to file documents relating to employee share options and restricted shares with relevant tax authorities and to withhold individual income tax for employees who exercise their share options or purchase restricted shares. If an employee fails to pay or the mainland China subsidiaries fail to withhold income tax in accordance with relevant laws and regulations, the mainland China subsidiaries may face sanctions imposed by the tax authorities or other PRC governmental authorities.

Regulations Relating to Taxation

Income tax

According to the *Enterprise Income Tax Law of the People's Republic of China*, or the EIT Law, which was promulgated on March 16, 2007 and most recently 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. The *Implementing Rules of the Enterprise Income Law of the People's Republic of China* promulgated on December 6, 2007, and most recently amended effective from January 20, 2025, or the Implementing Rules of the EIT Law, defines a de facto management body as a managing body that in practice exercises “substantial and overall management and control over the production and operations, personnel, accounting, and properties” of the enterprise. Non-PRC resident enterprises that do not have any branches in the PRC are required to pay enterprise income tax on income originating from the PRC at the rate of 10%.

On February 3, 2015, the SAT issued the *Announcement on Several Issues Concerning the Enterprise Income Tax on Indirect Transfer of Assets by Non-Resident Enterprises*, or the SAT Circular 7, which was amended in 2017. SAT Circular 7 repeals certain provisions in the *Notice of the State Administration of Taxation on Strengthening the Administration of Enterprise Income Tax on Income from Equity Transfer by Non-Resident Enterprises*, or SAT Circular 698, issued by the SAT on December 10, 2009 and the *Announcement on Several Issues Relating to the Administration of Income Tax on Non-resident Enterprises* issued by the SAT on March 28, 2011, and clarifies certain other provisions of SAT Circular 698. SAT Circular 7 sets out a comprehensive guideline relating to, and heightening the Chinese tax authorities' scrutiny on, indirect transfers by a non-resident enterprise of assets in the PRC, including assets of organizations and premises in the PRC, immovable property in the PRC, equity investments in PRC resident enterprises, or the PRC Taxable Assets. For instance, when a non-resident enterprise transfers equity interests in an overseas holding company that directly or indirectly holds certain PRC Taxable Assets and if the transfer is believed by the Chinese tax authorities to have no reasonable commercial purpose other than to evade enterprise income tax, SAT Circular 7 allows Chinese tax authorities to reclassify the indirect transfer of PRC Taxable Assets into a direct transfer and therefore impose a 10% enterprise income tax on the non-resident enterprise. SAT Circular 7 lists several factors to be taken into consideration by tax authorities in determining if an indirect transfer has a reasonable commercial purpose. Nonetheless, if the overall arrangement of an indirect transfer satisfies all the following criteria, such indirect transfer will be deemed to lack a reasonable commercial purpose: (i) 75% or more of the equity value of the intermediary enterprise being transferred is derived directly or indirectly from PRC Taxable Assets; (ii) at any time during the one-year period before the indirect transfer, 90% or more of the asset value of the intermediary enterprise (excluding cash) is comprised directly or indirectly of investments in the PRC, or during the one-year period before the indirect transfer, 90% or more of its income is derived directly or indirectly from the PRC; (iii) the functions performed and risks assumed by the intermediary enterprise and any of its subsidiaries and branches that directly or indirectly hold the PRC Taxable Assets are limited and are insufficient to prove their economic substance; and (iv) the foreign tax payable on the gain derived from the indirect transfer of the PRC Taxable Assets is lower than the potential PRC tax on the direct transfer of those assets. On the other hand, indirect transfers falling into the safe harbors provided by SAT Circular 7, including qualified group restructurings, public market trades and exemptions under tax treaties or arrangements, will not be subject to PRC tax under SAT Circular 7.

On October 17, 2017, the SAT issued the *Announcement on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises*, or SAT Circular 37, which took effect on December 1, 2017. Certain provisions of SAT Circular 37 were repealed by the *Announcement of the State Administration of Taxation on Revising Certain Taxation Normative Documents* issued by the SAT on June 15, 2018. According to SAT Circular 37, after deducting the equity net value from the equity transfer income, the balance shall be the taxable income amount for equity transfer income. Equity transfer income means the consideration collected by the equity transferor from the equity transfer, including various income in monetary form and non-monetary form. Equity net value means the tax computation basis for obtaining the said equity. The tax computation basis for equity shall be: (i) the capital contribution costs actually paid by the equity transferor to a Chinese resident enterprise at the time of investment and equity participation, or (ii) the equity transfer costs actually paid at the time of acquisition of such equity to the original transferor of the said equity. Where there is a reduction or appreciation of value during the equity holding period, and the gains or losses can be confirmed pursuant to the rules of the finance and tax authorities of the State Council, the equity net value shall be adjusted accordingly. In computing equity transfer income, an enterprise shall not deduct the amount in the shareholders' retained earnings, such as undistributed profits, of the investee enterprise, which may be distributed in accordance with the said equity. In the event of partial transfer of equity under multiple investments or acquisitions, the enterprise shall determine the costs corresponding to the transferred equity in accordance with the transfer ratio, out of all costs of the equity.

Under SAT Circular 7, and the *Law of the People's Republic of China on the Administration of Tax Collection* promulgated by the SCNPC on September 4, 1992 and most recently amended on April 24, 2015, in the case of an indirect transfer, parties obligated to pay the transfer price to the transferor shall be the withholding agents. Where the withholding agent fails to withhold, and the transferor does not discharge its tax liability, the tax authority may impose late payment interest and special tax adjustment interest (if applicable) on the transferor. In addition, the tax authority may also hold the withholding agents liable and impose a penalty of between 50% to 300% of the unpaid tax amount. The penalty imposed on the withholding agents may be reduced or waived if the withholding agents have submitted the relevant materials in connection with the indirect transfer to the PRC tax authorities in accordance with SAT Circular 7.

Withholding tax on dividend distribution

The EIT Law prescribes a standard withholding tax rate of 20% on dividends and other China-sourced income of a non-PRC resident enterprise that has no establishment or place of business in the PRC, or if the relevant dividends or other China-sourced income are in fact not associated with any establishment or place of business in the PRC of a non-PRC resident enterprise. The Implementing Rules of the EIT Law reduced the withholding tax rate from 20% to 10% and a lower withholding tax rate is applicable if there is a tax treaty between China and the jurisdiction of the foreign holding company. For example, pursuant to the *Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation on Income*, or the Double Tax Avoidance Arrangement, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under the Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends that the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5% upon the relevant documentations for enjoying the tax treaty benefits are filed with the competent tax authorities. On the other hand, based on the *Notice on Relevant Issues Relating to the Enforcement of Dividend Provisions in Tax Treaties* issued on February 20, 2009 by the SAT, if PRC tax authorities determine, at their discretion, that a company benefits from a reduced income tax rate due to the implementation of a structure or arrangement that is primarily tax-driven, the preferential tax treatment may be adjusted. The *Announcement of the State Administration of Taxation on Issues concerning "Beneficial Owners" in Tax Treaties*, which was promulgated by the SAT on February 3, 2018 and took effect on April 1, 2018, further clarifies the standard of assessment when determining the qualification of beneficial owner status.

Interest income derived from WeRide Inc. and our subsidiary in Hong Kong from mainland China is subject to CIT on a withholding basis at a rate of 10%.

Value-added tax

Pursuant to the *Interim Regulations on Value-Added Tax of the People's Republic of China*, or the Interim Regulations, which was promulgated by the State Council on December 13, 1993 and most recently amended on November 19, 2017, and the *Implementation Rules for the Interim Regulations on Value-Added Tax of the People's Republic of China*, which was promulgated by the MOF and SAT on December 25, 1993 and most recently amended on October 28, 2011, entities or individuals engaging in the sale of goods, provision of processing services, repairs and replacement services or importation of goods within the territory of the PRC shall pay value-added tax, or VAT. Unless provided otherwise, the rate of VAT is 17% on the sale of goods and 6% on services. On April 4, 2018, MOF and SAT jointly promulgated the *Circular of the Ministry of Finance and the State Administration of Taxation on Adjustment of Value-Added Tax Rates*, or Circular 32, according to which (i) for VAT taxable sales and imports of goods that were originally subject to a VAT rate of 17% and 11%, respectively, the applicable VAT rates shall be adjusted to 16% and 10%, respectively; (ii) for the purchase of agricultural products that was originally subject to a VAT rate of 11%, the applicable VAT rate shall be adjusted to 10%; (iii) for the purchase of agricultural products for the purpose of production and sales or for the processing of goods under consignment that were originally subject to a VAT rate of 16%, the applicable VAT rate shall be adjusted to 12%; (iv) for export products that were originally subject to a tax rate of 17% and export tax refund rate of 17%, the export tax refund rate shall be adjusted to 16%; and (v) for export products and cross-border taxable acts that were originally subject to a tax rate of 11% and export tax refund rate of 11%, the export tax refund rate shall be adjusted to 10%. Circular 32 became effective on May 1, 2018, and shall supersede all previous provisions which are inconsistent with Circular 32.

Since November 16, 2011, the MOF and the SAT have implemented the *Pilot Plan for Imposition of Value-Added Tax to Replace Business Tax*, or the VAT Pilot Plan, which imposes VAT in lieu of business tax for certain "modern service industries" in certain regions initially and is eventually expanded to apply nation-wide in 2013. According to the *Implementation Rules for the Pilot Plan for Imposition of Value-Added Tax to Replace Business Tax* released by the MOF and the SAT in relation to the VAT Pilot Plan, the "modern service industries" include research, development and technology services, information technology services, cultural innovation services, logistics support, lease of corporeal properties, attestation and consulting services. The *Notice of the Ministry of Finance and the State Taxation Administration on Comprehensively Promoting the Pilot Plan of the Conversion of Business Tax to Value-Added Tax*, which was promulgated on March 23, 2016 and most recently amended on December 29, 2025, sets out that VAT in lieu of business tax be collected in all regions and industries.

On March 20, 2019, the MOF, the SAT and the General Administration of Customs jointly promulgated the *Announcement on Relevant Policies for Deepening Value-Added Tax Reform*, which became effective on April 1, 2019, and provides that (i) with respect to VAT taxable sales and import of goods, the applicable tax rates shall be adjusted from 16% and 10% respectively, to 13% and 9%, respectively; (ii) with respect to the purchase of agricultural products, the applicable tax rates shall be adjusted from 10% to 9%; (iii) with respect to the purchase of agricultural products for the purpose of production or processing of goods under consignment, the applicable tax rates shall be adjusted from 13% to 10%; (iv) with respect to the export of goods and services that was originally subject to tax rate of 16% and export tax refund rate of 16%, the export tax refund rate shall be adjusted to 13%; and (v) with respect to the export of goods and cross-border taxable acts that were originally subject to a tax rate of 10% and export tax refund rate of 10%, the export tax refund rate shall be adjusted to 9%.

On December 25, 2024, the SCNPC promulgated the *Value-Added Tax Law of the People's Republic of China*, or the VAT Law, which became effective on January 1, 2026 and replaced the Interim Regulations. The VAT Law, based on consolidating the achievements of reforms such as tax rate adjustments and the replacement of business tax with VAT, systematically optimizes and clarifies core elements including the scope of taxation, calculation rules, collection and management mechanisms, and taxpayer obligations.

Regulations Relating to Employment and Social Welfare

According to the *Labor Contract Law of the People's Republic of China*, or the Labor Contract Law, promulgated by the SCNPC on June 29, 2007 and most recently amended on December 28, 2012, and *The Implementation Rules of the Labor Contract Law of the People's Republic of China*, or the Implementation Rules of the Labor Contract Law, promulgated by the State Council on September 18, 2008, a written employment contract shall be entered into to create an employment relationship. If an employer fails to enter into a written employment contract with an employee within one year from the date on which the employment relationship is created, the employer must enter into a written employment contract with the employee and pay the employee an amount equal to twice such employee's salary for the period from the day following the lapse of one month from the date of the creation of the employment relationship to the day prior to the execution of the written employment contract. The Labor Contract Law and the Implementation Rules of the Labor Contract Law also require compensation to be paid by the employer in certain events as a result of termination. In addition, if an employer intends to enforce a non-compete provision in an employment contract or non-competition agreement with an employee, it has to compensate the employee on a monthly basis during the term of any restrictive period after the termination or expiry of the labor contract. In most cases, employers are also required to provide severance payment to their employees after their employment relationships are terminated.

Pursuant to the *Social Insurance Law of the People's Republic of China*, or the Social Insurance Law, which was promulgated by the SCNPC on October 28, 2010 and amended on December 29, 2018, the *Interim Regulations on the Collection of Social Insurance Fees*, issued by the State Council on January 22, 1999 and amended on March 24, 2019, and the *Regulations on the Administration of Housing Provident Funds*, issued by the State Council on April 3, 1999 and last amended on March 24, 2019, enterprises in mainland China are required to participate in certain employee benefit plans, including social insurance funds and housing provident funds, and contribute to the funds in amounts equal to certain percentages of salaries, including bonuses and allowances, of the employees as specified from time to time by the local government at the place of their business operations or where they are located. On September 1, 2025, the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases came into effect. According to this interpretation, among others, where the employer and the employee agree, or the employee promises the employer, that there is no need to make social insurance contributions, the people's court shall determine that such agreement or promise is invalid. Where the employer fails to make social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claim economic compensation in accordance with item (3) of Article 38 of the Labor Contract Law, the people's court shall uphold such claim.

While certain domestic subsidiaries did not make full social insurance contributions for certain employees during the last three financial years ended December 31, 2025, our Group has made social insurance contributions for all employees, and there have been no agreements with, or commitments from, employees waiving the social insurance contributions. As of the date of this annual report, none of our domestic subsidiaries have received any notices from the relevant authorities regarding complaints by employees concerning the social insurance contributions, nor have there been any penalties imposed by relevant authorities or orders to make retroactive payments. Therefore, we believe this interpretation will not have a material adverse effect on our operations or financial condition.

Regulations Relating to Leased Properties

According to the *Civil Code of the People's Republic of China* which was promulgated by NPC on May 28, 2020 and became effective on January 1, 2021, an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected.

On December 1, 2010, the Ministry of Housing and Urban-Rural Development promulgated the *Administrative Measures on Leasing of Commodity Housing*, which became effective on February 1, 2011. According to such measures, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from the execution of the property lease agreement with the development authorities or real estate authorities of the municipality or county where the leased property is located. If a company fails to do, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed on each lease agreement.

Regulations Relating to Overseas Listing and M&A

On August 8, 2006, six PRC regulatory agencies, including the China Securities Regulatory Commission, or the CSRC, promulgated the *Rules on the Merger and Acquisition of Domestic Enterprises by Foreign Investors*, or the M&A Rules, which became effective on September 8, 2006, and was most recently amended on June 22, 2009. The M&A Rules, among other things, require offshore special purpose vehicles formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled by PRC domestic enterprises or individuals to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. In September 2006, the CSRC published on its official website procedures relating to its approval of overseas listings by special purpose vehicles. These procedures require the filing of a number of documents with the CSRC.

The M&A Rules, and 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. For example, the M&A Rules require that MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that impact or may impact national economic security, or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a renowned trademark or a time-honored brand.

In addition, according to the *Notice on Establishing the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors* which was issued by the General Office of the State Council on February 3, 2011 and became effective 30 days thereafter, the *Rules on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors* which was issued by the MOFCOM on August 25, 2011 and became effective on September 1, 2011, 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. This notice also prohibits any attempts to bypass such security review, including by structuring the transaction through a proxy or contractual control arrangement.

On July 6, 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued the *Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law*, which requests improvement on the laws and regulations related to data security, cross-border data transfer and the management of confidential information, strengthening responsibility for the information security of overseas listed companies, strengthening standardized mechanisms for providing cross-border information and improvement of cross-border audit regulatory cooperation in accordance with the law and the principle of reciprocity.

On February 17, 2023, the CSRC, as approved by the State Council, released the *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies* and five supporting guidelines, or the Filing Rules. Further, on May 16, 2023 and May 7, 2024, the CSRC released the sixth and the seventh supporting guideline. The Filing Rules took effect on March 31, 2023, when the CSRC started to accept filing applications. Pursuant to these new rules, PRC domestic companies that directly or indirectly offer or list their securities in an overseas market, which include (i) any PRC company limited by shares, and (ii) any offshore company that conducts its business operations primarily in mainland China and contemplates to offer or list its securities in an overseas market based on its onshore equities, assets, income or similar interests, are required to file with the CSRC within three business days after submitting their listing application documents to the relevant regulator in the place of intended listing. The Filing Rules, among others, further stipulate that when determining whether an offering and listing shall be deemed as an “indirect overseas offering and listing by a Chinese company,” the principle of “substance over form” shall be followed. If the issuer meets both of the following conditions, its offering and listing shall be determined as an “indirect overseas offering and listing by a Chinese company” and is therefore subject to the filing requirement: (i) any of the revenue, profits, total assets or net assets of the domestic companies in the most recent financial year account for more than 50% of the corresponding data in the issuer’s audited consolidated financial statements for the same period; and (ii) the key link of its business operations are conducted in mainland China or its principal place of business is located in the mainland China, or the majority of senior management in charge of business operations are Chinese citizens or have domicile in the PRC. Failure to complete such filing may subject a PRC domestic enterprise to an order of rectification, a warning or a fine between RMB1 million and RMB10 million. However, as of the date of this annual report, uncertainties exist regarding the interpretation and implementation thereof. Pursuant to these regulations, a domestic enterprise applying for listing abroad shall, among others, complete record filing procedures and report relevant information to the CSRC as required.

In addition, pursuant to the Filing Rules, the overseas offering and listing by a PRC company is prohibited under any of the following circumstances, if (i) it is explicitly prohibited by PRC laws; (ii) it may constitute a threat to or endanger national security as determined by competent PRC authorities; (iii) the domestic enterprises and their controlling shareholders and actual controllers have committed certain criminal offenses in the past three years; (iv) the domestic enterprises are currently under investigations in connection with suspicion of having committed criminal offences or material violations of applicable laws and regulations and there is still no explicit conclusion; or (v) there is material ownership disputes over the shareholdings held by the controlling shareholder or the shareholder under the control of the controlling shareholder or the actual controllers.

Starting from March 31, 2023, the domestic enterprises that have submitted valid applications for overseas offerings and listings but have not obtained the approval from overseas regulatory authorities or overseas stock exchanges shall complete the filing procedures with the CSRC prior to their overseas offerings and listings.

Regulations in the United States

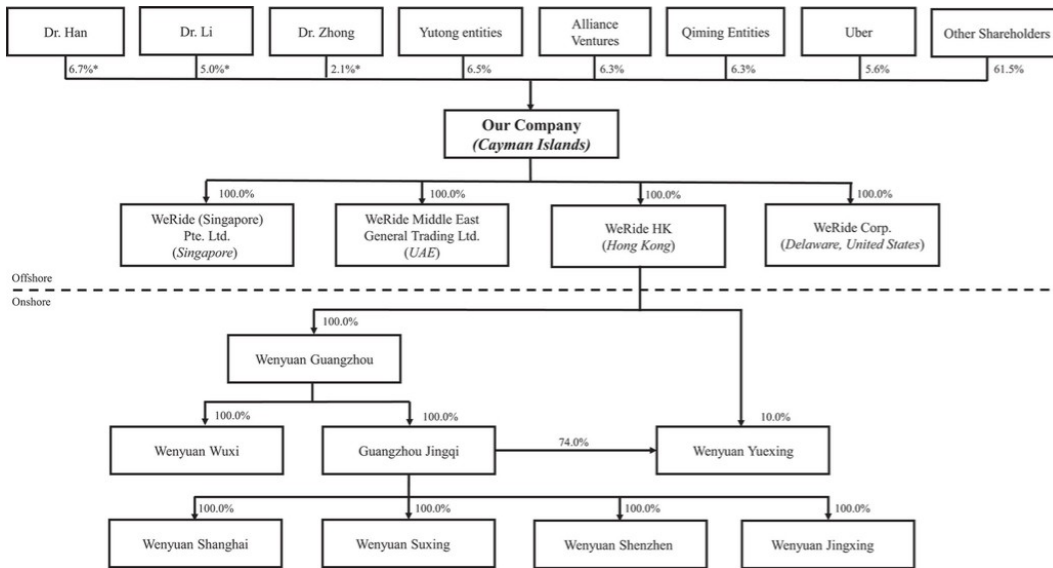
While there are currently no federal U.S. regulations expressly pertaining to the safety of autonomous driving systems, the U.S. Department of Transportation has established recommended voluntary guidelines, and the National Highway Traffic Safety Administration, the NHTSA, and the Federal Motor Carrier Safety Administration have authority to take enforcement action should an automated driving system pose an unreasonable risk to safety or inhibit the safe operation of a commercial motor vehicle. Certain U.S. states have legal restrictions on autonomous driving vehicles, and many other states are considering them. Some states, particularly California, institute operational requirements or restrictions for certain autonomous functions. Autonomous driving laws and regulations are expected to continue to evolve in numerous jurisdictions in the United States and may create restrictions on autonomous driving features that we develop.

We may also be subject to existing stringent requirements overseen by NHTSA under the National Traffic and Motor Vehicle Safety Act of 1966, or the Vehicle Safety Act, including a duty to report, subject to strict timing requirements, safety defects with our products. The Vehicle Safety Act imposes potentially significant civil penalties for violations including the failure to comply with such reporting actions.

As the development of federal and state legal frameworks around autonomous vehicles continues to evolve, we may be subject to additional regulatory schemes.

C. ORGANIZATIONAL STRUCTURE

The following diagram illustrates our corporate structure, including our principal subsidiaries, as of the date of this annual report:



* Represents beneficial ownership percentages calculated in accordance with the rules and regulations promulgated by the SEC. For more information, see the section titled “Item 6. Directors, Senior Management and Employees—E. Share Ownership.”

D. PROPERTY, PLANTS AND EQUIPMENT

Our corporate headquarters are located in Guangzhou, China. As of December 31, 2025, our headquarters span a total area of approximately 9,000 square meters and encompass the need of corporate administration, research and development and production. In addition to our headquarters, we also lease offices in mainland China and elsewhere in the world. We believe our existing facilities are generally adequate to meet our current needs, but we expect to seek additional space as needed to accommodate future growth.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of our financial condition and results of operations is based upon and should be read in conjunction with our consolidated financial statements and the related notes included in this annual report. This annual report contains forward-looking statements. See “Forward-Looking Information.” In evaluating our business, you should carefully consider the information provided under the caption “Item 3. Key Information—D. Risk Factors” in this annual report. We caution you that our businesses and financial performance are subject to substantial risks and uncertainties.

A. OPERATING RESULTS

WeRide provides autonomous driving products and services from L2 to L4, addressing transportation needs across a range of use cases on open road, including in mobility, logistics, and sanitation industries.

We generate revenue from (i) the sales of autonomous driving vehicles, primarily including robobuses, robotaxis and robosweepers, and related sensor suites, (ii) the provision of autonomous driving related operational and technical support services, and (iii) the provision of other technology services, including ADAS R&D services, and intelligent data services.

Key Factors Affecting Our Performance

Continued commercialization of our autonomous driving products and services

Our business model centers on the commitment to address real world problems. We focus on driving the adoption of our autonomous driving technology, products and services and we have delivered consistent growth underpinned by the leadership of our commercialization and maturity of our products. We are offering a wide range of services and products. In 2023, 2024 and 2025, we offered services and products to 36, 91 and 164 business customers, respectively. We expect to scale up our operations, increase the range of our product and service offerings and expand our revenue sources in the future. Our success will depend upon the progression of technological and commercialization milestones.

Continued investment in technology

Technology is at the core of our business. Our research and development team are critical to the success of our business. We have focused on attracting and retaining best-in-class talent to solve the greatest difficulties challenging the autonomous driving industry. We will continue to invest heavily in employee recruitment and retention to grow our strength in key technologies.

Since our inception, our team has made technological investments in key aspects of autonomous driving software, hardware and infrastructure. We invested heavily in the development of *WeRide One*. Currently, *WeRide One* is at running stage as the foundation model and technological backbone of our operating fleet. We have achieved technical feasibility, and have been using *WeRide One* as our fundamental infrastructure to support our autonomous driving technology and operation. However, we do not plan to sell *WeRide One* directly. We will continue to make ongoing investments into this platform, including optimizing its algorithm, upgrading its computing power and storage or processing capacity. We expect to start to generate meaningful profit relating to *WeRide One*, through the sales of our autonomous driving vehicles and provision of our operational support services in the foreseeable future.

The autonomous driving industry is a promising market and technology is a key competing factor. Our financial performance will be significantly dependent on our ability to maintain our technological leadership. As such, we expect to incur substantial and potentially increasing research and development expenses and to dedicate substantial resources to improving and refining our technology capabilities. We have not capitalized our expenditure on our development activities incurred in 2023, 2024 and 2025 primarily because that we believe we are still facing uncertainties related to development and commercialization of our products and services, evolving regulatory frameworks and public reception of our innovative technology. As such, we still cannot demonstrate these activities would generate probable future economic benefits and our expenditure on these development activities incurred has not met the capitalization criteria yet. We spent considerable amount of resources, both financially and from human capital perspective, on continually upgrading this platform and its underlying universal system, end-to-end models, offboard model training, among others. We expect these development activities would start to generate meaningful future economic benefit in the foreseeable future.

Economies of scale and improvement of cost and operational efficiencies

Operating at a large scale gives us significant advantages in terms of efficiencies and our financial performance will depend on our ability to achieve such efficiencies.

Our investment in our unified operations platform has helped us achieve a high level of commonality in software and hardware across our different products. We have the opportunity to benefit from lower per unit production cost if we operate at scale. Our future performance will depend on our ability to scale up our operation and increase the volume of our autonomous driving vehicles.

This operations platform also allows us to apply autonomous driving technology to new use cases quickly and with greater research and development efficiency. We also expect to maintain a competitive edge in operational efficiency as we continue to upgrade the unified operations platform. The operating experience and resources we acquire by launching one use case in a given geography allows us to expand the scope of our autonomous driving products and services in the same area with greater operational efficiency, and in turn the overall scale of our operations.

We expect to achieve economies of scale and improve our margin as we ramp up the deployment and operation of our autonomous driving vehicles and introduce more use cases. Emergence of competition may negatively impact pricing, margins and market share, but we believe our commercialization and technological leadership will allow us to maintain favorable margins and unit economics. Our future performance will depend on our ability to deliver on these margins and economies of scale.

We remain committed to lowering our operating and production costs across our product lines although we expect the absolute amount of our costs and expenses to increase in the near future as we continue to expand our operations and invest in our technologies, products and services. We believe such investment has and will continue to strengthen our technological leadership and translate into higher efficiencies in the long run.

Market acceptance and adoption of autonomous driving products and services

The market for autonomous driving products and services, particularly L4 autonomous driving products and services, is nascent and fast evolving.

Our business model is primarily supported by a large and expanding addressable market that we believe is increasingly benefiting from the introduction of autonomous driving technologies. Our autonomous driving vehicles are expected to present compelling unit economics as compared with traditional vehicles, particularly because the adoption of self-driving technologies will reduce labor costs associated with human drivers and extend the operating hours of each vehicle. Our autonomous driving technology will also help alleviate any shortage of human drivers. As a result, we have been able to identify participants across different segments of the transportation industry who have expressed support for our product and service offerings as viable solutions to the challenges they face.

Although we have managed to generate demand and have received market acceptance for our products and services to a certain degree, the long-term success of our business model hinges on the broadscale adoption and support of L4 autonomous driving technology. In addition, the pace of regulatory development and the time needed to obtain governmental approvals in different countries and regions for autonomous driving products are critical to our performance, particularly for deploying and operating our L4 autonomous vehicles overseas. Delays in securing these critical approvals could dramatically disrupt our revenue generation timelines and recognition milestones for operational assistance services as we transition from the testing phase to full-scale commercial operations, potentially affecting our market launch and growth trajectory.

Recognition of Share-based Compensation Expenses

We have granted options and other types of awards under our 2018 Share Plan. As of the date of this annual report, there were 36,166,524 outstanding restricted share units (including vested but not settled restricted share units) and outstanding options to purchase a total of 95,253,810 ordinary shares granted under the 2018 Share Plan. For the years ended December 31, 2023, 2024 and 2025, we recorded RMB931.8 million, RMB1,187.9 million and RMB 450.0 (US\$64.3 million) of share-based compensation expense in the consolidated statements of profit or loss. We may record substantial share-based compensation expenses in the future. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We have granted options and other types of awards under our 2018 Share Plan, which will result in a substantial amount of share-based compensation expenses and may have a significant impact on our results of operations.”

Key Components of Results of Operations

Revenue

The following table sets forth the breakdown of our revenue by nature in absolute amount and as a percentage of our total revenue for the periods presented:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	US\$
	<i>(in thousands, except for percentages)</i>					
Revenue:						
Product revenue ⁽¹⁾	54,190	13.5	87,710	24.3	359,843	51,457
Service revenue ⁽²⁾	347,654	86.5	273,424	75.7	324,744	46,438
Total revenue	401,844	100.0	361,134	100.0	684,587	97,895

Notes:

- (1) Represents the sales of our autonomous driving vehicles, mainly including our robobuses, robotaxis, robosweepers and robovans and related sensor suites.
- (2) Represents the provision of services, including autonomous driving related operational and technical support services, ADAS R&D services and intelligent data services.

We generate revenue from (i) the sales of autonomous driving vehicles, primarily including robobuses, robotaxis, robosweepers and robovans, and related sensor suites, (ii) the provision of autonomous driving related operational and technical support services, and (iii) the provision of other technology services, including ADAS R&D services, and intelligent data services. We also generated an insignificant amount of revenue from the offering of robotaxi rides through *WeRide Go* starting in 2020 and from the provision of autonomous freight-as-a-service to our customers through our robovans starting in 2023, each of which was included in service revenue from autonomous driving related operational and technical support services.

We are in the early stage of commercialization. As we continue to make headways in the commercialization of our autonomous technologies, the composition of our revenue and the relative weight of our revenue items may change. For instance, our latest generation of robotaxis, GXR, entered commercial production and public services in 2024 and has actively scaled deployments since 2025. We expect that our revenue from the robotaxi business will increase accordingly after the achievement of these commercialization milestones.

Cost of revenue

Our cost of revenue primarily consists of cost of goods sold and cost of services. Our cost of goods sold represents the cost of inventories associated with the sales of our autonomous driving vehicles. Our cost of services mainly comprises payroll and employee benefits for the provision of L4 autonomous driving and ADAS services.

The following table sets forth the breakdown of our cost of revenue by nature in absolute amount and as a percentage of our total cost of revenue for the periods presented:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	US\$
	<i>(in thousands, except for percentages)</i>					
Cost of revenue:						
Cost of goods sold	34,138	15.6	71,716	28.6	253,530	36,254
Cost of services	184,230	84.4	178,703	71.4	224,235	32,065
Total	218,368	100.0	250,419	100.0	477,765	68,319

We expect our cost of revenue to increase in absolute amounts in the foreseeable future as we continue to commercialize our technologies and given the projected growth in the sales of our products and services. As is with the case of our revenue composition, our cost structure may also change as our product and service portfolio continues to expand and evolve.

Gross profit and gross margin

The following table presents our gross profit and gross margin for the periods presented:

	For the year ended December 31,						
	2023		2024		2025		
	<u>Gross Profit</u>	<u>Gross margin</u>	<u>Gross Profit</u>	<u>Gross margin</u>	<u>Gross Profit</u>	<u>Gross margin</u>	
	<u>RMB</u>	<u>%</u>	<u>RMB</u>	<u>%</u>	<u>RMB</u>	<u>US\$</u>	
<i>(in thousands, except for percentages)</i>							
Products	20,052	37.0	15,994	18.2	106,313	15,203	29.5
Services	163,424	47.0	94,721	34.6	100,509	14,373	31.0
Total	183,476	45.7	110,715	30.7	206,822	29,576	30.2

Due to the success of our product and service offerings, we are in a favorable market position to secure a healthy profit margin. For the years ended December 31, 2023, 2024 and 2025, our gross profit was RMB183.5 million, RMB110.7 million and RMB206.8 million (US\$29.6 million), respectively, and our gross margin, which represents the proportion of revenues that exceeds cost of revenues, was 45.7%, 30.7% and 30.2%, respectively.

Operating expenses

Our operating expenses primarily consist of research and development expenses, administrative expenses and selling expenses.

The following table presents our operating expenses and as a percentage of our revenue for the periods presented:

	For the year ended December 31,						
	2023		2024		2025		
	<u>RMB</u>	<u>%</u>	<u>RMB</u>	<u>%</u>	<u>RMB</u>	<u>US\$</u>	
<i>(in thousands, except for percentages)</i>							
Operating Expenses:							
Research and development expenses	(1,058,395)	(263.4)	(1,091,357)	(302.2)	(1,372,191)	(196,221)	(200.4)
Administrative expenses	(625,369)	(155.6)	(1,138,802)	(315.3)	(596,060)	(85,235)	(87.1)
Selling expenses	(41,447)	(10.3)	(53,566)	(14.8)	(73,628)	(10,529)	(10.8)
Total	(1,725,211)	(429.3)	(2,283,725)	(632.4)	(2,041,879)	(291,985)	(298.3)

Research and development expenses

Our research and development expenses primarily consisted of (i) payroll and employee benefits, (ii) share-based compensation, (iii) depreciation and amortization, (iv) professional services fee, (v) service fee from a related party, (vi) outsourcing service fee, (vii) utilities and property management fee and (viii) others.

Our research and development expenses were RMB1,058.4 million, RMB1,091.4 million and RMB1,372.2 million (US\$196.2 million) in 2023, 2024 and 2025, respectively.

We expect our research and development expenses to increase as we continue to focus on the testing and commercialization of our autonomous driving technology, expand our R&D team and invest more resources to improve our technological capabilities.

Administrative expenses

Our administrative expenses primarily consisted of payroll and employee benefits, professional service fees and other general corporate expenses.

For the years ended December 31, 2023, 2024 and 2025, our administrative expenses were RMB625.4 million, RMB1,138.8 million and RMB596.1 million (US\$85.2 million), respectively. We expect that our administrative expenses will increase in absolute amounts in the foreseeable future, as we have become a public company, we will hire additional personnel and incur additional expenses related to the anticipated growth of our business and our operation. On the other hand, we expect a reduction of the weight of our administrative expenses as a percentage of our revenue over the long term due to our efforts to increase operational efficiency.

Selling expenses

Our selling expenses primarily consisted of personnel-related expenses associated with our sales and marketing personnel.

For the years ended December 31, 2023, 2024 and 2025, our selling expenses were RMB41.4 million, RMB53.6 million and RMB73.6 million (US\$10.5 million), respectively.

We expect our selling expenses to increase in absolute amount in the foreseeable future, as we continue to expand our sales network, build brand awareness and inform market participants of the benefits of our autonomous driving products and services. We expect our selling expenses to decrease as a percentage of revenue over the long term as we continue to increase our operational efficiency.

Other net income

Our other net income primarily consisted of (i) government grants, and (ii) net (loss)/gain on disposal of non-current assets.

For the years ended December 31, 2023, 2024 and 2025, our other net income was RMB15.8 million and RMB16.5 million and RMB4.9 million (US\$0.7 million), respectively.

Impairment loss on receivables and contract assets

Impairment loss on receivables and contract assets is recognized from loss allowance measured at an amount equal to lifetime expected credit losses, or ECL(s), based on historical settlement records and forward-looking information. Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and our view of economic conditions over the expected lives of the receivables and contract assets. For the years ended December 31, 2023, 2024 and 2025, our impairment loss on receivables and contract assets, was RMB40.2 million, RMB28.7 million and RMB16.6 million (US\$2.4 million), respectively.

Net foreign exchange gain/(loss)

This represents gain or loss arising from the sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate.

We recorded a net foreign exchange gain of RMB7.1 million, RMB27.9 million and a loss of RMB9.0 million (US\$1.3 million) for the years ended December 31, 2023, 2024 and 2025, respectively.

Interest income

Interest income represents earnings generated from bank deposits.

For the years ended December 31, 2023, 2024 and 2025, our interest income was RMB132.0 million, RMB176.9 million and RMB172.3 million (US\$24.6 million), respectively.

Other finance costs

Our other finance costs consisted of (i) interests on lease liabilities, (ii) changes in the carrying amount of put option liabilities and (iii) interests on bank loans.

For the years ended December 31, 2023, 2024 and 2025, our other finance costs were RMB3.5 million, RMB3.5 million and RMB9.1 million (US\$1.3 million), respectively.

Fair value changes of financial liabilities measured at FVTPL

Our financial liabilities measured at FVTPL represent warrants liabilities.

For the year ended December 31, 2023, our fair value changes of financial liabilities measured at FVTPL was a loss of RMB4.5 million.

Changes in the carrying amounts of preferred shares and other financial instruments subject to redemption and other preferential rights.

Changes in the carrying amounts of preferred shares and other financial instruments subject to redemption and other preferential rights represent the changes of the present value of the redemption amount that could be triggered by the contingent redemption events.

For the years ended December 31, 2023 and 2024, our changes in the carrying amounts of preferred shares and other financial instruments subject to redemption and other preferential rights was RMB554.0 million and RMB465.3 million, respectively. Such preferred shares and other financial instruments were converted to equity after our U.S. IPO was completed in October 2024.

Taxation

For the years ended December 31, 2023, 2024 and 2025, our income tax expense was RMB2.9 million, RMB5.9 million and RMB4.1 million (US\$0.6 million), respectively.

Cayman Islands

We are incorporated in the Cayman Islands. The Cayman Islands currently has no form of income, corporate or capital gains tax. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties, which may be applicable on instruments executed in, or brought within the jurisdiction of, the Cayman Islands.

Hong Kong

Our subsidiary in Hong Kong is subject to an income tax rate of 16.5% on any part of assessable profits over HKD2,000,000 and 8.25% for assessable profits below HKD2,000,000. Additionally, payments of dividends by our subsidiary in Hong Kong to our company are not subject to any Hong Kong withholding tax.

United States

Under the United States Internal Revenue Code, our subsidiary established in the U.S. is subject to a unified federal corporate income tax rate of 21% and California state income and franchise tax of 8.84%.

United Arab Emirates

Under the Federal Decree-Law No. 47 of 2022 of the United Arab Emirates, our subsidiary established in the UAE is subject to a standard CIT rate of 9%.

Singapore

Under the Income Tax Act 1947 of Singapore, our subsidiary established in Singapore is subject to a flat CIT rate of 17%.

PRC

Under the EIT Law effective from January 1, 2008, which was most recently amended on December 29, 2018, a statutory enterprise income tax rate of 25% is applicable to foreign investment enterprises and domestic companies, subject to preferential tax treatments available to qualified enterprises in certain encouraged sectors of the economy. Enterprises that qualify as “high and new technology enterprises” are entitled to a preferential rate of 15% subject to renewal every three years.

Wenyuan Guangzhou and Wenyuan Jingxing were certified as a “high and new technology enterprise” and were therefore entitled to a preferential tax rate of 15% rather than the statutory enterprise income tax rate of 25% from 2022 to 2024 and from 2024 to 2026. Wenyuan Guangzhou has successfully completed its re-certification as a “high and new technology enterprise” and will continue to enjoy the preferential tax policies from 2025 to 2027. All of our other mainland China subsidiaries were subject to enterprise income tax at a rate of 25%.

We are subject to value added tax, at rates from 3% to 13% on the services we provide, less any deductible VAT we have already paid or borne. We are also subject to surcharges on VAT payments in accordance with PRC law.

Pursuant to the EIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from mainland China effective from January 1, 2008, unless any such foreign investor’s jurisdiction of incorporation has a tax treaty or similar agreement with mainland China that provides for a different withholding arrangement. Dividends paid by our wholly foreign-owned subsidiary in mainland China to our intermediary holding company in Hong Kong will be subject to a withholding tax rate of 10%.

Notwithstanding the foregoing, if our holding company in the Cayman Islands or any of our subsidiaries outside of mainland China were deemed to be a “resident enterprise” under the EIT Law and its implementation rules, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in Mainland China—If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders.”

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the periods presented, both in absolute amount and as a percentage of our revenue for the periods presented. This information should be read together with our consolidated financial statements and related notes included elsewhere in this annual report. The results of operations in any period are not necessarily indicative of our future trends.

	For the year ended December 31,						
	2023		2024		2025		
	RMB	%	RMB	%	RMB	US\$	
	<i>(in thousands, except for percentages)</i>						
Revenues:							
Product revenue	54,190	13.5	87,710	24.3	359,843	51,457	52.6
Service revenue	347,654	86.5	273,424	75.7	324,744	46,438	47.4
Total revenues	401,844	100.0	361,134	100.0	684,587	97,895	100.0
Cost of revenue⁽²⁾							
Cost of goods sold	(34,138)	(8.5)	(71,716)	(19.9)	(253,530)	(36,254)	(37.0)
Cost of services	(184,230)	(45.8)	(178,703)	(49.5)	(224,235)	(32,065)	(32.8)
Total cost of revenue	(218,368)	(54.3)	(250,419)	(69.3)	(477,765)	(68,319)	(69.8)
Gross profit	183,476	45.7	110,715	30.7	206,822	29,576	30.2
Other net income	15,750	3.9	16,491	4.6	4,912	702	0.7
Research and development expenses ⁽²⁾	(1,058,395)	(263.4)	(1,091,357)	(302.2)	(1,372,191)	(196,221)	(200.4)
Administrative expenses ⁽²⁾	(625,369)	(155.6)	(1,138,802)	(315.3)	(596,060)	(85,235)	(87.1)
Selling expenses ⁽²⁾	(41,447)	(10.3)	(53,566)	(14.8)	(73,628)	(10,529)	(10.8)
Impairment loss on receivables and contract asset	(40,217)	(10.0)	(28,664)	(7.9)	(16,625)	(2,377)	(2.4)
Operating loss	(1,566,202)	(389.8)	(2,185,183)	(605.1)	(1,846,770)	(264,084)	(269.8)
Net foreign exchange gain/(loss)	7,052	1.8	27,880	7.7	(9,031)	(1,291)	(1.3)
Interest income	132,042	32.9	176,902	49.0	172,307	24,640	25.2
Fair value changes of financial assets at fair value through profit or loss ("FVTPL")	42,960	10.7	(61,834)	(17.1)	41,822	5,980	6.1
Other finance costs	(3,490)	(0.9)	(3,451)	(1.0)	(9,128)	(1,305)	(1.3)
Fair value changes of financial liabilities measured at FVTPL	(4,549)	(1.1)	—	—	—	—	—
Changes in the carrying amounts of preferred shares and other financial instruments subject to redemption and other preferential rights	(554,048)	(137.9)	(465,254)	(128.8)	—	—	—
Loss before taxation	(1,946,235)	(484.3)	(2,510,940)	(695.3)	(1,650,800)	(236,060)	(241.1)
Income tax	(2,866)	(0.7)	(5,868)	(1.6)	(4,100)	(586)	(0.6)
Loss for the year	(1,949,101)	(485.0)	(2,516,808)	(696.9)	(1,654,900)	(236,646)	(241.7)
Non-IFRS adjusted net loss ⁽¹⁾	(501,680)	(124.8)	(801,853)	(222.0)	(1,246,739)	(178,279)	(182.1)

Notes:

(1) For discussions of our adjusted net loss and reconciliation of adjusted net loss to loss for the year, see "—Non-IFRS Financial Measures" for details.

(2) Share-based compensation expenses were allocated as follows:

	For the year ended December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US\$
		<i>(in thousands)</i>		
Cost of revenues	10,284	7,161	—	—
Research and development expenses	440,138	234,350	(160,534)	(22,956)
Administrative expenses	465,678	937,660	(284,312)	(40,656)
Selling expenses	15,684	8,696	(5,137)	(735)
Total	931,784	1,187,867	(449,983)	(64,347)

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 89.6% from RMB361.1 million in 2024 to RMB684.6 million (US\$97.9 million) in 2025.

Our product revenue increased by 310.3% from RMB87.7 million in 2024 to RMB359.8 million (US\$51.5 million) in 2025, primarily due to an increase in the sales of robotaxis, robobuses, robosweepers as well as robovans in 2025. The following table illustrates our product sales in the years presented:

	For the Year Ended December 31,	
	2024	2025
	<i>(unit)</i>	
Sales of robotaxis	18	123
Sales of robosweepers	49	91
Sales of robovans	10	28
Sales of robobuses	14	156

Our service revenue increased by 18.8% from RMB273.4 million in 2024 to RMB324.7 million (US\$46.4 million) in 2025, primarily due to an increase of RMB103.8 million in revenue from intelligent data services and an increase of RMB17.7 million from autonomous driving related operational and technical support services, partially offset by the decrease of RMB70.1 million from ADAS research and development services, as certain customized research and development services for certain clients had been completed in the third quarter of 2024.

Cost of revenue

Our cost of revenue increased by 90.8% from RMB250.4 million in 2024 to RMB477.8 million (US\$68.3 million) in 2025. The increase in cost of revenue was mainly due to (i) an increase in cost of goods sold, aligned with the increase in product sales; and (ii) an increase in costs of services, affected by an increase in costs of intelligent data services, partially offset by a decrease in costs of ADAS research and development services.

Our cost of goods sold increased from RMB71.7 million in 2024 to RMB253.5 million (US\$36.3 million) in 2025, reflecting higher sales volumes during the year.

Our cost of services increased from RMB178.7 million in 2024 to RMB224.2 million (US\$32.1 million) in 2025, mainly due to an increase in costs of intelligent data services, partially offset by a decrease in costs of ADAS research and development services.

Gross profit and gross margin

Our gross profit increased from RMB110.7 million in 2024 to RMB206.8 million (US\$29.6 million) in 2025. Our gross margin decreased from 30.7% in 2024 to 30.2% in 2025, which remained relatively stable.

Research and development expenses

Our research and development expenses increased by 25.7% from RMB1,091.4 million in 2024 to RMB1,372.2 million (US\$196.2 million) in 2025, mainly due to (i) an increase of RMB150.3 million (US\$21.5 million) in payroll and employee benefits, mainly for strengthening and enhancing the technological leadership and position in the industry, (ii) an increase of RMB111.2 million (US\$15.9 million) in professional service fee and outsourcing service fee for research and development projects, and (iii) an increase of RMB54.0 million (US\$7.7 million) in depreciation and amortization, partially offset by a decrease in share-based compensation of RMB73.8 million (US\$10.6 million), primarily resulting from the full vesting of certain share options and RSUs in 2024 and less share options and RSUs still being vesting in 2025.

Administrative expenses

Our administrative expenses decreased by 47.7% from RMB1,138.8 million in 2024 to RMB596.1 million (US\$85.2 million) in 2025, mainly due to a decrease in share-based compensation of RMB653.3 million (US\$93.4 million), primarily resulting from the full vesting of certain share options and RSUs in 2024 and less share options and RSUs still being vesting in 2025, partially offset by an increase of RMB76.6 million (US\$11.0 million) in professional services fees and listing expenses mainly related to legal compliance service and Global Offering.

Selling expenses

Our selling expenses increased by 37.3% from RMB53.6 million in 2024 to RMB73.6 million (US\$10.5 million) in 2025, mainly due to an increase in personnel-related expenses and labor costs of RMB11.3 million (US\$1.6 million) resulting from an increase in the number of personnel with selling and marketing functions and for business expansion. The increase of selling expenses was well below the pace of sales growth.

Other net income

Our other net income decreased from RMB16.5 million in 2024 to RMB4.9 million (US\$0.7 million) in 2025, primarily related to a loss on disposal of non-current assets of RMB3.4 million and disposals of certain long-aging vehicles of RMB7.4 million.

Impairment loss on receivables and contract assets

Our impairment loss on receivables and contract assets decreased from RMB28.7 million in 2024 to RMB16.6 million (US\$2.4 million) in 2025, primarily due to that we have proactively made collection efforts with our customers to achieve timely settlement of our trade receivables.

Net foreign exchange gain/(loss)

Our net foreign exchange gain/(loss) shifted from an exchange gain of RMB27.9 million in 2024 to an exchange loss of RMB9.0 million (US\$1.3 million) in 2025, primarily as a result of the fluctuations in the exchange rate between Renminbi and U.S. dollars.

Interest income

Our interest income decreased slightly from RMB176.9 million in 2024 to RMB172.3 million (US\$24.6 million) in 2025, mainly attributable to the decline in bank deposit interest rates, partially offset by an increase in our balance of cash and cash equivalents and time deposits.

Fair value changes of financial assets at FVTPL

Fair value changes of financial assets at FVTPL changed from negative RMB61.8 million in 2024 to RMB41.8 million (US\$6.0 million) in 2025, primarily due to the share price fluctuation of equity investments and the increase of average balance of wealth management products in 2025.

Other finance costs

Our other finance costs increased from RMB3.5 million in 2024 to RMB9.1 million (US\$1.3 million) in 2025, mainly due to an increase in interest expenses for bank loans.

Changes in the carrying amounts of preferred shares and other financial instruments subject to redemption and other preferential rights

Changes in the carrying amounts of preferred shares and other financial instruments subject to redemption and other preferential rights changed from RMB465.3 million in 2024 to nil in 2025 because our convertible preferred shares liabilities were converted to equity after our initial public offering completed in October 2024.

Income Tax Expense

We had income tax expenses remain stable at RMB5.9 million and RMB4.1 million (US\$0.6 million) in 2024 and 2025, respectively.

Loss for the year

As a result of the foregoing, our loss for the year decreased by 34.2% from RMB2,516.8 million in 2024 to RMB1,654.9 million (US\$236.6 million) in 2025.

Non-IFRS adjusted net loss

Our non-IFRS adjusted net loss increased by 55.5% from RMB801.9 million in 2024 to RMB1,246.7 million (US\$178.3 million) in 2025. For discussions of our adjusted net loss and reconciliation of adjusted net loss to loss for the year, see “—Non-IFRS Financial Measures” for details.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

A comparison of fiscal years 2024 and 2023 can be found in “Item 5.A—Operating Results” in our Annual Report on Form 20-F for the fiscal year ended December 31, 2024, which was filed with the SEC on March 25, 2025.

Non-IFRS Financial Measures

In evaluating our business, we consider and use the non-IFRS financial measure of adjusted net loss as a supplemental measure to review and assess our operating performance. We believe that adjusted net loss provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. We define adjusted net loss as loss for the year excluding share-based compensation expenses, fair value changes of financial liabilities measured at FVTPL, fair value changes of financial assets at FVTPL and changes in the carrying amounts of preferred shares and other financial instruments subject to redemption and other preferential rights, all of which are net of nil tax.

We present the non-IFRS financial measure because it is used by our management to evaluate our operating performance and formulate business plans. Adjusted net loss enables our management to assess our operating results without considering the impacts of the aforementioned non-cash adjustment items that we do not consider to be indicative of our core operations. Accordingly, we believe that the use of this non-IFRS financial measure provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

This non-IFRS financial measure is not defined under IFRS and is not presented in accordance with IFRS. The non-IFRS financial measure has limitations as an analytical tool. One of the key limitations of using adjusted net loss is that it does not reflect all items of expenses that affect our operations. Further, this non-IFRS measure may differ from the non-IFRS information used by other companies, including peer companies, and therefore its comparability may be limited.

The non-IFRS financial measure should not be considered in isolation or construed as an alternative to loss for the year or any other measure of performance information prepared and presented in accordance with IFRS or as an indicator of our operating performance. Investors are encouraged to review our historical non-IFRS financial measure in light of the most directly comparable IFRS measure, as shown below. The non-IFRS financial measure presented here may not be comparable to similarly titled measure presented by other companies. Other companies may calculate similarly titled measures differently, limiting the usefulness of such measures when analyzing our data comparatively. We encourage you to review our financial information in its entirety and not rely on a single financial measure.

The following table reconciles our adjusted net loss for the years indicated to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is loss for the year:

	For the year ended December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US\$
	<i>(in thousands)</i>			
Reconciliation of loss for the year to adjusted net loss:				
Loss for the year	(1,949,101)	(2,516,808)	(1,654,900)	(236,646)
Add:				
Share-based compensation expenses	931,784	1,187,867	449,983	64,347
Fair value changes of financial assets at FVTPL	(42,960)	61,834	(41,822)	(5,980)
Fair value changes of financial liabilities measured at FVTPL	4,549	—	—	—
Changes in the carrying amounts of preferred shares and other financial instruments subject to redemption and other preferential rights	554,048	465,254	—	—
Non-IFRS adjusted net loss	(501,680)	(801,853)	(1,246,739)	(178,279)

B. LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity, Cash Flow and Working Capital

As of December 31, 2025, we have financed our operating and investing activities mainly through historical equity financing activities. In October 2024, we completed our U.S. IPO and our ADSs commenced trading on the Nasdaq Stock Market. We raised an aggregate of US\$125.5 million in net proceeds from this offering and the underwriters' partial exercise of their option to purchase additional ADSs, after deducting underwriting commissions and the offering expenses payable by us. In November 2025, we completed the Hong Kong Listing and our Class A ordinary shares commenced trading on the Main Board of the Hong Kong Stock Exchange. We raised from this Global Offering in connection with the Hong Kong Listing approximately HK\$2,314.6 million in net proceeds, after deducting underwriting commissions, fees and the offering expenses.

As of December 31, 2024 and 2025, our cash and cash equivalents were RMB4,268.3 and RMB6,666.3 million (US\$953.3 million), respectively. As of December 31, 2024 and 2025, our time deposits were RMB620.1 million and RMB301.4 million (US\$43.1 million), respectively. As of December 31, 2024 and 2025, our financial assets at FVTPL were RMB1,742.1 million and RMB332.3 million (US\$47.5 million), respectively. Our financial assets at FVTPL primarily represents our investments in wealth management products, certain private investment funds and in a listed company.

We believe our cash will be sufficient to meet our current and anticipated working capital requirements and capital expenditures for at least the next 12 months. We may, however, need additional cash resources in the future to satisfy capital requirements, respond to adverse developments or changes in our circumstances or unforeseen events or conditions, or fund organic or inorganic growth. If we determine that our cash requirements exceed the amount of cash we have on hand, we may seek to issue equity or equity linked securities or obtain debt financing. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness could expose us to additional obligations and restrictions with respect to our operations. In the event that we are unable to secure sufficient financing resources in amounts or on terms acceptable to us, our business, financial condition and results of operations may be materially and adversely affected.

As of December 31, 2025, 21.5% and 78.5% of our cash, cash equivalents, restricted cash, time deposits and current financial assets at FVTPL were held in mainland China and outside mainland China, respectively, and 8.6% and 89.3% were denominated in Renminbi and U.S. dollars, respectively. Our cash, cash equivalents, restricted cash, time deposits and current financial assets at FVTPL as of December 31, 2025 outside mainland China was held primarily in Singapore, Hong Kong and the U.S.

For cash concentration disclosures, see Note 31(f) to our audited consolidated financial statements included elsewhere in this annual report.

As a Cayman Islands exempted company and offshore holding company, we are permitted under PRC laws and regulations to provide funding to our mainland China subsidiaries only through loans or capital contributions. We expect to repatriate a portion of the proceeds raised in our offshore offerings into our PRC operations for general corporate purposes within the business scope of our mainland China subsidiaries but such limitation under PRC laws and regulations could delay us from using the proceeds from our offshore offerings to make loans or capital contributions to our mainland China subsidiaries. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in Mainland China—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may affect our ability to use the proceeds of our offshore offerings to make loans or additional capital contributions to our mainland China subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.” 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 “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in Mainland China—We may rely on dividends and other distributions on equity paid by our mainland China subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our mainland China subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.” For other restrictions and limitations on liquidity and capital resources as a result of our corporate structure, see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Holding Company Structure.”

A majority of our revenue has been denominated in RMB for the years ended December 31, 2023, 2024 and 2025. Under existing PRC laws and regulations, our mainland China subsidiaries are allowed to pay dividends in foreign currencies to us without prior SAFE approval by following the applicable procedural requirements. However, our mainland China subsidiaries are allowed to pay dividends to us only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. Our mainland China subsidiaries are required to set aside at least 10% of their after-tax profits after making up previous years’ accumulated losses each year, if any, to fund certain statutory reserve funds until the total amount set aside reaches 50% of their registered capital. These reserves are not distributable as cash dividends. Payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval as long as certain procedural requirements are fulfilled. Therefore, historically, our mainland China subsidiaries have not paid dividends to us, and they will not be able to pay dividends until they generate accumulated profits. See “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Holding Company Structure.” Furthermore, approval from or registration with competent government authorities is required where the Renminbi is to be converted into foreign currency and remitted out of mainland China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of our ordinary shares and ADSs.

Some of government grants received and anticipated to be received by our company are unconditional while some have conditions attached. Under the terms and conditions of the government grants received and anticipated to be received, we are required to meet certain requirements of operational performance, such as operating in a specified area for a minimum period of time, or financial performance such as minimum revenue amount and tax payment in certain time period in the specified regions of mainland China.

The following table sets forth the movements of our cash flows for the periods presented:

	For the year ended December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US\$
	(in thousands)			
Net cash used in operating activities	(474,890)	(593,595)	(1,321,734)	(189,005)
Net cash (used in)/generated from investing activities	(546,944)	325,505	1,505,881	215,338
Net cash generated from financing activities	446,954	2,823,875	2,296,444	328,387
Net (decrease)/increase in cash and cash equivalents	(574,880)	2,555,785	2,480,591	354,720
Cash and cash equivalents as of January 1	2,233,691	1,661,152	4,268,300	610,359
Effect of foreign exchange rate changes	2,341	51,363	(82,587)	(11,810)
Cash and cash equivalents as of December 31	1,661,152	4,268,300	6,666,304	953,269

Operating activities

Net cash used in operating activities in 2025 was RMB1,321.7 million (US\$189.0 million). The difference between the loss for the year of RMB1,654.9 million (US\$236.6 million) and operating cash outflow was primarily the result of (i) the adjustment of non-cash or non-operating items of RMB613.1 million (US\$87.7 million), mainly consisted of share-based compensation expenses of RMB450.0 million (US\$64.3 million) and depreciation and amortization of RMB166.7 million (US\$23.8 million), and (ii) a net increase in working capital, which represents total current assets less total current liabilities, by RMB275.8 million (US\$39.4 million). The net increase in working capital was primarily attributable to (i) an increase in trade receivables of RMB213.8 million (US\$30.6 million) primarily due to the strong sales performance at the year-end, (ii) an increase in inventories of RMB207.6 million (US\$29.7 million) mainly driven by stocking for foreseeable purchase orders, partially offset by an increase in trade payables of RMB 142.3 million (US\$20.3 million) mainly due to a substantial volume of inventory purchased towards the end of the year for which payment has not yet fallen due.

Net cash used in operating activities in 2024 was RMB593.6 million. The difference between the loss for the year of RMB2,516.8 million and operating cash outflow was primarily the result of (i) the adjustment of non-cash items of RMB1,919.5 million, mainly consisted of share-based compensation expenses of RMB1,187.9 million and changes in the carrying amounts of preferred shares and other financial instruments subject to redemption and other preferential rights of RMB465.3 million, and (ii) a net decrease in working capital, which represents total current assets less total current liabilities, by RMB7.5 million. The net decrease in working capital was primarily attributable to an increase in other payables, deposits received and accrued expenses of RMB98.6 million, a decrease in trade receivables and contract assets of RMB43.2 million mainly due to enhanced cash collection from customers, partially offset by (i) a decrease in amounts due to related parties of RMB68.4 million for settlement of purchase orders to Yutong affiliates and Yuji affiliates, and (ii) an increase in inventories of RMB62.3 million mainly driven by stocking for foreseeable purchase orders.

Net cash used in operating activities in 2023 was RMB474.9 million. The difference between the loss for the year of RMB1,949.1 million and operating cash outflow was primarily the result of (i) the adjustment of non-cash items of RMB1,585.2 million, mainly consisted of share-based compensation expenses of RMB931.8 million, changes in the carrying amounts of preferred shares and other financial instruments subject to redemption and other preferential rights of RMB554.0 million, and (ii) partially offset by a net increase in working capital by RMB108.1 million. The net increase in working capital was primarily attributable to increase in trade receivables of RMB54.1 million mainly due to the aging deterioration of receivables and longer period for cash collection, increase in inventories of RMB68.5 million driven by increased stocking for foreseeable purchase orders, and an increase in prepayments, deposits and other receivables of RMB108.4 million primarily due to prepayments for the bulk purchase of autonomous driving sensors and increased payments made on behalf of customers.

Investing activities

Cash generated from investing activities in 2025 was RMB1,505.9 million (US\$215.3 million), consisting primarily of proceeds from sales of financial assets at FVTPL of RMB1,777.2 million (US\$254.1 million) and proceeds from maturity of time deposits of RMB1,411.6 million (US\$201.9 million), partially offset by purchase of time deposits of RMB1,089.5 million (US\$155.8 million) and purchase of financial assets at FVTPL of RMB365.0 million (US\$52.2 million).

Cash generated from investing activities in 2024 was RMB325.5 million, consisting primarily of proceeds from maturity of time deposits of RMB5,156.8 million and proceeds from sales of financial assets measured at FVTPL of RMB324.8 million, partially offset by payments for purchase of financial assets at FVTPL of RMB1,807.5 million and purchase of time deposits of RMB3,257.0 million.

Cash used in investing activities in 2023 was RMB546.9 million, consisting primarily of purchase of time deposits of RMB2,915.3 million and payments for purchase of financial assets at FVTPL of RMB1,965.3 million, partially offset by proceeds from sales of financial assets at FVTPL of RMB2,925.3 million and proceeds from maturity of time deposits of RMB1,454.4 million.

Financing activities

Cash generated from financing activities in 2025 was RMB2,296.4 million (US\$328.4 million), consisting primarily of proceeds from issuance of ordinary shares relating to Global Offering, net of commissions and other listing expenses of RMB2,111.6 million (US\$302.0 million) and proceeds from bank loans of RMB332.4 million (US\$47.5 million), partially offset by repayment of bank loans of RMB88.3 million (US\$12.6 million).

Cash generated from financing activities in 2024 was RMB2,823.9 million, consisting primarily of proceeds from issuance of ordinary shares relating to our initial public offering and exercise of the over-allotment option, net of commissions of RMB3,170.8 million, which was partially offset by payment of withholding tax arising from the settlement of vested RSUs of RMB394.2 million.

Cash generated from financing activities in 2023 was RMB447.0 million, consisting primarily of proceeds from issuance of preferred shares and other financial instruments subject to redemption and other preferential rights of RMB485.3 million.

Material Cash Requirements

Our material cash requirements as of December 31, 2025 and any subsequent interim period primarily include our capital expenditures and contractual obligations.

Capital Expenditures

Our capital expenditures were RMB37.0 million and RMB85.5 million and RMB248.4 million (US\$35.5 million) in 2023, 2024 and 2025, respectively. Capital expenditures primarily represent expenditures on payments for purchase of intangible assets, property and equipment. The following table sets forth our capital expenditure for the periods presented:

	For the year ended December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US\$
			<i>(in thousands)</i>	
Purchase of property and equipment	(36,650)	(84,004)	(247,598)	(35,406)
Purchase of intangible assets	(304)	(1,504)	(848)	(121)
Total	(36,954)	(85,508)	(248,446)	(35,527)

We expect our capital expenditures to continue to be significant in the foreseeable future as we expand our business and continue to invest in technological development. We intend to fund our future capital expenditures with our existing cash balance and proceeds from offshore offerings. We may adjust our capital expenditures for any given year/period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

Contractual Obligations

Our contractual obligations primarily include (i) our operating lease obligations, (ii) our obligations to repurchase equity interest of and make payment to certain investors in one of our subsidiaries if certain agreed performance condition is not satisfied, (iii) vehicle purchase agreements with our OEM partners, and (iv) research and development service agreement with another OEM partner.

Our operating lease obligations primarily related to the rentals for office premises, staff accommodations and garage in mainland China and outside mainland China. Our leasing expense was RMB37.1 million, RMB40.2 million and RMB59.1 million (US\$8.5 million) for the years ended December 31, 2023, 2024 and 2025, respectively.

The following table sets forth our operating lease obligations as of December 31, 2025.

	Total	Payment Due by Period		
		Less Than 1 Year (RMB in thousands)	1-2 Years	2-5 Years
Operating lease commitment	59,079	33,324	15,715	10,040

In addition, WeRide HK, Guangzhou Jingqi and two investors jointly established Wenyuan Yuexing and entered into a shareholders agreement in respect thereto. The investors injected capital of RMB36.0 million and RMB28.8 million in exchange for 20% and 16% equity interest of Wenyuan Yuexing, respectively. Pursuant to the shareholders agreement, we are obligated to repurchase all or a part of the equity interest of one investor under certain circumstances, and to make cash payments to cover any shortfall if the other investor's investment return falls below 10% of the original injection amount, if certain agreed performance condition is not satisfied. Based on negotiation with the shareholders of Wenyuan Yuexing, we agreed to redeem 15% equity interest of Wenyuan Yuexing from one of the investors in advance in 2021. Our total liabilities under the aforesaid obligations were RMB43.3 million (US\$6.2 million) as of December 31, 2025. In April 2026, we redeemed the remaining 5% equity interest from the investor for an aggregate payment of RMB11.6 million to the investor.

We entered into a vehicle purchase agreement with an affiliate of our shareholder, pursuant to which we committed to purchase vehicles with an aggregated purchase amount of RMB100.3 million in 2024. As of December 31, 2025, we have paid RMB69.0 million (US\$9.9 million) under this vehicle purchase agreement.

We also entered into a vehicle purchase agreement with a third-party OEM partner, pursuant to which we committed to purchase vehicles manufactured by this third-party OEM partner with an aggregated purchase amount of RMB32.7 million in 2024 and 2025. As of December 31, 2025, we have paid RMB24.3 million (US\$3.5 million) under this vehicle purchase agreement.

Furthermore, we entered into a research and development service agreement with another OEM partner, pursuant to which we will purchase research and development services with an aggregated purchase amount of RMB216.8 million in 2024 and 2025. As of December 31, 2025, no research and development services have been provided and we have not paid any consideration yet.

In 2025, we entered into an investment agreement with an independent third party to invest in a private investment fund with amount of RMB28.8 million. As of December 31, 2025, RMB17.3 million has been paid. Furthermore, we entered into an investment agreement with another independent third party to invest an associate with investment amount of RMB9.0 million, which has not yet been paid as of December 31, 2025.

We intend to fund our existing and future material cash requirements with our existing cash balance. Other than as discussed above, we did not have any significant capital or other commitments, long-term or other contractual obligations or guarantees, including relating to contracts entered into with our OEM partners and Tier-1 supplier partners, as of December 31, 2025 and any subsequent interim period.

Off-Balance Sheet Commitments and Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

Holding Company Structure

WeRide Inc. is a holding company with no material operations of its own. We conduct our business primarily through our subsidiaries in mainland China. As a result, our ability to pay dividends depends upon dividends paid by our mainland China subsidiaries. If our existing mainland China subsidiaries or any newly formed ones 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 wholly foreign-owned subsidiaries in mainland China are permitted to pay dividends to us only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, each of our subsidiaries in mainland 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 their registered capital. In addition, our wholly foreign-owned subsidiaries in mainland China may allocate a portion of their after-tax profits based on PRC accounting standards to enterprise expansion funds and staff bonus and welfare funds at their 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 mainland China is subject to examination by the banks designated by SAFE. Our mainland China 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.

Recent Accounting Pronouncements

A list of recently issued accounting pronouncements that are relevant to us is included in Note 1(d) of our consolidated financial statements included elsewhere in this annual report.

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC

See “Item 4. Information On the Company—B. Business Overview—Research and Development” and “Item 4. Information On the Company—B. Business Overview—Intellectual Property.”

D. TREND INFORMATION

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the period since January 1, 2025 that are reasonably likely to have a material effect on our net revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. CRITICAL ACCOUNTING ESTIMATES

We prepare our consolidated financial statements in accordance with IFRS as issued by the IASB. Preparing these consolidated financial statements in conformity with IFRS as issued by the IASB requires us to exercise estimates that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the balance sheet dates, as well as the reported amounts of revenue and expenses during the reporting periods. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations would be affected. We base our estimates on our own historical experience and other assumptions that we believe are reasonable after taking account of our circumstances and expectations for the future based on available information. We evaluate these estimates on an ongoing basis.

We consider an accounting estimate to be critical if: (i) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (ii) changes in the estimate that are reasonably likely to occur from period to period or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations. There are other items within our consolidated financial statements that require estimation but are not deemed critical, as defined above. Changes in estimates used in these and other items could have a material impact on our consolidated financial statements. For a detailed discussion of our significant accounting estimates and judgments, see Note 3 to our consolidated financial statements included elsewhere in this annual report.

The critical accounting estimates that we believe to have the most significant impact on our consolidated financial statements are described below.

Share-based compensation

We measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is estimated using a model which requires the determination of the appropriate inputs. We have to estimate the forfeiture rate in order to determine the amount of share-based compensation expenses charged to the statement of profit or loss. We had to estimate the vesting periods of the share awards which were variable and subject to an estimate of when an initial public offering of our Company would occur before we completed our initial public offering in October 2024. The assumptions and models used for estimating the fair value of share-based compensation are disclosed in Note 30 to our consolidated financial statements included elsewhere in this annual report.

Fair Value of Our Shares

Prior to completion of our initial public offering, we were a private company with no quoted market prices for our shares. We therefore made estimates of the fair value of our shares on various dates for the following purposes:

- determining the fair value of our share-based compensation to our employees at each grant date; and
- determining the fair value of our financial liabilities for the warrants at the issuance date and each period end.

The following table sets forth the fair value of our shares.

Date of Valuation	Fair Value Per Share (US\$)	Discount Rate	DLOM	Exercise Price of Share Options Per Share (US\$)
June 30, 2022	2.88	20 %	15 %	0.55-1.24
December 31, 2022	3.42	20 %	13 %	0.46-1.24
June 30, 2023	3.44	20 %	11 %	N/A
December 31, 2023	3.46	20 %	7 %	0.55-1.24
June 30, 2024	3.47	20 %	4 %	1.22
July 26, 2024	4.82	20 %	4 %	0.00-1.22
August 1, 2024	4.82	20 %	4 %	1.22-1.24

We utilized discounted cash flow, or DCF, valuation model to determine the fair value of our shares.

With the assistance of an independent valuation firm, we applied an income approach, specifically a DCF analysis based on our projected cash flows using management's best estimates as of the valuation date to determine the fair value of our shares. The income approach involves applying appropriate discount rates to estimated cash flows that are based on earnings forecasts, the major assumptions used in earnings forecasts include revenue growth rate and the profit margin. However, these fair values are inherently uncertain and highly subjective. The other assumptions used in calculating the fair value of our shares using income approach include:

- Discount Rates. The discount rates listed out in the table were based on the weighted average cost of capital, which was determined based on a number of factors including risk-free rate, comparative industry risk, equity risk premium, company size and non-systemic risk factors.
- Discount for Lack of Marketability, or DLOM. DLOM was quantified by the Black-Scholes option pricing model and Finnerty option model. Under this option-pricing method, the cost of the put option, which could be used to hedge the price change before the privately held shares can be sold, was considered as a basis to determine the DLOM. The key assumptions of such model include risk-free rate, timing of a liquidity event (such as an initial public offering), and estimated volatility of our shares. The further the valuation date is from an expected liquidity event, the higher the put option value and thus the higher the implied DLOM. The lower DLOM is used for the valuation, the higher is the determined fair value of the ordinary shares.

The determination of the fair value of our shares requires complex and subjective judgments to be made regarding our projected financial and operating results, our unique business risks, the liquidity of our shares and our operating history and prospects at the date of valuation.

The option-pricing method was used to allocate the enterprise's value to ordinary shares and convertible redeemable preferred shares. This method treats ordinary shares and convertible redeemable preferred shares as call options on the enterprise's value, with exercise prices based on their respective payoffs upon a liquidity event, such as a sale of our Company, an initial public offering, or a redemption event, and estimates of risk free rate and the volatility of our equity securities. The anticipated timing is based on the plans of our Board and management.

The fair value of our shares increased from US\$2.88 per share as of June 30, 2022 to US\$3.42 per share as of December 31, 2022. This increase was primarily attributable to (i) our successful completion of series d+ preferred shares financing, which provided us with the fund needed for our continual expansion, and (ii) decrease of DLOM from 15% to 13% as a result of major milestones described above and the continual growth of our business which reduced the risks associated with our cash flow and earnings forecast.

The fair value of our shares increased from US\$3.42 per share as of December 31, 2022 to US\$3.44 per share as of June 30, 2023. This increase was primarily attributable to decrease of DLOM from 13% to 11% as a result of the continual growth of our business which reduced the risks associated with our cash flow and earnings forecast.

The fair value of our shares remained largely stable from US\$3.44 per share as of June 30, 2023 to US\$3.46 per share as of December 31, 2023. This slight increase was primarily attributable to a decrease of DLOM from 11% to 7% as a result of the continual growth of our business which reduced the risks associated with our cash flow and earnings forecast.

The fair value of our shares remained stable from US\$3.46 per share as of December 31, 2023 to US\$3.47 per share as of June 30, 2024. This slight increase was primarily attributable to a decrease of DLOM from 7% to 4% as a result of the continual growth of our business which reduced the risks associated with our cash flow and earnings forecast.

The fair value of our shares increased from US\$3.47 per share as of June 30, 2024 to US\$4.82 per share as of July 26, 2024 which is 7% discount on the lower end of our initial public offering price range. This increase is primarily due to the heightened probability of an initial public offering as a result of our initial public offering plan.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

The following table sets forth information regarding our executive officers and directors as of the date of this annual report.

<u>Directors and Executive Officers</u>	<u>Age</u>	<u>Position/Title</u>
Tony Xu Han	49	Founder, Chairman and Chief Executive Officer
Yan Li	51	Co-founder, Director and Chief Technology Officer
Hua Zhong	50	Senior Vice President
Jennifer Xuan Li	37	Chief Financial Officer and Head of International
Qingxiong Yang	44	Vice President
Jean-François Salles	58	Director
Ichijo Futakawa	50	Director
Huiping Yan	59	Director*
David Tong Zhang	62	Director*
Tony Fan-cheong Chan	74	Director*

Note:

* Each of Huiping Yan, David Tong Zhang and Tony Fan-cheong Chan has been determined by us to satisfy the "independence" requirements of Rule 5605(a)(2) of the Listing Rules of the Nasdaq Stock Market and Rule 10A-3 under the Exchange Act.

Dr. Tony Xu Han founded our company and currently serves as chairman and Chief Executive Officer. Prior to founding our company, Dr. Han worked as an associate professor of the Electrical & Computer Engineering Department at the University of Missouri from 2007 to 2017, and was granted tenure in 2013. In his academic career, he specialized in computer vision and machine learning. He worked as the Chief Scientist of autonomous driving unit at Baidu Inc. (Nasdaq: BIDU and HKEX: 9888) from 2014 to 2017. Dr. Han received his bachelor's degree in communication engineering from Beijing Jiaotong University in 1998, master's degree in electrical engineering from the University of Rhode Island in the United States in 2002, and Ph.D. in electrical and computer engineering from the University of Illinois Urbana-Champaign in the United States in 2008. Dr. Han was the original contributor of DeepSpeech2, which was recognized by MIT Technology Review as one of its 10 Breakthrough Technologies in 2016. He has also been recognized by Forbes China as one of its 2024 Sci-Tech Influential Figures.

Dr. Yan Li co-founded our company and currently serves as our director and Chief Technology Officer. Prior to co-founding our company, Dr. Li served as the director of engineering of Ucar Technology Inc. from 2015 to 2017, leading the autonomous driving department and connected vehicle data platform. From 2012 to 2015, he worked as a senior engineer at Facebook, Inc. (currently known as Meta Platforms, Inc.) where he was responsible for developing machine learning algorithms for user growth and ads. From 1999 to 2002 and 2009 to 2012, Dr. Li worked as an applied researcher at Microsoft Corporation. Dr. Li received his bachelor's degree in computer science from Tsinghua University in 1997, master's degree in computer science from Tsinghua University in 1999 and Ph.D. in electrical and computer engineering from Carnegie Mellon University in the United States in 2009.

Dr. Hua Zhong has served as our senior vice president since our inception. Prior to joining our company, Dr. Zhong was a principal engineer at Ucar Inc. Prior to that, Dr. Zhong worked at Google as well as Siemens. Dr. Zhong previously worked at Microsoft Research Asia, where he was mainly responsible for computer vision and machine learning research and development. Dr. Zhong received his bachelor's degree in computer science from Tsinghua University in 2000, and Ph.D. in computer science from Carnegie Mellon University in the United States in 2008.

Ms. Jennifer Xuan Li joined our company in 2020, and currently serves as our Chief Financial Officer and Head of International. Prior to joining our company, Ms. Li served as the investment director of SenseTime Group Inc. (HKEX: 0020) from 2018 to 2020, where she was responsible for capital raising and strategic investments in high-tech sectors. From 2015 to 2018, Ms. Li worked as the strategic investment director of Baidu, where she was responsible for AI and mobile-related investments. Ms. Li previously worked at the investment banking division of Deutsche Bank and at UBS. Ms. Li received her double bachelor's degrees in computer science and business management from Nanyang Technological University in Singapore. Ms. Li has been recognized by Fortune China as one of its 2025 Most Influential Businesswomen in the Future List.

Dr. Qingxiong Yang has served as our Vice President since 2021. Prior to joining our company, Dr. Yang served as the chief executive officer of MoonX.AI (currently known as Shenzhen Wenyuan Zhixing Intelligent Technology Co., Ltd.) from 2018 to 2021. Prior to that, Dr. Yang worked as senior director of autonomous driving at DiDi from 2016 to 2017. Dr. Yang was an assistant professor at the Department of Computer Science of the City University of Hong Kong from 2011 to 2016, where his research focused on computer vision and graphics. Dr. Yang received his bachelor's degree in electrical engineering and information science from the University of Science and Technology of China in 2004 and Ph.D. in electrical and computer engineering from the University of Illinois at Urbana-Champaign in the United States in 2010.

Mr. Jean-François Salles has served as our Director since March 2025. Mr. Salles is an Alliance Ventures Director, as further described in the section titled "Item 6. Directors, Senior Management and Employees—C. Board Practices—Terms of Directors and Officers." Mr. Salles currently serves as the Vice President of Partnerships at Renault Group, a position he has held since 2023. Prior to that, Mr. Salles served as Global Vice President of Supply Chain at the Renault Group from 2019 to 2023, a role he held for more than four and a half years after different positions in Renault-Nissan-Mitsubishi Alliance Supply Chain. Mr. Salles first joined the Renault Group in 1996 as a project manager in trim and chassis logistics and continued with the company in Manufacturing and Quality areas. He became director of supply chain for Europe at Renault in 2015. Mr. Salles received his Master of Science degree in Manufacturing and Engineering at Ecole Centrale Paris in 1992.

Mr. Ichijo Futakawa has served as our Director since April 2026. Mr. Futakawa is an Alliance Ventures Director, as further described in the section titled “Item 6. Directors, Senior Management and Employees—C. Board Practices—Terms of Directors and Officers.” Mr. Futakawa currently serves as the division general manager of corporate strategy and business development at Nissan Motor Co., Ltd., a position he has held since April 2025. Since joining Nissan Motor Co., Ltd. (“Nissan”), a company listed on the Tokyo Stock Exchange (stock code: 7201), in June 2017, Mr. Futakawa has held various positions including general manager of the Japan-ASEAN mobility service business department from October 2019 to March 2021, vice president of new business development at Nissan (China) Investment Co., Ltd. from June 2021 to December 2023, and president of Nissan Mobility Service Co., Ltd. from March 2022 to April 2025, where he led the establishment of the company’s autonomous taxi business in Suzhou, China. Prior to joining Nissan, Mr. Futakawa served as country manager in Japan at Henkel AG & Co. KGaA, a company listed on the Frankfurt Stock Exchange (stock code: HEN3) from July 2015 to May 2017. Before that, Mr. Futakawa spent approximately nine years at Toyota Motor Corporation, a company listed on the Tokyo Stock Exchange (stock code: 7203), from April 2004 to September 2013, where he was responsible for engine management system development and international project management. Mr. Futakawa received his bachelor’s degree in biochemistry and engineering from Tohoku University in Japan in March 1998, his master’s degree in chemical engineering from Tohoku University in Japan in March 2001, and his master’s degree in business administration from China Europe International Business School in April 2015.

Ms. Huiping Yan has served as our director since October 2024. Ms. Yan has served as the chief financial officer of ZTO Express (Cayman) Inc. (NYSE: ZTO, HKEX: 2057) since May 2018 and was the vice president of finance there from January 2018 to May 2018. Before that, Ms. Yan spent approximately seven years serving as the chief financial officer of a number of Chinese TMT and hospitality companies including approximately two years at Zhejiang Cainiao Supply Chain Management Co., Ltd., the logistics arm of Alibaba Group Holdings Limited (NYSE: BABA, HKEX: 9988), and over four years at Home Inns & Hotels Management Inc. (currently known as Homeinns Hotel Group), a leading economy hotel chain in China. Prior to that, Ms. Yan spent approximately nine years at General Electric Company (GE) in both the U.S. and Asia, serving in various key roles in corporate and operational financial management. Prior to that, Ms. Yan spent over six years at Deloitte & Touche in the U.S. in tax services. Ms. Yan has served as the independent non-executive director of TUHU Car Inc. (HKEX: 9690), a leading integrated online and offline platform for automotive service in China since September 2023. Ms. Yan studied at Shanghai Foreign Language Institute (currently known as Shanghai International Studies University), where she majored in English literature and linguistics and received a bachelor’s degree in business administration with an accounting major from Hawaii Pacific University in the United States in August 1991. Ms. Yan graduated from the GE experienced financial leadership program in September 2003 and is a U.S.-certified public accountant with a CGMA designation (AICPA).

Mr. David Tong Zhang has served as our director since October 2024. Mr. Zhang has extensive experience representing Chinese issuers and leading investment banks in U.S. initial public offerings, Hong Kong initial public offerings and other Rule 144A and Regulation S offerings of equity, debt and convertible securities. Mr. Zhang had been a senior corporate partner in the Hong Kong office of Kirkland & Ellis International LLP, from which he retired in 2024. Prior to joining Kirkland & Ellis International LLP in 2011, Mr. Zhang was a partner of Latham & Watkins LLP for eight years. Mr. Zhang is an independent non-executive director of Fosun International Limited (HKEX: 00656), a global innovation-driven consumer group; a non-executive director of Noah Holdings Private Wealth and Asset Management Limited (NYSE: NOAH and HKEX: 6686), a leading wealth management service provider; and an independent director of Morgan Stanley Securities (China) Co., Ltd. He is a member of the Board of Trustees of Tulane University. Mr. Zhang earned his juris doctor degree from Tulane University Law School in the United States in 1991.

Dr. Tony Fan-cheong Chan, has served as our Director since November 2025. Dr. Chan served as the president of the King Abdullah University of Science and Technology (KAUST) from September 2018 to August 2024. Prior to that, he was the President of the Hong Kong University of Science and Technology from September 2009 to August 2018. He served as the assistant director of the Mathematical and Physical Sciences Directorate at the US National Science Foundation from 2006 to 2009. Between 1978 and 1979, he pursued postdoctoral research at California Institute of Technology as a research fellow and was an associate professor in computer science at Yale University between 1979 and 1986. In 1986, he joined the University of California, Los Angeles as a professor of the Department of Mathematics. Dr. Chan has been serving as an independent non-executive director of Hanison Construction Holdings Limited (HKEX: 00896) and Hutchison Port Holdings Management Pte. Limited (SGX: NS8U) since April 2023. Dr. Chan has served on the editorial boards of many journals in mathematics and computing, including SIAM Review, SIAM Journal of Scientific Computing, and the Asian Journal of Mathematics, and is one of the three editors-in-chief of Numerische Mathematik. He is also an elected member of the U.S. National Academy of Engineering. He formerly served on the NSF Mathematical and Physical Sciences Advisory Committee and the U.S. National Committee on Mathematics. Dr. Chan received his master’s degree in aeronautics from the California Institute of Technology in the United States in June 1973, and his Ph.D. in computer science from Stanford University in the United States in June 1978.

B. COMPENSATION

For the fiscal year ended December 31, 2025, we paid an aggregate of RMB39.2 million (US\$5.6 million) in cash to our executive officers and an aggregate of RMB1.4 million (US\$0.2 million) in cash to our directors who are not our executive officers. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our directors and executive officers. Our mainland China subsidiaries are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance and other statutory benefits and a housing provident fund.

Employment Agreements and Indemnification Agreements

We have entered into employment agreements with each of our executive officers. Under these agreements, each of our executive officers is employed for a specified time period. We may terminate employment for cause, for certain acts of the executive officer, such as continued failure to satisfactorily perform, willful misconduct or gross negligence in the performance of agreed duties, conviction or entry of a guilty or nolo contendere plea of any felony or any misdemeanor involving moral turpitude, dishonest act that results in material detriment to us, or material breach of the employment agreement. We may also terminate an executive officer's employment without cause upon a 60-day advance written notice. In such case of termination by us, we will provide severance payments to the executive officer as may be agreed between the executive officer and us. The executive officer may resign at any time with a 60-day advance written notice.

Each executive officer has agreed to hold, both during and after the termination or expiry of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his or her duties in connection with the employment or pursuant to applicable law, any of our confidential information or trade secrets, any confidential information or trade secrets of our customers or prospective customers, or the confidential or proprietary information of any third party received by us and for which we have confidential obligations. The executive officers have also agreed to disclose in confidence to us all inventions, designs and trade secrets which they conceive, develop or reduce to practice during the executive officer's employment with us and to assign all right, title and interest in them to us, and assist us in obtaining and enforcing patents, copyrights and other legal rights for these inventions, designs and trade secrets.

In addition, each executive officer has agreed to be bound by non-competition restrictions during the term of his or her employment and typically for two years following the termination of the employment. Each executive officer has also agreed to be subject to certain non-solicitation restrictions during the term of his or her employment and typically for one year following the termination of the employment. Specifically, each executive officer has agreed not to (i) solicit from any customer or business partner doing business with us during the effective term of the employment agreement business of the same or of a similar nature to our business; (ii) solicit from any of our known potential customer business of the same or of a similar nature to that which has been the subject of our known written or oral bid, offer or proposal, or of substantial preparation with a view to making such a bid, proposal or offer; (iii) solicit the employment or services of, or hire or engage, any person who is known to be employed or engaged by us; or (iv) otherwise interfere with our business or accounts, including, but not limited to, with respect to any relationship or agreement between any vendor or supplier and us.

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.

Share Incentive Plans

2018 Share Plan

In June 2018, our shareholders and board of directors approved the 2018 Share Plan, which was amended and restated in July 2024, in order to attract, incentivize and retain employees, outside directors and consultants of our company and to promote the success of our business. The 2018 Share Plan terminated in November 2025 upon the completion of our Hong Kong Listing. As of the date of this annual report, there were 36,166,524 outstanding restricted share units (including vested but not settled restricted share units) and outstanding options to purchase a total of 95,253,810 ordinary shares granted under the 2018 Share Plan.

The following paragraphs summarize the principal terms of the 2018 Share Plan.

Type of Awards. The 2018 Share Plan provides for the direct award or sale of shares, the grant of options to purchase shares and the grant of restricted share units to acquire shares. Options granted under the plan may be ISOs intended to qualify under Code Section 422 or NSOs which are not intended to so qualify.

Plan Administration. Our board of directors or one or more committees appointed by the board of directors will administer the plan. The committee or the board of directors, as applicable, shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the plan.

Award Agreement. Each award of shares, each sale of shares, each grant of an option and each grant of restricted share units under the plan shall be evidenced by a share grant agreement, a share purchase agreement, a share option agreement and restricted share unit agreement, respectively. Such award, sale and option shall be subject to all applicable terms and conditions of the plan and which the board of directors deems appropriate for inclusion in a share grant agreement or share purchase agreement.

Eligibility. Our employees, outside directors and consultants are eligible for the grant of awards under the plan, while only employees shall be eligible for the grant ISOs.

Vesting Schedule. In general, the plan administrator determines the vesting schedule, which is specified in the relevant share option agreement.

Exercise of Awards. The plan administrator determines the exercise or purchase price, as applicable, for shares to be offered or options or restricted share units to be granted, which is specified in the relevant award agreement.

Transfer Restrictions. Awards may not be transferred in any manner by the participant other than in accordance with the exceptions provided in the plan or the relevant award agreement or otherwise determined by the plan administrator, such as transfers by a beneficiary designation, by will or the laws of descent and distribution.

Termination and Amendment. Unless terminated earlier, the plan has a term of ten 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 and company's shareholders approved the most recent increase in the number of shares reserved. Our board of directors has the authority amend, suspend, or terminate the plan at any time and for any reason. Any amendment to the plan, however, is subject to the company's shareholder approval only to the extent required to comply with applicable laws, regulations and rules.

2026 Share Plan

In March 2026, we adopted the 2026 Share Plan in order to attract, incentivize and retain employees, outside directors and consultants of our company and to promote the success of our business. As of the date of this annual report, there were 7,227,600 outstanding restricted share units (including vested but not settled restricted share units).

The following paragraphs summarize the principal terms of the 2026 Share Plan.

Type of Awards. The 2026 Share Plan provides for the grant of options to purchase shares and the grant of restricted share units to acquire shares. Options granted under the plan may be ISOs intended to qualify under Code Section 422 or NSOs which are not intended to so qualify.

Maximum Number of Class A Ordinary Shares. The overall limit on the number of the Class A ordinary shares underlying the awards pursuant to the 2026 Share Plan is 102,732,246, subject to certain adjustments.

Plan Administration. The compensation committee of our board of directors, or a sub-committee or delegate to whom the compensation committee has delegated its powers, will administer the plan. Such administrator shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the plan.

Award Agreement. Each grant of an option and each grant of restricted share units under the plan shall be evidenced by a share option agreement and a restricted share unit agreement, respectively. Such grants 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 which the administrator of the plan deems appropriate for inclusion in a share option agreement or a restricted share unit agreement, as applicable.

Eligibility. Our employees, outside directors and consultants are eligible for the grant of awards under the plan, provided that, the eligibility of consultants shall be determined by the plan administrator on a case by case basis, in its sole discretion. Only employees shall be eligible for ISOs.

Vesting Schedule. In general, the plan administrator determines the vesting schedule, which is specified in the relevant award agreement. No awards granted under the plan shall vest earlier than the first anniversary of the date of grant, provided that, the plan administrator may, at its discretion, determine a shorter period during which awards may vest following the grant date for certain types of awards.

Exercise Price of Options. The plan administrator determines the exercise price of stock options, subject to certain restrictions. The maximum exercisable term is ten years from the date of grant.

Transfer Restrictions. Awards may not be transferred or assigned, unless a waiver by applicable authorities (including the Hong Kong Stock Exchange) has been granted and the approval by the plan administrator has been obtained. The Hong Kong Stock Exchange may consider granting such a waiver to allow for transfer of awards to a vehicle (such as a trust or a private company) for the benefit of the grantee and any family members of such grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the plan and comply with other requirements and listing rules of the Hong Kong Stock Exchange.

Clawback Mechanism. Subject to applicable laws and exchange rules, all of a participant's awards may be deemed void and any exercises rescinded upon events specified in the award agreements, including termination for Cause (as defined in the plan). In such cases, the participant must return to the Company any shares (including ADSs), cash, property, or proceeds received, and any clawed-back awards will be treated as lapsed and not counted toward the overall plan limits.

Termination and Amendment. The plan shall terminate automatically on March 13, 2036, ten years after the date of its adoption, unless terminated earlier as determined by our board of directors. Our board of directors may amend, suspend or terminate the plan at any time and for any reason, subject to certain limitations.

The following table summarizes, as of the date of this annual report, the outstanding awards granted to our directors and executive officers, excluding awards that were exercised, forfeited or canceled after the relevant grant dates.

Name	Ordinary Shares Underlying Options and Restricted Share Units	Exercise Price (US\$/Share)	Date of Grant	Date of Expiration
Tony Xu Han	27,595,520	1.24 to 3.89	Between October 29, 2022 to July 26, 2024	Between October 28, 2032 to July 25, 2034
Yan Li	10,513,974	1.24 to 3.89	Between October 29, 2022 to July 26, 2024	Between October 28, 2032 to July 25, 2034
Hua Zhong	4,763,687	1.24 to 3.89	Between October 29, 2022 to July 26, 2024	Between October 28, 2032 to July 25, 2034
Jennifer Xuan Li	12,149,857	0.46 to 1.24	Between November 23, 2020 and July 26, 2024	Between February 4, 2031 and July 25, 2034
	13,500,000 ⁽¹⁾	—	July 26, 2024	July 25, 2034
Qingxiong Yang	*	0.55	October 25, 2021	October 24, 2031
	* ⁽¹⁾	—	August 5, 2025	August 4, 2035
Huiping Yan	* ⁽¹⁾	—	March 12, 2025	March 11, 2035
David Tong Zhang	*	1.22	March 12, 2025	March 11, 2035
All directors and executive officers as a group	71,398,194			

Notes:

* Less than 1% of our total ordinary shares on an as-converted basis outstanding as of the date of this annual report

(1) Represents restricted share units

As of the date of this annual report, other employees and consultants as a group hold options to purchase a total of 35,662,992 ordinary shares of our company and 27,404,205 restricted share units.

C. BOARD PRACTICES

Board of Directors

Our board of directors currently consists of seven directors. A director is not required to hold any shares in our company by way of qualification. A director who is in any way, whether directly or indirectly, interested in a contract or transaction or proposed contract or transaction with our company is required to declare the nature of his or her interest at a meeting of our directors. A director may vote with respect to any contract or transaction, or proposed contract or transaction, notwithstanding that he or she may be interested therein, and if he or she does so his or her vote shall be counted and he or she may be counted in the quorum at any meeting of our directors at which any such contract or transaction or proposed contract or transaction is considered. Our directors may exercise all the powers of our company to raise or borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof, and to issue debentures debenture stock, bonds or other securities, whether outright or as collateral security for any debt, liability or obligation of our company or of any third-party. None of our non-executive directors has a service contract with us that provides for benefits upon termination of service.

Committees of the Board of Directors

We have established four committees under the board of directors: an audit committee, a compensation committee a nomination committee, and a corporate governance committee. We have adopted a charter for each of the four committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee consists of Huiping Yan, David Tong Zhang and Tony Fan-cheong Chan. Huiping Yan is the chairperson of our audit committee. We have determined that Huiping Yan, David Tong Zhang and Tony Fan-cheong Chan satisfy the “independence” requirements of Rule 5605(a)(2) of the Listing Rules of the Nasdaq Stock Market and Rule 10A-3 under the Exchange Act. We have determined that Huiping Yan 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:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management’s response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Compensation Committee. Our compensation committee consists of David Tong Zhang, Tony Xu Han, Huiping Yan and Tony Fan-cheong Chan. David Tong Zhang is the chairperson of our compensation committee. We have determined that Huiping Yan, David Tong Zhang and Tony Fan-cheong Chan satisfy the “independence” requirements of Rule 5605(a)(2) of the Listing Rules of the Nasdaq Stock Market. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for our chief executive officer and other executive officers;
- reviewing and recommending to the board for determination with respect to the compensation of our non-employee directors;
- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements; and
- selecting a compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person’s independence from management.

Nomination Committee. Our nomination committee consists of David Tong Zhang, Tony Xu Han, Huiping Yan and Tony Fan-cheong Chan. David Tong Zhang is the chairperson of our nomination committee. We have determined that David Tong Zhang, Huiping Yan and Tony Fan-cheong Chan satisfy the “independence” requirements of Rule 5605(a)(2) of the Listing Rules of the Nasdaq Stock Market. The nomination committee assists the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nomination committee is responsible for, among other things:

- selecting and recommending to the board nominees for election by the shareholders or appointment by the board;

- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

Corporate Governance Committee. Our corporate governance committee consists of David Tong Zhang, Huiping Yan, and Tony Fan-cheong Chan. David Tong Zhang is the chairperson of our corporate governance committee. The corporate governance committee is responsible for, among other things:

- developing and reviewing our policies and practices on corporate governance and making recommendations to our board of directors; and
- ensuring that our company is operated and managed for the benefit of all shareholders, ensuring compliance with the listing rules of both Nasdaq and the Hong Kong Stock Exchange and safeguards relating to our dual class structure.

Duties 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 act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time. We have the right to seek damages if a duty owed by our directors is breached. In certain limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by the directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include, among others:

- convening shareholders' annual and extraordinary general meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our register of members.

Terms of Directors and Officers

In connection with the Hong Kong Listing, our founders, Dr. Tony Xu Han and Dr. Yan Li, entered into a voting agreement with Alliance Ventures, B.V., pursuant to which the founders agreed to vote or execute consents with respect to all shares (including shares represented by ADSs) and other voting securities of our company held or beneficially owned by them personally and by Tonyhan Limited and Yanli Holdings Limited, which we refer to as the Founder Entities, in favor of the election of two directors designated by Alliance Ventures, B.V., or the Alliance Ventures Directors, and to nominate such individuals through a shareholder proposal if they are not included in the slate proposed by the nomination and corporate governance committee of our board of directors; *provided that* if Alliance Ventures, B.V. sells our shares equal to between 1% and 2% of the then-current fully diluted share capital, it will lose the right to nominate and appoint one Alliance Ventures Director, and if such sales equal or exceed 2% of the then-current fully diluted share capital, it will lose the right to nominate and appoint any members of the board of directors.

Our directors may be appointed by an ordinary resolution of our shareholders. Alternatively, our board of directors may, by the affirmative vote of a simple majority of the directors present and voting at a board meeting appoint any person as a director to fill a casual vacancy on our board or as an addition to the existing board.

Our directors are not automatically subject to a term of office and hold office until such time as their office is vacated or where they are removed from office by an ordinary resolution of our shareholders. Our independent directors are subject to retirement by rotation at least once every three years. In addition, a director will cease to be a director if, among other things, the director (i) becomes prohibited by applicable law from being a director; (ii) becomes bankrupt or makes any arrangement or composition with his or her creditors; (iii) dies or is found to be or becomes of unsound mind; (iv) resigns his or her office by notice in writing to our company, or (v) without special leave of absence from our board, is absent from three consecutive board meetings and our board (excluding the absent director) resolves that his or her office be vacated; or (vi) is removed from office pursuant to any other provision of our articles of association.

Our officers are appointed by and serve at the discretion of the board of directors, and may be removed by our board of directors.

D. EMPLOYEES

We had 718, 3,093 and 3,801 employees globally as of December 31, 2023, 2024 and 2025, respectively. The significant increase of our number of employees was primarily a result of the significant increase in the number of R&D data processing staff. We hired these R&D data processing staff in order to provide processing services to our customers to better cater to our customers' business needs, as well as to facilitate our own research and development.

As of December 31, 2025, we had 3,668 employees based in mainland China and 133 employees outside mainland China. As of December 31, 2025, our 3,801 employees include 3,661 full-time employees and 140 temporary employees (interns).

The following table sets forth the number of our employees by function as of December 31, 2025.

Function	Number of Employees	Percentage (%)
Research and development engineers	829	21.8
R&D data processing staff	2,694	70.9
Sales and marketing	103	2.7
Operations	79	2.1
General management and administration	96	2.5
Total	3,801	100.0

Our employees have set up a labor union in China according to the applicable PRC laws and regulations. To date, we have not experienced any labor strike, and we consider our relationship with our employees to be good.

As required by regulations in mainland China, we participate in various employee social security plans that are organized by municipal and provincial governments for our PRC-based employees, including pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance, and housing provident fund. We are required under PRC law to make contributions to employee benefit plans occasionally for our PRC-based employees at specified percentages of their salaries, bonuses and certain allowances of such employees, up to a maximum amount specified by local governments in mainland China.

We enter into standard employment agreements with our employees. We also enter into standard confidentiality and non-compete agreements with our employees in accordance with common market practice.

E. SHARE OWNERSHIP

Except as specifically noted, the following table sets forth information with respect to the beneficial ownership of our ordinary shares as of the date of the annual report by:

- each of our directors and executive officers; and
- each person known to us to own beneficially 5% or more of our total outstanding ordinary shares.

The calculations in the table below are based on 950,955,002 Class A ordinary shares and 54,814,423 Class B ordinary shares issued and outstanding as of the date of this annual report.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant, or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Ordinary Shares Beneficially Owned			
	Class A Ordinary Shares	Class B Ordinary Shares	% of Total Ordinary Shares†	% of Aggregate Voting Power†
Directors and Executive Officers:**				
Tony Xu Han ⁽¹⁾	27,595,520	41,249,590	6.7	27.5
Yan Li ⁽²⁾	37,643,640	13,564,833	5.0	10.9
Hua Zhong ⁽³⁾	20,786,282	—	2.1	1.1
Jennifer Xuan Li ⁽⁴⁾	25,099,008	—	2.4	—
Qingxiong Yang ⁽⁵⁾	1,800,000	—	*	—
Jean-François Salles	—	—	—	—
Ichijo Futakawa ⁽⁶⁾	—	—	—	—
Huiping Yan ⁽⁷⁾	93,189	—	*	—
David Tong Zhang ⁽⁸⁾	81,967	—	*	—
Tony Fan-cheong Chan	—	—	—	—
All directors and executive officers as a group (10 persons)⁽⁹⁾	113,099,606	54,814,423	15.6	39.5
Principal Shareholders:				
Tony Xu Han ⁽¹⁾	27,595,520	41,249,590	6.7	27.5
Yan Li ⁽²⁾	37,643,640	13,564,833	5.0	10.9
Yutong entities ⁽¹⁰⁾	65,659,592	—	6.5	4.4
Qiming entities ⁽¹¹⁾	62,865,042	—	6.3	4.2
Alliance Ventures B.V. ⁽¹²⁾	63,680,080	—	6.3	4.2
Uber Technologies, Inc ⁽¹³⁾	56,618,266	—	5.6	3.8

Notes:

* Aggregate number of shares account for less than one percent of our total ordinary shares.

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** Except as indicated otherwise below, the business address of each of our directors and executive officers is 21st Floor, Tower A, Guanzhou Life Science Innovation Center, No. 51, Luoxuan Road, Guanzhou International Biotech Island, Guanzhou, People's Republic of China.

† For each person or group included in this column, percentage of total voting power represents voting power based on both Class A and Class B ordinary shares held by such person or group with respect to all of our outstanding Class A and Class B ordinary shares as a single class. Each holder of our Class A ordinary shares is entitled to one vote per share. Each holder of our Class B ordinary shares is entitled to 10 votes per share. Our Class B ordinary shares are convertible at any time by the holder into Class A ordinary shares on a one-for-one basis. The table above does not give effect to the potential conversion of all shares of Class B ordinary shares to Class A ordinary shares on a one-for-one basis. The percentage of aggregate voting power shown above assumes no conversion of Class B ordinary shares to Class A ordinary shares.

- (1) Represents (i) 16,399,590 Class B ordinary shares held by Tonyhan Limited, (ii) 24,850,000 Class B ordinary shares held by Xu Han Limited, and (iii) an aggregate of 27,595,520 Class A ordinary shares issuable to Dr. Tony Xu Han upon the exercise of options that are exercisable or subject to accelerated vesting within 60 days of the date of this annual report. Dr. Tony Xu Han holds 51% equity interests in Tonyhan Limited through Xu Han Limited, which is in turn 100% owned by Dr. Tony Xu Han. Dr. Tony Xu Han is also the sole director of Tonyhan Limited. The registered address of each of Tonyhan Limited and Xu Han Limited is Harkom Corporate Services Limited of Jayla Place, P.O. Box 216, Road Town, Tortola, VG1110, British Virgin Islands. In connection with the Hong Kong Listing, Dr. Tony Xu Han, our chairman and chief executive officer, has voluntarily committed to a three-year lock-up, effective as of October 28, 2025, covering all shares of our share capital or securities convertible into, exchangeable, or exercisable for any share of our share capital, directly or indirectly owned or controlled by him. During this lock-up period, Dr. Han will not sell, transfer, pledge, or otherwise dispose of any of such securities, subject to customary exceptions.
- (2) Represents (i) 13,564,823 Class B ordinary shares and 11,129,666 Class A ordinary shares held by Humber Partners Limited, (ii) 10 Class B ordinary shares and 16,000,000 Class A ordinary shares held by Yanli Holdings Limited, and (iii) an aggregate of 10,513,974 Class A ordinary shares issuable to Dr. Yan Li upon the exercise of options that are exercisable or subject to accelerated vesting within 60 days of the date of this annual report. Dr. Yan Li holds 51% equity interests in Yanli Holdings Limited through Humber Partners Limited, which is in turn 100% owned by Dr. Yan Li. Dr. Li is also the sole director of Yanli Holdings Limited. The registered address of each of Yanli Holdings Limited and Humber Partners Limited is Harkom Corporate Services Limited of Jayla Place, P.O. Box 216, Road Town, Tortola, VG1110, British Virgin Islands.
- (3) Represents 16,573,442 Class A ordinary shares and 4,212,840 Class A ordinary shares issuable to Dr. Hua Zhong upon the exercise of options that are exercisable within 60 days of the date of this annual report.
- (4) Represents Class A ordinary shares issuable to Ms. Jennifer Xuan Li upon the exercise of options that are exercisable, or the settlement of restricted share units within 60 days of the date of this annual report.
- (5) Represents Class A ordinary shares issuable to Dr. Qingxiong Yang upon the exercise of options that are exercisable within 60 days of the date of this annual report.
- (6) Mr. Futakawa was appointed as a Director in April 2026.
- (7) Represents Class A ordinary shares issuable to Ms. Huiping Yan upon the settlement of restricted share units that will be vested within 60 days of the date of this annual report.
- (8) Represents Class A ordinary shares issuable to Mr. David Tong Zhang upon the exercise of options that are exercisable within 60 days of the date of this annual report.
- (9) Represents (a) 43,703,108 Class A ordinary shares and (b) 69,396,498 Class A ordinary shares issuable upon the exercise of options or the settlement of restricted share units that are exercisable or settleable, as applicable, within 60 days of the date of this annual report.
- (10) This information is based on the information reported on the Schedule 13G/A filed by the Yutong entities (as defined below) on February 13, 2026. Represents (i) 25,868,845 Class A ordinary shares (25,868,844 of which are represented by 8,622,948 ADSs) held by Zhengzhou Xufeng Jiayuan Intelligent Connected Enterprise Management Center (Limited Partnership), or Zhengzhou Xufeng; and (ii) 39,790,747 Class A ordinary shares (39,790,746 of which are represented by 13,263,582 ADSs) held by Beijing Xufeng Zhiyuan Intelligent Technology Limited Partnership, or Beijing Xufeng. We refer to Zhengzhou Xufeng and Beijing Xufeng collectively as Yutong entities in this annual report. The general partner of both Zhengzhou Xufeng and Beijing Xufeng is Zhengzhou Xuxin Industrial Co., Ltd., which is wholly owned by Zhengzhou Yutong Group Co., Ltd., which, in turn, is controlled by seven individuals, namely Yuxiang Tang, Jianwei Cao, Xinlei Lu, Yiguo Zhang, Bo Yang, Baofeng Zhang and Lei Wang. Each of these individuals disclaims beneficial ownership of the shares of the issuer owned by the Yutong entities. The registered address of Zhengzhou Yutong Group Co., Ltd. is No. 8, Changchun Road, High-Tech Industrial Development Zone, Zhengzhou City, China. The registered address of each of Zhengzhou Xuxin Industrial Co., Ltd. and Zhengzhou Xufeng is 5021, Floor 5, North of Financial Plaza, intersection of Huaxia Avenue and Yungang Road, Hangkonggang District, Zhengzhou City, Henan Province, China. The registered address of Beijing Xufeng is Room 2099, No. 101, Building 1, Compound 36, South Hongjunying Road, Chaoyang District, Beijing, China.

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- (11) This information is based on the information reported on the Schedule 13G filed by the Qiming entities (as defined below) on February 10, 2025. Represents (i) 47,787,195 Class A ordinary shares held by Qiming Venture Partners V, L.P.; (ii) 1,482,675 Class A ordinary shares held by Qiming Managing Directors Fund V, L.P., (iii) 13,471,028 Class A ordinary shares held by Qiming Venture Partners VII, L.P., and (iv) 124,144 Class A ordinary shares held by Qiming VII Strategic Investors Fund, L.P. We refer to Qiming Venture Partners V, L.P., Qiming Managing Directors Fund V, L.P., Qiming Venture Partners VII, L.P. and Qiming VII Strategic Investors Fund, L.P. together as Qiming Entities in this annual report.

The general partner of Qiming Venture Partners V, L.P. is Qiming GP V, L.P., a Cayman Islands exempted limited partnership, whose general partner is Qiming Corporate GP V, Ltd., a Cayman Islands limited company which is also the general partner of Qiming Managing Directors Fund V, L.P. The voting and investment power of the shares held by Qiming Venture Partners V, L.P. and Qiming Managing Directors Fund V, L.P. in the company is exercised by Qiming Corporate GP V, Ltd., which is beneficially owned by Messrs. Duane Kuang, Gary Rieschel, Grace Lee and Holan Lam. Messrs. Duane Kuang, Gary Rieschel, Grace Lee and Holan Lam disclaim beneficial ownership of such shares, except to the extent of any pecuniary interest therein. The registered address of Qiming Venture Partners V, L.P. and Qiming Managing Directors Fund V, L.P. is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The general partner of Qiming Venture Partners VII, L.P. and Qiming VII Strategic Investors Fund, L.P. is Qiming GP VII, LLC, a Cayman Islands limited liability company. The voting and investment power of the shares held by Qiming Venture Partners VII, L.P. and Qiming VII Strategic Investors Fund, L.P. in our company are exercised by Qiming GP VII, LLC, which is beneficially owned by Messrs. Duane Kuang, Gary Rieschel, Grace Lee and Holan Lam. Messrs. Duane Kuang, Gary Rieschel, Grace Lee and Holan Lam disclaim beneficial ownership of such shares, except to the extent of any pecuniary interest therein. The registered address of Qiming Venture Partners VII, L.P. and Qiming VII Strategic Investors Fund, L.P. is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

- (12) Represents (i) 34,573,269 Class A ordinary shares directly owned by Alliance Ventures B.V., (ii) 10,616,604 Class A ordinary shares beneficially owned by Renault s.a.s., and Renault S.A., and (iii) 18,490,206 Class A ordinary shares beneficially owned by Nissan Motor Co., Ltd., as reported on the Schedule 13D/A filed by Alliance Ventures B.V., Renault s.a.s., Renault S.A. and Nissan Motor Co., Ltd. on October 29, 2025. Alliance Ventures B.V. has three shareholders: Renault s.a.s., Nissan Motor Co., Ltd. and Mitsubishi Motors Corp. Renault s.a.s. is wholly owned by Renault S.A., which is in turn owned by French state, Nissan Finance Co., Ltd. and certain minority shareholders. Nissan Motor Co., Ltd. is owned by Renault S.A. and certain minority shareholders. Mitsubishi Motors Corp. is owned by Mitsubishi Corporation, Nissan Motor Co., Ltd. and certain minority shareholders. Renault S.A., Nissan Motor Co., Ltd., Mitsubishi Corporation, and Mitsubishi Motors Corporation are public companies. The registered address of Alliance Ventures B.V. is Boeingavenue 275, 1119PD Schiphol-Rijk, the Netherlands.
- (13) This information is based on the information reported on the Schedule 13G filed by Uber Technologies, Inc on March 30, 2026. Represents 23,038,300 Class A ordinary shares and 33,579,966 Class A ordinary shares represented by 11,193,322 ADSs held by SMB Holding Corporation, a wholly-owned subsidiary of Uber Technologies, Inc., a publicly traded company. The registered address of Uber Technologies, Inc. is 1725 3rd Street, San Francisco, California, USA 94158.

To our knowledge, as of the date of this annual report, an aggregate of 146,825,592 Class A ordinary shares (representing approximately 15.4% of our total outstanding Class A ordinary shares) was held by Deutsche Bank Trust Company Americas, the depository for our ADS program. None of our Class B ordinary shares were held by record holders in the United States. The number of beneficial owners of our ADSs in the United States is likely to be much larger than the number of record holders of our Class A ordinary shares in the United States.

We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

Enforceability of Civil Liabilities

We are incorporated under the laws of the Cayman Islands as an exempted company with limited liability. We are incorporated in the Cayman Islands to take advantage of certain benefits associated with being a Cayman Islands exempted company, such as:

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

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

- 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 as compared to the United States; 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.

Most of our operations are conducted in China, and a majority 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 individuals, or to bring an action against us or these individuals in the United States, 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. It may also be difficult for you to enforce judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors.

We have been informed by Travers Thorp Alberga, our counsel as to Cayman Islands law, that there is uncertainty as to whether the courts of the Cayman Islands would (i) recognize or enforce judgments of U.S. courts obtained against us or our directors or officers that are predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States, or (ii) entertain original actions brought in the Cayman Islands against us or our directors or officers that are predicated upon the securities laws of the United States or any state in the United States. We have also been advised by Travers Thorp Alberga that although there is no statutory enforcement in the Cayman Islands of judgments obtained in a U.S. court (and the Cayman Islands are not a party to any treaties for the reciprocal enforcement or recognition of such judgments), the courts of the Cayman Islands will, at common law, recognize and enforce a foreign monetary judgment of a foreign court of competent jurisdiction without any re-examination of the merits of the underlying dispute based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay a liquidated sum for which such judgment has been given, 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 and conclusive, (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.

However, the Cayman Islands courts are unlikely to enforce a judgment obtained from the United States courts under civil liability provisions of the securities laws if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. Because the courts of the Cayman Islands have yet to rule on whether such judgments are penal or punitive in nature, it is uncertain whether such civil liability judgments from U.S. courts would be enforceable in the Cayman Islands. A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

Commerce & Finance Law Offices, our PRC legal counsel, has advised us that there is uncertainty as to whether the courts of mainland China 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.

Commerce & Finance Law Offices has further advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law and other applicable laws and regulations based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. There exists no treaty and few other forms of reciprocity between China and the United States or the Cayman Islands governing the recognition and enforcement of foreign judgments as of the date of this report. In addition, according to the PRC Civil Procedures Law, courts in China 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 and PRC Law on the Application of Laws to Foreign-related Civil Relations, foreign shareholders may originate actions based on PRC law before a PRC court against a company for disputes relating to contracts or other property interests, and the PRC court may accept a cause of action based on the laws or the parties' express mutual agreement in contracts choosing PRC courts for dispute resolution if such foreign shareholders can establish sufficient nexus to the PRC for a PRC court to have jurisdiction and meet other procedural requirements, including, among others, that the plaintiff must have a direct interest in the case and that there must be a concrete claim, a factual basis and a cause for the case. The PRC court will determine whether to accept the complaint in accordance with the PRC Civil Procedures Law and PRC Law on the Application of Laws to Foreign-related Civil Relations. The shareholder may participate in the action by itself or entrust any other person or PRC legal counsel to participate on behalf of such shareholder. Foreign citizens and companies will have the same rights as PRC citizens and companies in an action unless the home jurisdiction of such foreign citizens or companies restricts the rights of PRC citizens and companies.

In addition, it will be difficult for U.S. shareholders to originate actions against us in China in accordance with PRC laws because we are incorporated under the laws of the Cayman Islands and it will be difficult for U.S. shareholders, by virtue only of holding the ADSs or Class A ordinary shares, to establish a connection to mainland China for a PRC court to have jurisdiction as required under the PRC Civil Procedures Law.

F. DISCLOSURE OF A REGISTRANT'S ACTION TO RECOVER ERRONEOUSLY AWARDED COMPENSATION

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

See "Item 6. Directors, Senior Management and Employees—E. Share Ownership."

B. RELATED PARTY TRANSACTIONS

Employment Agreements and Indemnification Agreements

See "Item 6. Directors, Senior Management and Employees—B. Compensation—Employment Agreements and Indemnification Agreements."

Share Incentive Plans

See "Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plans."

Other Related Party Transactions

Private Placements Concurrent with U.S. IPO

Concurrently with the completion of our U.S. IPO, certain existing shareholders (and their affiliates) purchased Class A ordinary shares from us through a private placement pursuant to an exemption from registration with the SEC under Regulation S of the Securities Act., including (i) US\$97 million by Alliance Ventures B.V., or Alliance Ventures, the venture capital fund of the Renault Nissan Mitsubishi Alliance, and (ii) US\$20 million by Guangqizhixing Holdings Limited and Gac Capital International Ltd. The concurrent private placements were each at a price per share equal to our U.S. IPO price adjusted to reflect the ADS-to-Class A ordinary share ratio. Pre-IPO shareholders holding at least 95% of our total outstanding share capital have agreed with the underwriters in our U.S. IPO not to, directly or indirectly, sell, transfer or dispose of any ADSs, ordinary shares or similar securities for a period of 180 days (or 12 months for Guangqizhixing Holdings Limited for the ordinary shares subscribed in the concurrent private placement) after October 24, 2024, the date of the prospectus used in our U.S. IPO, without the prior written consent of the representatives of the underwriters of our U.S. IPO, subject to certain exceptions.

Transactions with Yutong

Transactions with Yutong Bus Co., Ltd. For the years ended December 31, 2023 and 2024, we sold goods to Yutong Bus Co., Ltd., an affiliate of our shareholder, the Yutong entities, with an aggregate amount of RMB5.7 million and nil, respectively. For the years ended December 31, 2023 and 2024, we also provided services to Yutong Bus Co., Ltd. with an aggregate consideration of RMB23.4 million and RMB13.8 million, respectively. For the years ended December 31, 2023 and 2024, we purchased goods from Yutong Bus Co., Ltd. with an aggregate amount of RMB18.4 million and RMB71.0 million, respectively.

Transactions with Zhengzhou Yutong Heavy Industries Co., Ltd. For the years ended December 31, 2023 and 2024, we purchased goods from Zhengzhou Yutong Heavy Industries Co., Ltd., an affiliate of the Yutong entities, with an aggregate amount of nil and RMB3.0 million, respectively. For the year ended December 31, 2024, we provided services to Zhengzhou Yutong Heavy Industries Co., Ltd. with an aggregate amount of RMB189 thousand.

Transactions with Ourland Environmental Technical Ltd. For the years ended December 31, 2023 and 2024, we provided services to Ourland Environmental Technical Ltd. with an aggregate amount of nil and RMB11.1 million, respectively. Additionally, for the years ended December 31, 2023 and 2024, we purchased goods from Ourland Environmental Technical Ltd. in an aggregate amount of nil, RMB0.8 million (US\$0.1 million), respectively.

The Yutong entities were not considered a related party for the year ended December 31, 2025.

Transactions with Alliance

For the years ended December 31, 2023, 2024 and 2025, we provided services to Alliance Automotive R&D (Shanghai) Co., Ltd., an affiliate of our shareholder, Alliance Ventures B.V., with an aggregate amount of RMB9.2 million, RMB7.9 million and RMB60.8 thousand (US\$8.7 thousand), respectively. For the years ended December 31, 2023, 2024 and 2025, we sold goods to Alliance Automotive R&D (Shanghai) Co., Ltd. with an aggregate amount of RMB4.5 million, RMB2.8 million and nil, respectively.

For the years ended December 31, 2023, 2024 and 2025, we provided services to Nissan Mobility Service Co., Ltd with an aggregate amount of RMB5.7 million, RMB7.1 million and RMB7.6 million (US\$1.1 million), respectively.

Transactions with Guangzhou Yuji

Guangzhou Yuji is an enterprise in which a substantial interest in the voting power is owned by Mr. Ming Han, a sibling of Dr. Tony Xu Han, our chairman and chief executive officer. Neither Dr. Tony Xu Han nor our company holds any economic or voting interest in Guangzhou Yuji. Guangzhou Yuji is not a shareholder of ours. None of the directors or officers of Guangzhou Yuji is a director or officer of ours, and none of our directors or officers is a director or officer of Guangzhou Yuji. For the years ended December 31, 2023, 2024 and 2025, Guangzhou Yuji provided surveying and mapping services to our company in the amount of RMB111.5 million, RMB90.1 million and RMB66.8 million (US\$9.6 million), respectively. For the years ended December 31, 2023, 2024 and 2025, we provided services to Guangzhou Yuji in the amount of nil, RMB528 thousand and nil, respectively. For the years ended December 31, 2023, 2024 and 2025, we had payments made on behalf of customers to Guangzhou Yuji in the amount of RMB34.8 million, RMB65.2 million and RMB2.7 million (US\$0.4 million), respectively. For the years ended December 31, 2023, 2024 and 2025, we disposed property and equipment to Guangzhou Yuji in the amount of nil, nil and 1.4 million (US\$0.2 million), respectively.

Key Management Personnel

As of June 30, 2024, we recorded other receivables from a key management personnel of RMB1.4 million (US\$0.2 million), and there were no such transactions for the years ended December 31, 2022 and 2023. We fully collected the receivables in the latter half of 2024.

C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

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

Legal Proceedings

We are currently not a party to any material legal or administrative proceedings. We are from time to time involved in actions, claims, suits and other proceedings incidental to our business, including those arising out of contractual disputes, competition, intellectual property matters, and employment-related matters. Regardless of the outcome, litigation or any other legal or administrative proceeding, can have an adverse impact on us and can result in substantial cost and diversion of our resources, including our management's time and attention.

Dividend Policy

Our board of directors has discretion on 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. In either case, all dividends are subject to certain restrictions under Cayman Islands law, namely that our company may only pay dividends out of profits or share premium account, and provided always that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decide to pay or recommend 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.

We have not previously declared or paid cash dividends, and we have no plan to declare or pay any dividends in the near future on our shares or ADSs. 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 may rely on dividends from our subsidiaries in China for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our mainland China subsidiaries to pay dividends to us. See “Item 4. Information on the Company—B. Business Overview—Regulation—Regulations Relating to Foreign Exchange.”

If we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the underlying Class A ordinary shares represented by the ADSs to the depository, as the registered holder of such Class A ordinary shares, and the depository then will pay such amounts to the ADS holders in proportion to the underlying Class A ordinary shares represented by the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See “Item 12. Description of Securities Other than Equity Securities—D. American Depositary Shares.” Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

B. SIGNIFICANT CHANGES

We have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

ITEM 9. THE OFFER AND LISTING

A. OFFERING AND LISTING DETAILS

See “—C. Markets.”

B. PLAN OF DISTRIBUTION

Not applicable.

C. MARKETS

Our ADSs, each representing three of our Class A ordinary shares, have been listed on the Nasdaq Global Select Market under the symbol “WRD” since October 25, 2024.

Our Class A ordinary shares have been listed on the Hong Kong Stock Exchange since November 6, 2025 under the stock code “0800.”

D. SELLING SHAREHOLDERS

Not applicable.

E. DILUTION

Not applicable.

F. EXPENSES OF THE ISSUE

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

The following are summaries of material provisions of our currently effective ninth amended and restated memorandum and articles of association, as well as the Companies Act (as revised) insofar as they relate to the material terms of our ordinary shares.

Objects of Our Company. Under our memorandum and articles of association, the objects of our company are unrestricted and we have the full power and authority to carry out any object not prohibited by the Cayman Islands law.

Ordinary Shares. Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of our Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights. Our ordinary shares are issued in registered form and are issued when registered in our register of members (shareholders). We may not issue shares to bearer. Our shareholders who are nonresidents of the Cayman Islands may freely hold and vote their shares.

Conversion. Class B ordinary shares may be converted into the same number of Class A ordinary shares by the holders thereof at any time, while Class A ordinary shares cannot be converted into Class B ordinary shares under any circumstances.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors or declared by our shareholders by ordinary resolution (provided that no dividend may be declared by our shareholders which exceeds the amount recommended by our directors). Our memorandum and articles of association provide that dividends may be declared and paid out of the funds of our company lawfully available therefor. Under the laws of the Cayman Islands, our company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

Voting Rights. 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 general meeting of the Company. 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 10 votes on all matters subject to the vote at general meetings of our company. Voting at any meeting of shareholders is by poll.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast at a meeting, a special resolution requires the affirmative vote of no less than two-thirds of the votes attaching to the outstanding ordinary shares cast at a meeting and a super-majority resolution requires the affirmative vote of no less than three-fourths of the votes attaching to the outstanding ordinary shares cast at a meeting. Ordinary resolutions, special resolutions and super-majority resolutions may also be passed by a unanimous written resolution signed by all members entitled to vote. A special resolution will be required for important matters such as a change of name, while a super-majority resolution will be required to make changes to our memorandum and articles of association. Our shareholders may, among other things, sub-divide or consolidate all or any of our company's share capital by ordinary resolution.

General Meetings of Shareholders. As a Cayman Islands exempted company, we are not obliged by the Companies Act to call shareholders' annual general meetings. Our memorandum and articles of association provide that we shall in each financial year hold a general meeting as our annual general meeting within six months of the end of such financial year in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors.

Shareholders' general meetings may be convened by a majority of our board of directors or by the chairman of the board of directors. Advance notice of at least twenty-one days is required for the convening of our annual general shareholders' meeting and fourteen days for any other general meeting of our shareholders. A quorum required for any general meeting of shareholders consists of at least one shareholder present in person or by proxy, representing not less than ten percent of all votes attaching to the issued and outstanding shares in our company entitled to vote at general meeting.

The Companies Act does not provide shareholders with the right 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 memorandum and articles of association provide that upon the requisition of any one or more of our shareholders who together hold shares which carry in aggregate not less than one-tenth of all votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, our 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.

Transfer of Ordinary Shares. Subject to the restrictions set out in our 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 ordinary 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; and
- a fee of such maximum sum as the Nasdaq Stock Market 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 Nasdaq Stock Market, 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 60 days in any year as our board may determine.

Liquidation. On the winding up of our company, if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of our 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 our share 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.

Calls on Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders of these shares, on such terms and in such manner as may be determined by our board of directors. Our company may also repurchase any of our shares on such terms and in such manner as have been approved by our board of directors or by an ordinary resolution of our shareholders. 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 new 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 our 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 all the holders of the issued shares of that class or series or with the sanction of a resolution passed by a majority of the votes cast 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 or subsequent to such existing class of shares, or the redemption or purchase of any shares of any class by our company. The rights of the holders of shares shall not be deemed to be varied by the creation or issue of shares with preferred or other rights including, without limitation, the creation of shares with enhanced or weighted voting rights.

Issuance of Additional Shares. Our memorandum and articles of association authorize 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 memorandum and articles of association also authorize our board of directors to establish from time to time one or more series of preference shares and to determine, with respect to any series of preference 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 preference 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.

Inspection of Books and Records. Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records (other than our memorandum and articles of association, special resolutions, and our register of mortgages and charges). However, we will provide our shareholders with annual audited financial statements.

Anti-Takeover Provisions. Some provisions of our 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 preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders; and
- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Exempted Company. We are an exempted company incorporated 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 of 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 the 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. Unless we consent in writing to the selection of an alternative forum, the federal courts of the United States shall be the exclusive forum 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, or purchasing or otherwise acquiring American depository shares issued pursuant to deposit agreements, shall be deemed to have notice of and consented to the provisions of this article. Without prejudice to the foregoing, if the provision in this article is held to be illegal, invalid or unenforceable under applicable law, the legality, validity or enforceability of the rest of articles of association shall not be affected and this article shall be interpreted and construed to the maximum extent possible to apply in the relevant jurisdiction with whatever modification or deletion may be necessary so as best to give effect to our intention.

Differences in Corporate Law

The Companies Act of the Cayman Islands is derived, to a large extent, from the older Companies Acts of England but does not follow recent English statutory enactments and, accordingly, there are significant differences between the Companies Act of the Cayman Islands and the current Companies Act of England. In addition, the Companies Act of the Cayman Islands differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of certain significant differences between the provisions of the Companies Act of the Cayman Islands applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

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, (i) “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 (ii) 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 surviving or consolidated company, a list of 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 parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman 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 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 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; provided that 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) 75% in value of the shareholders or class of shareholders, or (b) a majority in number representing 75% in value of the creditors or class of 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 dissentient minority shareholder(s) upon a tender offer. When a tender offer is made and accepted by holders of 90.0% of the shares affected, the offeror may, within a two-month period commencing after the approval by the said holders, 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 by way of scheme of arrangement is thus approved and sanctioned, or if a tender offer is made and accepted, in accordance with the foregoing statutory procedures, 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) so that a non-controlling shareholder may be permitted 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 (and is therefore incapable of ratification by the shareholder);
- 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 memorandum and articles of association provide 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 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 exercise the skill they actually possess and such care and diligence that a reasonably 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.

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. Cayman Islands law and our memorandum and 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 that 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 does not provide shareholders with the right 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 memorandum and articles of association allow any one or more of our shareholders who together hold shares which carry in aggregate not less than a majority of all votes attaching to all 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 memorandum and articles of association do not provide our shareholders with any other right to put proposals before annual general meetings or extraordinary general meetings. As a Cayman Islands exempted 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 memorandum and 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 issued and outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our memorandum and articles of association, directors may be removed with or without cause, by an ordinary resolution of our shareholders (other than a Founder Entity Appointed Director as defined in the memorandum and articles of association). A director will also cease to be a director if he (i) becomes prohibited by applicable law from being a director; (ii) becomes bankrupt or makes any arrangement or composition with his creditors; (iii) dies or is found to be or becomes of unsound mind; (iv) resigns his office by notice in writing; (v) without special leave of absence from our board, is absent from meetings of our board for three consecutive meetings and our board resolves that his office be vacated; or (vi) is removed from office pursuant to any other provision of our 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, it does provide that such transactions must be entered into bona fide in the best interests of the company 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 either an order of the courts of the Cayman Islands or by the board of directors.

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.

Restructuring. A company may present a petition to the Grand Court of the Cayman Islands for the appointment of a restructuring officer on the grounds that the company:

- (a) is or is likely to become unable to pay its debts; and
- (b) intends to present a compromise or arrangement to its creditors (or classes thereof) either pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring.

The Grand Court may, among other things, make an order appointing a restructuring officer upon hearing of such petition, with such powers and to carry out such functions as the court may order. At any time (i) after the presentation of a petition for the appointment of a restructuring officer but before an order for the appointment of a restructuring officer has been made, and (ii) when an order for the appointment of a restructuring officer is made, until such order has been discharged, no suit, action or other proceedings (other than criminal proceedings) shall be proceeded with or commenced against the company, no resolution to wind up the company shall be passed, and no winding up petition may be presented against the company, except with the leave of the court. However, notwithstanding the presentation of a petition for the appointment of a restructuring officer or the appointment of a restructuring officer, a creditor who has security over the whole or part of the assets of the company is entitled to enforce the security without the leave of the court and without reference to the restructuring officer appointed.

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 our memorandum and articles of association, 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 the holders of at least two-thirds of the issued shares of that class or series or with the sanction of a resolution passed by a majority of the votes cast 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 or subsequent to such existing class of shares, or the redemption or purchase of any shares of any class by our company. The rights of the holders of shares shall not be deemed to be varied by the creation or issue of shares with preferred or other rights including, without limitation, the creation of shares with enhanced or weighted voting rights.

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 memorandum and articles of association, our memorandum and articles of association may only be amended by a special resolution of our shareholders.

Rights of Non-resident or Foreign Shareholders. There are no limitations imposed by our 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 memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

C. MATERIAL CONTRACTS

Other than in the ordinary course of business and other than those described in "Item 4. Information on the Company," "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions" or elsewhere in this annual report, we have not entered into any material contract during the two years immediately preceding the date of this annual report on Form 20-F.

D. EXCHANGE CONTROLS

See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations on Foreign Exchange" and "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations on Dividend Distribution."

E. TAXATION

The following summary of Cayman Islands, People's Republic of China and U.S. federal income tax considerations generally applicable to an investment in our ADSs or Class A ordinary shares is based upon laws and interpretations thereof in effect as of the date of this annual report, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ADSs or Class A ordinary shares, such as 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 Travers Thorp Alberga, our Cayman Islands counsel. To the extent that the discussion relates to matters of PRC tax law, it represents the opinion of Commerce & Finance Law Offices, 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 shareholders or ADS holders 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 shares will not be subject to taxation in the Cayman Islands and no withholding tax will be required on the payment of dividends or capital to any holder of our ADSs or ordinary shares, nor will gains derived from the disposal of our ADSs or ordinary shares be subject to Cayman Islands income or corporation tax.

Mainland China Taxation

The Enterprise Income Tax Law provides that an enterprise established under the laws of a foreign country or region but whose “de facto management body” is located in mainland China is treated as a mainland China resident enterprise for mainland China tax purposes and consequently subject to mainland China income tax at the rate of 25% on its global income. The implementing rules of the Enterprise Income Tax Law merely define the location of the “de facto management body” as an “organizational body which effectively manages and controls the production and business operation, personnel, accounting, properties and other aspects of operations of an enterprise.” Based on a review of surrounding facts and circumstances, we do not believe that we should be considered a mainland China resident enterprise for mainland China tax purposes. However, there is limited guidance and implementation history of the Enterprise Income Tax Law, and if we are treated as a mainland China resident enterprise for mainland China tax purposes, we will be subject to mainland China tax on our global income at a uniform tax rate of 25%.

Mainland China income tax at the rate of 10% will be withheld from payments of interest or dividends we make to investors that are “non-resident enterprises” of mainland China, if such investors do not have an establishment or place of business in mainland China, or if they have such establishment or place of business in mainland China but the income is not effectively connected with such establishment or place of business, to the extent such interest or dividends are deemed to be sourced within mainland China.

Furthermore, any gain realized on the transfer of the ADSs or shares by such investors would also be subject to mainland China income tax at 10% if such gain is regarded as income derived from sources within mainland China.

Furthermore, if we are considered a mainland China resident enterprise and mainland China tax authorities consider the interest or dividends we pay or any gains realized from the transfer of our ADSs or shares to be income derived from sources within mainland China, such interest or dividends and gains earned by non-resident individuals would be subject to the 20% mainland China individual income tax (which may be withheld at source).

These rates could be reduced by applicable tax treaties or similar arrangements between China and the jurisdiction of the investor. For example, for investors in Hong Kong, the tax rate is reduced to 7% for interest payments and 5% for dividends. However, it is unclear whether non-mainland China shareholders would be able to claim the benefits of any tax treaties between their country of tax residence and mainland China in the event that we are treated as a mainland China resident enterprise.

U.S. Federal Income Tax Considerations

The following discussion is a summary of certain material U.S. federal income tax considerations under present law of the ownership and disposition of the ADSs or Class A ordinary shares. This summary applies only to investors that are U.S. Holders (as defined below) and that hold the ADSs or Class A ordinary shares as capital assets for U.S. federal income tax purposes. This discussion is based on the applicable provisions of the Internal Revenue Code of 1986, as amended, or the Code, the Treasury Regulations promulgated thereunder, pertinent judicial decisions, interpretive rulings of the IRS and such other authorities as we have considered relevant. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax considerations described below. Any such change or differing interpretation could alter the tax consequences described herein. There can be no assurance that the Internal Revenue Service, or the IRS, will not challenge the tax considerations described herein or that a court will not sustain such a challenge.

This discussion does not describe all U.S. federal income tax considerations that may be relevant to a U.S. Holder in light of such U.S. Holder’s particular circumstances, nor does it address the U.S. federal estate, gift or other non-income tax considerations, any alternative minimum tax, the Medicare tax on certain net investment income, the consequences of special tax accounting rules under Section 451(b) of the Code, or any state, local or non-U.S. tax considerations, relating to the ownership or disposition of our Class A ordinary shares or ADSs. The following summary does not address all aspects of U.S. federal income taxation that may be relevant to particular investors in light of their individual circumstances or to persons in special tax situations such as:

- banks;

- financial institutions;
- insurance companies;
- pension or retirement plans;
- broker dealers;
- persons that elect to mark their securities to market;
- tax-exempt entities;
- regulated investment companies;
- real estate investment trusts;
- certain expatriates or former long-term residents of the United States;
- governments or agencies or instrumentalities thereof;
- persons holding the ADSs or Class A ordinary shares as part of a straddle, hedging, conversion or integrated transaction for U.S. federal income tax purposes;
- persons that directly, indirectly or constructively own ADSs or ordinary shares representing 10% or more of our voting power or value;
- persons whose functional currency is other than the U.S. dollar;
- persons who acquired ADSs or Class A ordinary shares pursuant to the exercise of any employee share option or otherwise as compensation or in connection with services; or
- partnerships or other entities or arrangements treated as pass-through entities for U.S. federal income tax purposes or investors in such entities.

This discussion is for general informational purposes and is not intended as tax advice. U.S. Holders are urged to consult their tax advisors about the application of the U.S. federal tax rules to their particular circumstances as well as the state, local and foreign tax consequences to them of ownership and disposition of ADSs or Class A ordinary shares.

General

The discussion below of the U.S. federal income tax considerations will apply if you are a “U.S. Holder.” You are a “U.S. Holder” if you are the beneficial owner of the ADSs or Class A ordinary shares and you are, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity or arrangement treated as a corporation for U.S. federal income tax purposes) that is created in, or organized under the laws of the United States, any State thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or

- a trust that (i) is subject to the supervision of a court within the United States and one or more U.S. persons within the meaning of Section 7701(a)(30) of the Code has or have the authority to control all substantial decisions of the trust or (ii) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

This discussion does not consider the tax treatment of partnerships or other pass-through entities that hold the ADSs or Class A ordinary shares, or of persons who hold the ADSs or Class A ordinary shares through such entities. If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) is the beneficial owner of the ADSs or Class A ordinary shares, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships holding our Class A ordinary shares or ADSs and their partners are urged to consult their tax advisors regarding an investment in our Class A ordinary shares or ADSs.

The discussion below assumes that the representations contained in the deposit agreement are true and that the obligations in the deposit agreement and any related agreement will be complied with in accordance with their terms. For U.S. federal income tax purposes, it is generally expected that a U.S. Holder of ADSs will be treated as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. Holder of our ADSs will be treated in this manner. Accordingly, deposits or withdrawals of Class A ordinary shares for ADSs will generally not be subject to U.S. federal income tax. The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the beneficial ownership of the underlying security. Accordingly, the creditability of foreign taxes, if any, as described below, could be affected by actions taken by intermediaries in the chain of ownership between the holders of ADSs representing our ordinary shares and our company if, as a result of such actions, the holders of ADSs representing our ordinary shares are not properly treated as beneficial owners of the underlying ordinary shares.

Taxation of Dividends or Other Distributions on the ADSs or Class A Ordinary Shares

Subject to the discussion under “—*Passive Foreign Investment Company Considerations*” below, the gross amount of all our distributions to you with respect to the ADSs or Class A ordinary shares will be included in your gross income as dividend income on the day actually or constructively received by the depository, in the case of ADSs, or by you, in the case of Class A ordinary shares, but only to the extent that the distribution is paid out of our current or accumulated earnings and profits (computed under U.S. federal income tax principles).

Any distribution we pay will generally be treated as “foreign source dividend income” for U.S. federal income tax purposes. Because we do not intend to calculate our earnings and profits on the basis of U.S. federal income tax principles, you should expect to treat the full amount of the distribution as a dividend for U.S. federal income tax purposes. Dividends we pay will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from U.S. corporations. The amount of any such distributions will include any amounts required to be withheld by us (or another applicable withholding agent) in respect of any non-U.S. taxes, including PRC tax withheld.

With respect to individuals and certain other non-corporate holders, dividends paid on our ADSs or Class A ordinary shares may be subject to reduced rates of taxation provided that (1) our ADSs or Class A ordinary shares on which the dividends are readily tradeable on an established securities market in the United States, or otherwise, in the event we are deemed to be a mainland China “resident enterprise” under the PRC tax law, we are eligible for the benefit of the income tax treaty between the United States and the PRC, or the Treaty, (2) we are not a PFIC (as discussed below) for either the taxable year in which the dividend is paid or the preceding taxable year and (3) certain holding period and other requirements are met. Because our ADSs (but not our Class A ordinary shares) are listed on the Nasdaq Global Select Market and will accordingly be considered to be readily tradable on an established securities market in the United States, and we believe that we were not a PFIC for U.S. federal income tax purposes for our taxable year ended December 31, 2025 and we do not expect to be a PFIC in the foreseeable future, although there can be no assurance in this regard, we believe that we are a qualified foreign corporation with respect to dividends paid on the ADSs. Based on existing guidance, it is unclear whether our Class A ordinary shares will be considered readily tradable on an established securities market in the United States, because only the ADSs, and not the underlying Class A ordinary shares, will be listed on a securities market in the United States.

In the event that we are deemed to be a mainland China resident enterprise under PRC tax law, we may be eligible for the benefits of the Treaty. If we are eligible for such benefits, dividends we pay on our Class A ordinary shares or ADSs would be eligible for the reduced rates of taxation applicable to qualified dividend income, as discussed above. You should consult your tax advisor regarding the availability of the lower rate for dividends paid with respect to our ADSs or Class A ordinary shares.

Dividends will generally be treated as income from foreign sources for U.S. foreign tax credit purposes and will generally constitute passive category income. In the event that we are deemed to be a mainland China resident enterprise under the PRC tax law and dividends paid on our ADSs or Class A ordinary shares are subject to mainland China withholding taxes, depending on your particular facts and circumstances, you may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed (at a rate not exceeding the applicable Treaty rate) on dividends received on the ADSs or Class A ordinary shares. If you do not elect to claim a foreign tax credit for foreign taxes withheld, you may instead, subject to applicable limitations, claim a deduction, for U.S. federal income tax purposes, in respect of such withholdings, but only for a year in which you elect to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex and their outcome depends in large part on the U.S. Holder's individual facts and circumstances. You are advised to consult your tax advisor regarding the availability of the foreign tax credit under your particular circumstances.

Sale or Other Taxable Disposition of the ADSs or Class A Ordinary Shares

Subject to the discussion under “—*Passive Foreign Investment Company Considerations*” below, you will recognize gain or loss on any sale, exchange or other taxable disposition of an ADS or Class A ordinary share equal to the difference between the amount realized for the ADS or Class A ordinary share and your tax basis in the ADS or Class A ordinary share. The gain or loss will generally be capital gain or loss, which will be long-term capital gain or loss if your holding period for the shares exceeds one year at the time of disposition. Long-term capital gains are generally eligible for a preferential rate of taxation for individuals and certain other non-corporate U.S. Holders. The deductibility of capital losses is subject to limitations.

Any such gain or loss that you recognize will generally be treated as U.S.-source income or loss for foreign tax credit limitation purposes, in which event you may not be able to use the foreign tax credit arising from any mainland China tax imposed on the disposition of the ADSs or Class A ordinary shares unless such credit can be applied (subject to applicable limitations) against tax due on other income derived from foreign sources in the same category. However, in the event we are deemed to be a mainland China resident enterprise under PRC tax law, we may be eligible for the benefits of the Treaty. In such event, if PRC tax were to be imposed on any gain from the disposition of the ADSs or Class A ordinary shares, a U.S. Holder that is eligible for the benefits of the Treaty may elect to treat such gain as mainland China-source income for foreign tax credit purposes. Pursuant to the United States Treasury Regulations (the applicability of which has been postponed until further guidance is issued), however, if a U.S. Holder is not eligible for the benefits of the Treaty or does not elect to apply the Treaty, then such holder may not be able to claim a foreign tax credit arising from any PRC tax imposed on the disposition of our ADSs or Class A ordinary shares, unless such credit can be applied (subject to applicable limitations) against U.S. federal income tax due on other income derived from foreign sources in the same income category (generally, the passive category). You should consult your tax advisor regarding the tax consequences in case any mainland China tax is imposed on gain on a disposition of the ADSs or Class A ordinary shares, including the availability of the foreign tax credit and the election to treat any gain as mainland China-source, under your particular circumstances, including their eligibility for benefits under the Treaty, and the potential impact of the United States Treasury Regulations.

If the consideration received by a U.S. Holder upon a sale or other taxable disposition of ADSs or Class A ordinary shares is not paid in U.S. dollars, the amount realized will be the U.S. dollar value of such payment calculated by reference to the exchange rate in effect on the date of such sale or disposition. A U.S. Holder may have foreign currency gain or loss to the extent of the difference, if any, between (i) the U.S. dollar value of such payment on the date of such sale or disposition and (ii) the U.S. dollar value of such payment calculated by reference to the exchange rate in effect on the date of settlement.

Each U.S. Holder is advised to consult its tax advisor regarding the tax consequences of a sale or other taxable disposition of ADSs or Class A ordinary shares, including creditability of foreign taxes imposed on such sale or disposition by a taxing jurisdiction other than the United States, under its particular circumstances.

Passive Foreign Investment Company Considerations

A non-U.S. corporation, such as our company, is considered a PFIC for any taxable year if either (i) at least 75% of its gross income is passive income, or (ii) at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income. For this purpose, cash and assets readily convertible into cash are categorized as passive assets and the company's goodwill and other unbooked intangibles are taken into account. We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, more than 25% (by value) of the shares.

Based on our analysis of our income, assets, activities and market capitalization, we believe that we likely were not a PFIC for the year ending December 31, 2025. However, our status as a PFIC will depend on the composition of our income and the composition and value of our assets (which may be determined in large part by reference to the market value of our ADSs or Class A ordinary shares, which may be volatile) from time to time. Furthermore, there are uncertainties in the application of the relevant rules, and it is possible that the IRS may challenge our classification of certain income or assets as non-passive, or our valuation of our goodwill and other intangibles, each of which may increase the likelihood of us becoming a PFIC for the current or subsequent taxable years. Accordingly, our status as a PFIC is a fact-intensive determination made on an annual basis and we cannot provide any assurance regarding our PFIC status for the past, current or future taxable years. Our U.S. counsel expresses no opinion regarding our past, current or future PFIC status. Each U.S. Holder is strongly urged to consult its tax advisor regarding our PFIC status and any available elections to mitigate such tax consequences.

The discussion above under "Dividends" and "Sale or Other Disposition" is written on the basis that we are not currently and will not be or become classified as a PFIC for U.S. federal income tax purposes. The U.S. federal income tax rules that apply generally if we are treated as a PFIC are discussed below.

If we are a PFIC for any taxable year during which you hold ADSs or Class A ordinary shares, we will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold ADSs or Class A ordinary shares, unless we were to cease to be a PFIC and you make a "deemed sale" election with respect to the ADSs or Class A ordinary shares. If such election is made, you will be deemed to have sold the ADSs or Class A ordinary shares you hold at their fair market value and any gain from such deemed sale would be subject to the rules described in the following two paragraphs. After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, the ADSs or Class A ordinary shares with respect to which such election was made will not be treated as shares in a PFIC and, as a result, you will not be subject to the rules described below with respect to any "excess distribution" you receive from us or any gain from an actual sale or other disposition of the ADSs or Class A ordinary shares. You are strongly urged to consult your tax advisors as to the possibility and consequences of making a deemed sale election if we are and then cease to be a PFIC and such an election becomes available to you.

If we are a PFIC for any taxable year during which you hold the ADSs or the Class A ordinary shares you will be subject to special tax rules with respect to any "excess distribution" that you receive and any gain you realize from a sale or other disposition (including a pledge) of the ADSs or Class A ordinary shares, unless you make a mark-to-market election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the ADSs or Class A ordinary shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain would be allocated ratably over your holding period for the ADSs or Class A ordinary shares;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we became a PFIC, would be treated as ordinary income; and
- the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for you for such year and would be increased by an additional tax equal to interest on the resulting tax deemed deferred with respect to each such other taxable year.

The tax liability for amounts allocated to years prior to the year of disposition or “excess distribution” cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the ADSs or Class A ordinary shares cannot be treated as capital, even if you hold the ADSs or Class A ordinary shares as capital assets.

Alternatively, a U.S. Holder of “marketable stock” (as defined below) in a PFIC may make a mark-to-market election for such stock of a PFIC to elect out of the tax treatment discussed in the two preceding paragraphs. The mark-to-market election is available only for “marketable stock,” which is stock that is traded in other than *de minimis* quantities on at least 15 days during each calendar quarter, or “regularly traded,” on a qualified exchange or other market, as defined in applicable Treasury Regulations. A “qualified exchange or other market” includes a national securities exchange that is registered with the SEC, such as the Nasdaq Stock Market, or a foreign securities exchange that satisfies certain requirements. Our Class A ordinary shares or ADSs are expected to be marketable stock as long as the Class A ordinary shares or ADSs, respectively, are and remain regularly traded on a qualified exchange or other market.

Consequently, assuming that the ADSs and Class A ordinary shares are regularly traded, if you are a holder of ADSs or Class A ordinary shares, it is expected that the mark-to-market election would be available to you were we to become a PFIC. If you make a valid mark-to-market election for the ADSs or Class A ordinary shares, you will include in income each year an amount equal to the excess, if any, of the fair market value of the ADSs or Class A ordinary shares as of the close of your taxable year over your adjusted basis in such ADSs or Class A ordinary shares. You are allowed a deduction for the excess, if any, of the adjusted basis of the ADSs or Class A ordinary shares over their fair market value as of the close of the taxable year. Such deductions, however, are allowable only to the extent of any net mark-to-market gains on the ADSs or Class A ordinary shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the ADSs or Class A ordinary shares in a year in which we are a PFIC, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the ADSs or Class A ordinary shares, as well as to any loss realized on the actual sale or disposition of the ADSs or Class A ordinary shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such ADSs or Class A ordinary shares. Your basis in the ADSs or Class A ordinary shares will be adjusted to reflect any such income or loss amounts. If you make such a mark-to-market election, tax rules that apply to distributions by corporations which are not PFICs would apply to distributions by us (except that the lower applicable capital gains rate would not apply).

Because, as a technical matter, a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the general PFIC rules described above with respect to such U.S. Holder’s indirect interest in certain investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

Alternatively, a U.S. Holder may avoid the PFIC tax consequences described above in respect to its ADSs and Class A ordinary shares by making a timely “qualified electing fund,” or QEF, election. To comply with the requirements of a QEF election, a U.S. Holder must receive certain information from us. Because we do not intend to provide such information, however, such election will not be available to you with respect to the ADSs or Class A ordinary shares.

If you hold ADSs or Class A ordinary shares in any year in which we are a PFIC, you will generally be required to file an annual information report containing such information as the U.S. Treasury may require. Failure to do so, if required, will extend the statute of limitations applicable to such U.S. Holder until such required information is furnished to the IRS and could result in penalties.

If we are treated as a PFIC and, at any time, have a non-U.S. subsidiary that is treated as a PFIC, a U.S. Holder generally would be deemed to own a proportionate amount of the shares of such lower-tier PFIC, and generally could incur liability for the deferred tax and interest charge described above if we receive a distribution from, or sell or otherwise dispose of all or part of our interest in, such lower-tier PFIC, or the U.S. Holder otherwise was deemed to have sold or otherwise disposed of an interest in such lower-tier PFIC. U.S. Holders should consult their tax advisors regarding the application of the lower-tier PFIC rules in their particular circumstances.

You are urged to consult your tax advisor regarding the application of the PFIC rules to your investment in the ADSs or Class A ordinary shares.

Information Reporting and Backup Withholding

U.S. Holders may be subject to information reporting to the IRS and U.S. backup withholding with respect to dividends on and proceeds from the sale or other disposition of our ADSs or Class A ordinary shares. Backup withholding will not apply, however, to (i) U.S. Holders that are corporations or other exempt recipients and properly establish their exempt status or (ii) U.S. Holders that provide a correct taxpayer identification number and other required information on IRS Form W-9 establishing that such U.S. Holders are not subject to backup withholding.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund of any excess amounts withheld provided that the required information is timely furnished to the IRS.

U.S. Holders should consult their tax advisors regarding the information reporting requirements and the application of backup withholding rules in their particular circumstances.

Information with Respect to Foreign Financial Assets

U.S. Holders who are individuals (and certain entities closely held by individuals) generally will be required to report our name, address and such information relating to an interest in the ADSs or Class A ordinary shares as is necessary to identify the class or issue of which the ADSs or Class A ordinary shares are a part. These requirements are subject to exceptions, including an exception for ADSs or Class A ordinary shares held in accounts maintained by certain financial institutions and an exception applicable if the aggregate value of all "specified foreign financial assets" (as defined in the Code) does not exceed US\$50,000.

U.S. Holders should consult their tax advisors regarding the application of these information reporting rules.

THIS DISCUSSION IS FOR GENERAL INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. U.S. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE U.S. FEDERAL, STATE, AND LOCAL AND NON-U.S. INCOME AND NON-INCOME TAX CONSEQUENCES OF THE OWNERSHIP, AND DISPOSITION OF OUR ADSs OR CLASS A ORDINARY SHARES, INCLUDING THE IMPACT OF ANY POTENTIAL CHANGE IN LAW, IN THEIR PARTICULAR CIRCUMSTANCES.

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENT BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

We are subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers, and are required to file reports and other information with the SEC. Specifically, we are required to file annually an annual report on Form 20-F within four months after the end of each fiscal year, which is December 31. All information filed with the SEC can be obtained over the internet at the SEC's website at www.sec.gov. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

We will furnish Deutsche Bank Trust Company Americas, the depository of our ADSs, with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with IFRS, and all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depository will make such notices, reports and communications available to holders of ADSs and, upon our request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depository from us.

In accordance with Nasdaq Stock Market Rule 5250(d), we will post this annual report on our website ir.veride.ai. In addition, we will provide hardcopies of our annual report to shareholders, including ADS holders, free of charge upon request.

I. SUBSIDIARY INFORMATION

Not applicable.

J. ANNUAL REPORT TO SECURITY HOLDERS

As an issuer listed on the Hong Kong Stock Exchange, we are required to publish an annual report for the fiscal year ended December 31, 2025, which we plan to furnish as an exhibit to a current report on Form 6-K via EDGAR to be filed on the same date of this annual report on Form 20-F. The information contained is not incorporated by reference into and should not be considered a part of this annual report.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Exchange Risk

We are exposed to currency risk primarily due to receivables, payables and cash balances that are denominated in a currency other than the respective functional currencies of our companies. Foreign exchange rate risks exist primarily for the U.S. dollar.

As of December 31, 2025, we had cash and cash equivalents denominated in U.S. dollar amounting to US\$207.0 million, trade receivables in U.S. dollar amounting to US\$9.4 million and intercompany payables in U.S. dollar amounting to US\$146.0 million. A 10% depreciation of Renminbi against the U.S. dollar based on the foreign exchange rate on December 31, 2025 would result in a decrease of RMB49.2 million in our loss for the year and cumulative losses. A 10% appreciation of Renminbi against the U.S. dollar based on the foreign exchange rate on December 31, 2025 would result in an increase of RMB49.2 million in our loss for the year and cumulative losses. We have not used any derivative financial instruments to hedge exposure to foreign exchange risk. We monitor our currency risk exposure by periodically reviewing foreign currency exchange rates and will consider hedging significant foreign currency exposure should the need arise.

In addition, the value of your investment in our ADSs will be affected by the exchange rate between the U.S. dollar and Renminbi because the value of our business is effectively denominated in Renminbi, while our ADSs will be traded in U.S. dollars.

The conversion of Renminbi into foreign currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and the U.S. dollar in the future. To the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the RMB amount we receive from the conversion. Conversely, if we decide to convert 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 amounts available to us.

Interest Rate Risk

Interest-bearing financial instruments at variable rates and at fixed rates expose us to cash flow interest rate risk and fair value interest risk, respectively. We determine the appropriate weight of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. We have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in market interest rates. We do not enter into financial derivatives to hedge interest rate risk.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. DEBT SECURITIES

Not applicable.

B. WARRANTS AND RIGHTS

Not applicable.

C. OTHER SECURITIES

Not applicable.

D. AMERICAN DEPOSITARY SHARES

Fees and Charges Our ADS holders May Have to Pay

As an ADS holder, you will be required to pay the following service fees to the depositary bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any of your ADSs):

<u>Service</u>	<u>Fees</u>
• To any person to which ADSs are issued or to any person to which a distribution is made in respect of ADS distributions pursuant to stock dividends or other free distributions of stock, bonus distributions, stock splits or other distributions (except where converted to cash)	Up to US\$0.05 per ADS issued
• Cancellation of ADSs, including in the case of termination of the deposit agreement	Up to US\$0.05 per ADS cancelled
• Distribution of cash dividends	Up to US\$0.05 per ADS held
• Distribution of cash entitlements (other than cash dividends) and/or cash proceeds from the sale of rights, securities and other entitlements	Up to US\$0.05 per ADS held
• Distribution of ADSs pursuant to exercise of rights	Up to US\$0.05 per ADS held
• Distribution of securities other than ADSs or rights to purchase additional ADSs	Up to US\$0.05 per ADS held
• Depositary services	Up to US\$0.05 per ADS held on the applicable record date(s) established by the depositary bank

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

- Fees for the transfer and registration of Class A ordinary shares charged by the registrar and transfer agent for the Class A ordinary shares in the Cayman Islands (i.e., upon deposit and withdrawal of Class A ordinary shares).
- Expenses incurred for converting foreign currency into U.S. dollars.
- Expenses for cable, telex and fax transmissions and for delivery of securities.
- Taxes and duties upon the transfer of securities, including any applicable stamp duties, any stock transfer charges or withholding taxes (i.e., when Class A ordinary shares are deposited or withdrawn from deposit).
- Fees and expenses incurred in connection with the delivery or servicing of Class A ordinary shares on deposit.

- Fees and expenses incurred in connection with complying with exchange control regulations and other regulatory requirements applicable to Class A ordinary shares, deposited securities, ADSs and ADRs.
- Any applicable fees and penalties thereon.

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

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

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

The depositary may make payments to us or reimburse us for certain costs and expenses, by making available a portion of the ADS fees collected in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary bank agree from time to time. For the year ended December 31, 2025, we received reimbursement of approximately US\$83 thousands from the depositary.

Dealings and Settlement of Class A Ordinary Shares in Hong Kong

Our Class A ordinary shares are traded on the Hong Kong Stock Exchange in board lots of 100 Class A ordinary shares. Dealings in our Class A ordinary shares on the Hong Kong Stock Exchange are conducted in Hong Kong dollars.

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

- Accounting and Financial Reporting Council (AFRC) transaction levy of 0.00015% of the consideration of the transaction, charged to each of the buyer and seller;
- SFC transaction levy of 0.0027% of the consideration of the transaction, charged to each of the buyer and seller;
- Hong Kong Stock Exchange trading fee of 0.00565% of the consideration of the transaction, charged to each of the buyer and seller;
- transfer deed stamp duty of HK\$5.00 per transfer deed (if applicable), payable by the seller;
- ad valorem stamp duty at a total rate of 0.2% of the value of the transaction, with 0.1% payable by each of the buyer and the seller;
- stock settlement fee, which is 0.0042% for each trade;

- brokerage commission, which is freely negotiable with brokers (other than brokerage commissions for IPO transactions which are currently set at 1.0% of the subscription or purchase price and will be payable by the person subscribing for or purchasing the securities); and
- our Hong Kong share registrar will charge between HK\$2.50 to HK\$20, depending on the speed of service (or such higher fee as may from time to time be permitted under the listing rules of the Hong Kong Stock Exchange), for each transfer of Class A ordinary shares from one registered owner to another, each share certificate canceled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong.

Investors in Hong Kong must settle their trades executed on the Hong Kong Stock Exchange through their brokers directly or through custodians. For an investor in Hong Kong who has deposited his/her/its Class A ordinary shares in his/her/its stock account or in his/her/its designated HKSCC Participant's stock account maintained with CCASS, settlement will be effected in CCASS in accordance with the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time. The term "CCASS" refers to the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited, or HKSCC, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited. For an investor who holds physical certificates, settlement certificates and the duly executed transfer forms must be delivered to his/her/its broker or custodian before the settlement date.

An investor may arrange with his/her/its broker or custodian on a settlement date in respect of his/her/its trades executed on the Hong Kong Stock Exchange. Under the listing rules of the Hong Kong Stock Exchange and the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time, the date of settlement must be the second settlement day (a day on which the settlement services of CCASS are open for use by HKSCC Participants) following the trade date (T+2). For trades settled in CCASS, the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time provide that the defaulting broker may be compelled to compulsorily buy-in by HKSCC the day after the date of settlement (T+3), or if it is not practicable to do so on T+3, at any time thereafter. HKSCC may also impose fines from T+2 onwards.

Conversion Between Class A Ordinary Shares Traded in Hong Kong and ADSs

We have established a branch register of members in Hong Kong, or the Hong Kong share register, which is maintained by our Hong Kong share registrar, Computershare Hong Kong Investor Services Limited. Our principal register of members, or the Cayman share register, continues to be maintained by our principal share registrar, International Corporation Services Ltd. All Class A ordinary shares offered in connection with the Hong Kong Listing are registered on the Hong Kong share register in order to be listed and traded on the Hong Kong Stock Exchange. As described in further detail below, holders of Class A ordinary shares registered on the Hong Kong share register are able to exchange those Class A ordinary shares for ADSs, and vice versa.

Converting Class A Ordinary Shares Traded in Hong Kong to ADSs

An investor who holds Class A ordinary shares registered in Hong Kong and intends to convert them to ADSs to trade on Nasdaq must deposit or have his/her/its broker deposit the Class A ordinary shares with Deutsche Bank AG, Hong Kong Branch, or the Custodian, in exchange for ADSs. A deposit of Class A ordinary shares traded in Hong Kong in exchange for ADSs involves the following procedures:

- If Class A ordinary shares have been deposited within CCASS, the investor must transfer such Class A ordinary shares to the depositary's account with the Custodian within CCASS by following the CCASS procedures for transfer and deliver to the Custodian instructions for the issuance and delivery of the corresponding ADSs.
- If Class A ordinary shares are held outside CCASS, the investor must arrange to deposit the Class A ordinary shares into CCASS for delivery to the depositary's account with the Custodian within CCASS and must deliver to the Custodian instructions for the issuance and delivery of the corresponding ADSs.

- Upon payment of its fees and expenses and of any taxes or charges, such as stamp duties or stock transfer taxes or fees, if applicable, and subject in all cases to the terms of the Deposit Agreement, the depositary will issue the corresponding number of ADSs and will deliver the ADSs as instructed by the depositary party.

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

Converting ADSs to Class A Ordinary Shares Traded in Hong Kong

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

An investor who holds ADSs indirectly through a broker or other financial institution should follow the procedures of the broker or other financial institution and instruct the broker or other financial institution to arrange for cancellation of the ADSs and withdrawal of the underlying Class A ordinary shares from the depositary's account with the Custodian within CCASS to the investor's Hong Kong stock account. For investors holding ADSs directly, the following steps must be taken:

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

For Class A ordinary shares to be received in CCASS, under normal circumstances, the above steps generally take two business days, provided that the investor has provided timely and complete instructions.

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

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

Depository Requirements

Before the depository delivers ADSs or permits withdrawal of Class A ordinary shares, the depository may require:

- production of satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with procedures it may establish, from time to time, consistent with the Deposit Agreement, including completion and presentation of transfer documents.

The depository may refuse to deliver, transfer, or register issuances, transfers and cancellations of ADSs generally when the transfer books of the depository or our Hong Kong share registrar or Cayman share registrar are closed or at any time if the depository or we determine it advisable to do so, subject to such refusal complying with U.S. federal securities laws.

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

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable, or which become payable, on your ADSs or on the deposited securities represented by any of your ADSs. The depository may refuse to register or transfer your ADSs or allow you to withdraw the deposited securities represented by your ADSs until such taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the depository sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to you any net proceeds, or send to you any property, remaining after it has paid the taxes. You agree to indemnify us, the depository, the custodian and each of our and their respective agents, directors, employees and affiliates for, and hold each of them harmless from, any claims with respect to taxes (including applicable interest and penalties thereon) arising from any refund of taxes, reduced rate of withholding at source or other tax benefit obtained for you. Your obligations under this paragraph shall survive any transfer of ADRs, any surrender of ADRs and withdrawal of deposited securities or the termination of the deposit agreement.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Material Modifications to the Rights of Security Holders

See “Item 10. Additional Information” for a description of the rights of shareholders.

Use of Proceeds

Initial Public Offering

The following “Use of Proceeds” information relates to the registration statement on Form F-1, as amended, for our initial public offering (File No. 333-281054), which was declared effective by the SEC on October 24, 2024. Our initial public offering closed in October 2024. The underwriters exercised their option to purchase additional ADSs from us at initial public offering price in November 2024. Morgan Stanley Asia Limited, J.P. Morgan Securities LLC and China International Capital Corporation Hong Kong Securities Limited were the representatives of the underwriters for our initial public offering. We offered and sold an aggregate of 8,650,590 ADSs at an initial public offering price of US\$15.50 per ADS, including the ADSs sold upon the partial exercise of the option to purchase additional 912,190 ADSs by the underwriters for our initial public offering. We raised an aggregate of US\$125.5 million in net proceeds from our initial public offering and the underwriters’ partial exercise of their option to purchase additional ADSs after deducting underwriting commissions and the offering expenses payable by us.

The total expenses incurred for our company’s account in connection with our initial public offering was US\$16.9 million, which included US\$9.4 million in underwriting discounts and commissions for the initial public offering and US\$7.5 million in other costs and expenses in connection therewith. None of the transaction expenses included payments to directors or officers of our company or their associates, persons owning more than 10% or more of our equity securities or our affiliates. None of the net proceeds from the initial public offering were paid, directly or indirectly, to any of our directors or officers or their associates, persons owning 10% or more of our equity securities or our affiliates.

For the period from October 24, 2024, the date that the Form F-1 was declared effective by the SEC, to December 31, 2025, we used US\$68.3 million of the net proceeds from our initial public offering. This includes (i) US\$45.0 million for research and development of autonomous driving technologies, products and services, (ii) US\$2.5 million for commercialization and operation of our autonomous driving fleets, as well as marketing activities to expand into more markets, (iii) US\$2.5 million to support our capital expenditures, including purchase of testing vehicles, research and development facilities and administrative expenses, and (iv) US\$11.6 million for general corporate purpose. There is no material change in the use of proceeds as described in the F-1 registration statement. We still intend to use the remainder of the proceeds from our initial public offering as disclosed in the Form F-1 registration statement.

Global Offering

The following “Use of Proceeds” information relates to the shelf registration statement on Form F-3 (File No. 333-291214) filed on November 3, 2025 and prospectus supplements dated as of November 3, 2025, relating to our Global Offering in connection with the Hong Kong Listing, which closed on November 6, 2025. We offered and sold 88,250,000 Class A ordinary shares at an offering price of HK\$27.10 per Class A ordinary share. China International Capital Corporation Hong Kong Securities Limited, Morgan Stanley Asia Limited and J.P. Morgan Securities (Asia Pacific) Limited were the representatives of the international underwriters of the Global Offering.

We received net proceeds of HK\$2,318.0 million from the Global Offering, after deducting the underwriting fees and commissions. Our expenses incurred and paid to others in connection with the issuance and distribution of the Class A ordinary shares in our offering totaled US\$73.5 million, which included HK\$71.7 million for underwriting discounts and commissions and HK\$1.8 million for other expenses. None of the transaction expenses included payments to directors or officers of our company or their associates, persons owning 10% or more of our equity securities or our affiliates.

For the period from November 3, 2025, the date that the shelf registration statement on Form F-3 was automatically effective, to December 31, 2025, we did not use any of the net proceeds received from the Global Offering. We intend to use the net proceeds from the Global Offering for the purposes as disclosed in the applicable prospectus supplement.

ITEM 15. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this annual report.

Based upon that evaluation, our management has concluded that, as of December 31, 2025, our disclosure controls and procedures were effective in ensuring that the information required to be disclosed by us in the reports that we file and furnish under the Exchange Act was recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure.

Remediation of Previously Identified Material Weakness

In connection with the audits of our consolidated financial statements as of and for the years ended December 31, 2023 and 2024, we and our independent registered public accounting firm identified a material weakness in our internal control over financial reporting. As defined in the standards established by the 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 was that we lacked sufficient financial reporting and accounting personnel with appropriate knowledge of IFRS and the SEC reporting requirements to properly address complex IFRS accounting issues and related disclosures in accordance with IFRS and financial reporting requirements set forth by the SEC. As of December 31, 2025, we determined the material weakness described above has been remediated as management has completed the design and implementation of controls over financial reporting, including but not limited to (i) hired additional qualified accounting and financial personnel with appropriate knowledge and experience in IFRS and SEC reporting; (ii) organized regular trainings for our accounting staffs, especially trainings related to IFRS and SEC reporting requirements; (iii) improved our periodic closing process, related financial reporting and disclosure procedures, especially for non-recurring and complex transactions to ensure that the consolidated financial statements and related disclosures are in compliance with IFRS and SEC reporting requirements. However, we cannot ensure that the measures we have taken to date, and actions we may take in the future, will prevent or avoid potential future material weaknesses due to a failure to implement and maintain adequate internal control over financial reporting or circumvention of these controls. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We previously identified a material weakness in our internal control over financial reporting. If we fail to develop and maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud."

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d15(f) under the Exchange Act) and for the assessment of the effectiveness of our internal control over financial reporting. Management, with the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), assessed our internal control over financial reporting based upon the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, our management has concluded that our internal control over financial reporting was effective as of December 31, 2025.

Attestation Report of the Registered Public Accounting Firm

Our independent registered public accounting firm, KPMG Huazhen LLP, has audited the effectiveness of the Company's internal control over financial reporting as of December 31, 2025.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
WeRide Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited WeRide Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of December 31, 2024 and 2025, the related consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity, and cash flows for each of the years in the three year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements), and our report dated April 23, 2026 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG Huazhen LLP

Beijing, China

April 23, 2026

Changes in Internal Control over Financial Reporting

Other than the design and implementation of the controls necessary to remediate the previously identified material weakness, there were no changes in our internal control over financial reporting that occurred during the period covered by this annual report on Form 20-F that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Ms. Huiping Yan, an independent director (under the standards set forth in Rule 5605(c)(2) of the Nasdaq Stock Market Rules and Rule 10A-3 under the Securities Exchange Act of 1934) and a member of our audit committee, is an audit committee financial expert.

ITEM 16B. CODE OF ETHICS

Our board of directors has adopted a Code of Business Conduct and Ethics, or the Code of Conduct, that applies to all of the directors, officers, employees and consultants. We have posted a copy of the Code of Conduct on our website at <http://ir.weride.ai>. The board of directors is responsible for overseeing the Code of Conduct and must approve any waivers of the Code of Conduct for directors, officers, employees and consultants. If we make any substantive amendments to the Code of Conduct or grant any waiver from a provision of the Code of Conduct to any director or executive officer, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, we will promptly disclose the nature of the amendment or waiver on our website.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees by the categories specified below in connection with certain professional services rendered by our independent registered public accounting firm, for the periods indicated. We did not pay any other fees to our auditors during the periods indicated below.

	<u>2024</u>	<u>2025</u>
	<u>RMB</u>	<u>RMB</u>
	<i>(in thousands)</i>	
Audit fees ⁽¹⁾	8,630	15,895
Audit-related fees ⁽²⁾		434
Tax fees ⁽²⁾	309	1,057

Notes:

- (1) "Audit fees" means the aggregate fees billed or payable for the years listed above for professional services rendered by our principal accounting firm for the audit of our annual financial statements or services that are normally provided by the auditors in connection with statutory and regulatory filings or engagements, including the audit fee relating to our Global Offering in connection with the listing on the Hong Kong Stock Exchange in 2025.
- (2) "Audit-related fees" represents the aggregate fees billed for internal control review services by our principal accounting firm related to our Global Offering in connection with the listing on the Hong Kong Stock Exchange rendered in 2025.
- (3) "Tax fees" means the aggregate fees billed for the services rendered by our principal accounting firm for tax compliance and advisory services.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by our independent registered public accounting firm, including audit services, audit-related services and tax services as described above, other than those for de minimis services which are approved by the audit committee prior to the completion of the audit.

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

Not applicable.

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

Share Repurchase Program

On March 23, 2026, our board of directors authorized a share repurchase program, effective as of March 23, 2026, under which we may repurchase up to US\$100 million of our Class A ordinary shares (including in the form of ADSs) over the next 12 months, subject to the scope and limit of the repurchase mandate granted by our shareholders on March 13, 2026 and the approval of a similar repurchase mandate to be put forward to shareholders at our upcoming 2026 annual general meeting.

Our proposed repurchases may be made from time to time on the open market at prevailing market prices, in privately negotiated transactions, in block trades and/or through other legally permissible means, depending on market conditions and in accordance with applicable rules and regulations. Our board of directors will review the implementation of the share repurchase program periodically and may modify, suspend or terminate the share repurchase program as it shall deem necessary or desirable. We expect to fund the repurchases out of our existing cash balance. Shareholders and prospective investors of the Company should note that there is no assurance of the timing, quantity or price of any share repurchase.

During 2025, there was no share repurchase by our company.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

As a Cayman Islands company listed on the Nasdaq Global Select Market, we are subject to the Nasdaq Stock Market's corporate governance listing standards. However, the Nasdaq Stock Market 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 Nasdaq Stock Market's corporate governance listing standards. We have elected to follow the corporate governance practices of our home country. Currently, our board of directors is not composed of a majority of independent directors. Furthermore, not all members of our compensation committee and nomination committee are independent directors. As a result of our choice to follow home country practice in those matters, our shareholders may be afforded less protection than they otherwise would be afforded under the Nasdaq Stock Market's corporate governance listing standards applicable to U.S. domestic issuers. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Class A Ordinary Shares and ADSs—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 Nasdaq Stock Market's corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the Nasdaq Stock Market's corporate governance listing standard."

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

We have adopted insider trading policies and procedures governing the purchase, sale and other dispositions of our securities by directors, senior management and employees to promote compliance with applicable insider trading laws, rules and regulations. These insider trading policies and procedures are filed as Exhibit 11.2 to this annual report on Form 20-F.

ITEM 16K. CYBERSECURITY

Risk Management and Strategy

We have implemented comprehensive cybersecurity risk assessment procedures to ensure effectiveness in cybersecurity management, strategy and governance and reporting cybersecurity risks. We have also integrated cybersecurity risk management into our overall enterprise risk management system.

We have developed a comprehensive cybersecurity threat defense system to address both internal and external threats. We strive to manage cybersecurity risks and protect sensitive information through various means, such as technical safeguards and procedural requirements. We have integrated cybersecurity incident management team (the “CSI management team”) into our broader risk management framework to promote a company-wide culture of cybersecurity risk management, which works closely with our information security (“IS”) department to continuously evaluate and address cybersecurity risks in alignment with our business objectives and operational needs. We have also set up an emergency response mechanism for information security incidents. All our personnel are required to strictly follow our internal rules, policies and protocols to safeguard the integrity of our data.

As of the date of this annual report, we have not experienced any material cybersecurity incidents or identified any material cybersecurity threats that have affected or are reasonably likely to materially affect us, our business strategy, results of operations or financial condition.

Governance

Our cybersecurity committee of the board of directors (the “Cybersecurity Committee”) is responsible for overseeing our cybersecurity risk management, including oversight and mitigation of risks from cybersecurity threats. If a cybersecurity incident occurs, the CSI management team shall promptly report it, if necessary or advisable, to the Cybersecurity Committee. The Cybersecurity Committee is also responsible for reviewing and approving any proposed changes to the cybersecurity policy, based on periodic assessments conducted by the CSI management team.

At management level, the legal department representative on the CSI management team shall promptly notify our CEO or CFO and provide them with access to all information as necessary to assist with their assessment of “materiality” of the cybersecurity incident(s). If a disclosure is required, our CEO or CFO shall coordinate with the legal department to prepare disclosure responsive to SEC requirements.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS

The consolidated financial statements of WeRide Inc. and its subsidiaries are included at the end of this annual report.

ITEM 19. EXHIBITS

Exhibit Number	Description
1.1	Ninth Amended and Restated Memorandum and Articles of Association of the Registrant (incorporated herein by reference to Exhibit 3.1 to the Report on Form 6-K filed with the Securities and Exchange Commission on March 13, 2026) (File No. 001-42213)
2.1	Registrant's Specimen American Depositary Receipt (included in Exhibit 2.3)
2.2	Registrant's Specimen Certificate for Class A ordinary shares (incorporated herein by reference to Exhibit 4.2 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
2.3	Deposit Agreement among the Registrant, the depository and the holders and beneficial owners of American depository shares evidenced by American depository receipts issued thereunder dated October 24, 2024 (incorporated by reference to Exhibit 2.3 to the Annual Report on Form 20-F of the Registrant (File No. 001-42213) filed with the SEC on March 25, 2025)
2.4*	Description of Securities
4.1+	Amended and Restated 2018 Share Plan (incorporated herein by reference to Exhibit 10.1 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.2+	Form of Indemnification Agreement between the Registrant and its directors and executive officers (incorporated herein by reference to Exhibit 10.2 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.3+	Form of Employment Agreement between the Registrant and its executive officers (incorporated herein by reference to Exhibit 10.3 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.4†	Purchase Agreement between Yutong Bus Co., Ltd. and WFOE, dated July 21, 2023 (incorporated herein by reference to Exhibit 10.5 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.5	English translation of Form of Agreement on Vehicle Purchase between Yutong Bus Co., Ltd. and WFOE, and a schedule of all executed Agreements on Vehicle Purchase adopting the same form (incorporated herein by reference to Exhibit 10.6 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.6	Form of Service Agreement between Alliance Automotive Research & Development (Shanghai) Co., Ltd. and WFOE, and a schedule of all executed Service Agreements adopting the same form (incorporated herein by reference to Exhibit 10.7 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.7	Master Service Agreement between Alliance Automotive Research & Development (Shanghai) Co., Ltd. and WFOE, dated November 1, 2023 (incorporated herein by reference to Exhibit 10.8 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))

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Exhibit Number	Description
4.8†	Goods Purchase Agreement between Alliance Automotive Research & Development (Shanghai) Co., Ltd. and WFOE, dated July 31, 2023 (incorporated herein by reference to Exhibit 10.9 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.9†	Cooperation Agreement between Bosch Automotive Products (Suzhou) Co., Ltd. and WFOE, dated May 24, 2022 (incorporated herein by reference to Exhibit 10.11 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.10†	Agreement on Subsequent Collaboration by and among Robert Bosch GmbH, Bosch Automotive Products (Suzhou) Co., Ltd., the Registrant and other parties thereto, dated July 23, 2024 (incorporated herein by reference to Exhibit 10.12 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.11†	Service Agreement between Nissan Mobility Services Co., Ltd. and WFOE, dated October 20, 2022 (incorporated herein by reference to Exhibit 10.13 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.12	Share Subscription Agreement between the Registrant and Alliance Ventures, B.V., dated July 26, 2024 and as amended on October 21, 2024 (incorporated herein by reference to Exhibit 10.14 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.13	Nominating and Support Agreement between the Registrant, Tony Xu Han, Yan Li and Alliance Ventures, B.V., dated July 26, 2024 (incorporated herein by reference to Exhibit 10.15 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.14†	Co-operation Agreement between the Registrant and Renault s.a.s., dated July 17, 2024 (incorporated herein by reference to Exhibit 10.16 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.15†	Subscription Agreement between the Registrant and JSC International Investment Fund SPC, dated August 9, 2024 (incorporated herein by reference to Exhibit 10.17 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.16	Subscription Agreement between the Registrant and Get Ride Inc., dated August 8, 2024 (incorporated herein by reference to Exhibit 10.18 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.17	Subscription Agreement between the Registrant and Beijing Minghong Management Consulting Partnership, dated August 8, 2024 (incorporated herein by reference to Exhibit 10.19 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.18	Amended and Restated Subscription Agreement between the Registrant and Kechuangzhixing Holdings Limited, dated October 21, 2024 (incorporated herein by reference to Exhibit 10.20 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.19	Subscription Agreement between the Registrant, Guangqizhixing Holdings Limited and Gac Capital International Ltd., dated July 17, 2024 (incorporated herein by reference to Exhibit 10.21 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.20	Amended and Restated Subscription Agreement between the Registrant and GZJK WENYUAN Inc., dated October 21, 2024 (incorporated herein by reference to Exhibit 10.22 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
4.21†*	Equity Commitment Letter between the Registrant and Uber Technologies, Inc., dated May 5, 2025

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Exhibit Number	Description
4.22+	WeRide Inc. 2026 Share Plan (incorporated herein by reference to Exhibit 10.1 to the registration statement on Form S-8 filed with the SEC on March 23, 2026 (File No.333-294551))
8.1	Principal Subsidiaries of the Registrant (incorporated by reference to Exhibit 8.1 to the Annual Report on Form 20-F of the Registrant (File No. 001-42213) filed with the SEC on March 25, 2025)
11.1	Code of Business Conduct and Ethics of the Registrant (incorporated herein by reference to Exhibit 99.1 to the registration statement on Form F-1, as amended, initially filed with the SEC on July 26, 2024 (File No. 333-281054))
11.2	Statement of Policies Governing Material Non-public Information and the Prevention of Insider Trading of the Registrant (incorporated herein by reference to Exhibit 11.2 to the annual report on Form 20-F filed with the SEC on March 25, 2025 (File No. 001-42213))
12.1*	Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	Certification by Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	Certification by Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Commerce & Finance Offices
15.2*	Consent of Travers Thorp Alberga
15.3*	Consent of KPMG Huazhen LLP, an independent registered public accounting firm
97.1	Clawback Policy of the Registrant (incorporated herein by reference to Exhibit 97.1 to the annual report on Form 20-F filed with the SEC on March 25, 2025 (File No. 001-42213))
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Scheme Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover page formatted as Inline XBRL and contained in Exhibit 101

* Filed with this Annual Report on Form 20-F.

** Furnished with this Annual Report on Form 20-F.

+ Indicates management contract or compensatory plan.

† Portions of this exhibit have been redacted pursuant to Item 4 of the "Instructions As To Exhibits" of Form 20-F because the Company customarily and actually treats the redacted information as private or confidential and the omitted information is not material. The registrant hereby undertakes to furnish an unredacted copy of the agreement and supplemental copies of any of the omitted schedules and other similar attachments upon request by the Securities and Exchange Commission.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing its annual report on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

WeRide Inc.

By: /s/ Tony Xu Han

Name: Tony Xu Han

Title: Chairman and Chief Executive Officer

Date: April 23, 2026

WERIDE INC.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
WeRide Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of WeRide Inc. and subsidiaries (the Company) as of December 31, 2024 and 2025, the related consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2025, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated April 23, 2026 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the 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 consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of sufficiency of audit evidence on revenue

As discussed in Notes 2(x) and 5 to the consolidated financial statements, the Company recorded RMB684,587 thousand in revenue for the year ended December 31, 2025. Revenue is derived from a number of revenue streams and the Company's processes to record revenue differ for each of these revenue streams.

We identified the evaluation of sufficiency of audit evidence on revenue as a critical audit matter. Evaluating the sufficiency of audit evidence required auditor judgment due to the number of revenue streams and separate processes to account for and recognize revenue. This included determining the nature and extent of audit evidence obtained on each revenue stream.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed on each revenue stream.

- We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's revenue recognition.
- We inspected, on a sample basis, contracts with customers to identify terms and conditions and assessed the appropriateness of the Company's revenue recognition.
- We evaluated the timing and amount of revenue recognized on a sample basis, by inspecting the underlying support, including i) contracts and product acceptance notes signed by customers for product revenue, ii) contracts and acceptance notes signed by customers or confirmations from customers for service revenue.
- We evaluated the sufficiency of audit evidence obtained by assessing the results of the procedures performed, including the appropriateness of the nature and extent of such evidence.

/s/ KPMG Huazhen LLP

We have served as the Company's auditor since 2022.
Beijing, China
April 23, 2026

Consolidated Statements of Profit or Loss

(Expressed in thousands of Renminbi (“RMB”), except for per share data)

	Note	For the year ended December 31,		
		2023 RMB'000	2024 RMB'000	2025 RMB'000
Revenue				
Product revenue (including product revenue from related parties of RMB10,218, RMB2,840 and nil for the years ended December 31, 2023, 2024 and 2025, respectively)		54,190	87,710	359,843
Service revenue (including service revenue from related parties of RMB38,288, RMB29,397 and RMB7,632 for the years ended December 31, 2023, 2024 and 2025, respectively)		347,654	273,424	324,744
Total revenue	5	401,844	361,134	684,587
Cost of revenue				
Cost of goods sold (including cost of goods sold from related parties of RMB10,788, RMB9,119 and nil for the years ended December 31, 2023, 2024 and 2025, respectively)		(34,138)	(71,716)	(253,530)
Cost of services (including cost of services from a related party of RMB50,743, RMB21,133 and RMB3,200 for the years ended December 31, 2023, 2024 and 2025, respectively)		(184,230)	(178,703)	(224,235)
Total cost of revenue	7	(218,368)	(250,419)	(477,765)
Gross profit		183,476	110,715	206,822
Other net income	6	15,750	16,491	4,912
Research and development expenses (including research and development expenses from a related party of RMB60,789, RMB68,922 and RMB63,605 for the years ended December 31, 2023, 2024 and 2025, respectively)	7	(1,058,395)	(1,091,357)	(1,372,191)
Administrative expenses	7	(625,369)	(1,138,802)	(596,060)
Selling expenses	7	(41,447)	(53,566)	(73,628)
Impairment loss on receivables and contract assets (including provision of impairment loss of RMB1,292 and RMB160 for the years ended December 31, 2023 and 2024, respectively, and reversal of impairment loss of RMB335 on receivables from related parties for the year ended December 31, 2025)	31(a)	(40,217)	(28,664)	(16,625)
Operating loss		(1,566,202)	(2,185,183)	(1,846,770)
Net foreign exchange gain/(loss)		7,052	27,880	(9,031)
Interest income		132,042	176,902	172,307
Fair value changes of financial assets at fair value through profit or loss (“FVTPL”)	31(e)	42,960	(61,834)	41,822
Other finance costs	8	(3,490)	(3,451)	(9,128)
Fair value changes of financial liabilities measured at FVTPL	27	(4,549)	—	—
Changes in the carrying amounts of preferred shares and other financial instruments subject to redemption and other preferential rights	23(a)(b)	(554,048)	(465,254)	—
Loss before taxation		(1,946,235)	(2,510,940)	(1,650,800)
Income tax	9(a)	(2,866)	(5,868)	(4,100)
Loss for the year		(1,949,101)	(2,516,808)	(1,654,900)
Loss attributable to shareholders of the Company		(1,949,101)	(2,516,808)	(1,654,900)
Loss per ordinary share				
Basic and diluted loss per Class A and Class B ordinary share (in RMB)	10(a)(ii)	(16.86)	(8.54)	(1.79)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Profit or Loss and Other Comprehensive Income
(Expressed in thousands of RMB)

	Note	For the year ended December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Loss for the year		(1,949,101)	(2,516,808)	(1,654,900)
Other comprehensive income for the year (net of nil tax):				
Items that will not be reclassified to profit or loss:				
–Exchange differences on translation of financial statements of foreign operations		(73,323)	38,364	(122,030)
Other comprehensive income for the year		(73,323)	38,364	(122,030)
Total comprehensive income for the year		(2,022,424)	(2,478,444)	(1,776,930)
Total comprehensive income attributable to shareholders of the Company		(2,022,424)	(2,478,444)	(1,776,930)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Financial Position
(Expressed in thousands of RMB)

	Note	As of December 31,	
		2024	2025
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Property and equipment	11	178,179	378,769
Right-of-use assets	12	73,564	65,870
Intangible assets	13	21,664	17,966
Goodwill	14	44,758	44,758
Restricted cash–non-current	15	9,669	6,487
Deferred tax assets	9(b)	997	—
Financial assets at FVTPL–non-current	20	56,919	188,083
Other non-current assets	19	20,025	23,668
		405,775	725,601
Current assets			
Inventories	16	204,705	321,021
Contract assets	17(a)	28,005	23,305
Trade receivables	18	252,607	462,135
Prepayments and other receivables	18	197,652	269,986
Prepayments to and amounts due from related parties	34(d)	26,618	9,010
Financial assets at FVTPL–current	20	1,685,146	144,252
Time deposits	21(a)	620,148	301,401
Cash and cash equivalents	21(a)	4,268,300	6,666,304
Restricted cash–current	15	4,814	12,910
		7,287,995	8,210,324
Total assets		7,693,770	8,935,925
EQUITY			
Class A ordinary shares	29(a)	54	69
Class B ordinary shares	29(a)	4	4
Share premium		12,750,598	14,962,531
Reserves	29(b)	2,946,715	3,223,822
Accumulated losses		(8,631,352)	(10,286,252)
Total equity		7,066,019	7,900,174

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Financial Position (continued)*(Expressed in thousands of RMB)*

	Note	As of December 31,	
		2024	2025
		RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities–non-current	22	26,059	23,241
Long-term bank loan	28	50,040	—
Deferred tax liabilities	9(b)	4,486	3,489
Other non-current liabilities	25	4,677	7,720
		85,262	34,450
Current liabilities			
Short-term bank loans	28	30,019	324,263
Trade payables	26	20,713	163,000
Other payables, deposits received and accrued expenses	26	397,755	408,357
Contract liabilities	17(b)	4,476	28,512
Lease liabilities–current	22	36,900	31,920
Amounts due to related parties	34(d)	9,450	1,949
Put option liabilities	24	41,099	43,300
Income taxes payable		2,077	—
		542,489	1,001,301
Net current assets		6,745,506	7,209,023
Total liabilities		627,751	1,035,751
Total equity and liabilities		7,693,770	8,935,925

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity

(Expressed in thousands of RMB)

	Note	Ordinary shares	Series Seed-1 Preferred Shares	Series Seed-2 Preferred Shares	Series A Preferred Shares	Share premium	Share-based compensation reserve	Translation reserve	Other reserves	Accumulated losses	Treasury shares	Total deficit
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Note 29(a))	(Note 29(a))	(Note 29(a))	(Note 29(a))	(Note 29(a))	(Note 29(b)(i))	(Note 29(b)(ii))	(Note 29(b)(iii))	(Note 29(b)(iii))	(Note 29(c))	(Note 29(c))
Balance as of January 1, 2023		8	5	4	6	1,061,570	398,694	(161,324)	903,265	(4,132,676)	(151,668)	(2,082,114)
Changes in equity for 2023												
Loss for the year		—	—	—	—	—	—	—	—	(1,949,101)	—	(1,949,101)
Foreign currency translation adjustment, net of nil income taxes		—	—	—	—	—	—	(73,323)	—	—	—	(73,323)
Total comprehensive income		—	—	—	—	—	—	(73,323)	—	(1,949,101)	—	(2,022,424)
Share-based compensation expenses	7(i)	—	—	—	—	—	931,784	—	—	—	—	931,784
Exercise of warrants to subscribe for non-redeemable preferred shares	27, 29(a)(iii)	—	—	—	*	31	—	—	111,055	—	—	111,086
Deemed distribution to a preferred shareholder	27	—	—	—	—	—	—	—	—	(32,767)	—	(32,767)
Issuance of ordinary shares	29(a)(iii)	—	—	—	—	42,519	—	—	—	—	—	42,519
		—	—	—	—	42,550	931,784	—	111,055	(32,767)	—	1,052,622
Balance as of December 31, 2023		8	5	4	6	1,104,120	1,330,478	(234,647)	1,014,320	(6,114,544)	(151,668)	(3,051,914)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity (continued)

(Expressed in thousands of RMB)

Note	Class A ordinary shares RMB'000 (Note 29(a))	Class B ordinary shares RMB'000 (Note 29(a))	Ordinary shares RMB'000 (Note 29(a))	Series Seed-1 Preferred Shares RMB'000 (Note 29(a))	Series Seed-2 Preferred Shares RMB'000 (Note 29(a))	Series A Preferred Shares RMB'000 (Note 29(a))	Share premium RMB'000 (Note 29(a))	Share-based compensation reserve RMB'000 (Note 29(b)(i))	Translation reserve RMB'000 (Note 29(b)(ii))	Other reserves RMB'000 (Note 29(b)(iii))	Accumulated losses RMB'000	Treasury shares RMB'000 (Note 29(c))	Total (deficit)/equity RMB'000
Balance as of January 1, 2024	—	—	8	5	4	6	1,104,120	1,330,478	(234,647)	1,014,320	(6,114,544)	(151,668)	(3,051,918)
Changes in equity for 2024													
Loss for the year	—	—	—	—	—	—	—	—	—	—	(2,516,808)	—	(2,516,808)
Foreign currency translation adjustment, net of nil income taxes	—	—	—	—	—	—	—	—	38,364	—	—	—	38,364
Total comprehensive income	—	—	—	—	—	—	—	—	38,364	—	(2,516,808)	—	(2,478,444)
Share-based compensation expenses	7(i)	—	—	—	—	—	—	1,187,867	—	—	—	—	1,187,867
Issuance of ordinary shares to settle vested restricted share units ("RSUs")	29(a)(iv)	—	—	6	—	—	(6)	—	—	—	—	—	—
Withholding of vested RSUs to satisfy income tax requirements upon settlement of vested RSUs	34(c)	—	—	—	—	—	—	(394,195)	—	—	—	—	(394,195)
Bonus element in issuance of ordinary shares to Series D and Series D+ preferred shareholders	29(a)(v)	—	—	1	—	—	—	—	—	—	—	—	1
Cancellation of other financial instruments issued to an investor	21(e)(vi)	—	—	—	—	—	—	—	—	4,528	—	—	4,528
Cancellation of treasury shares	29(c)	(1)	—	—	—	—	(151,667)	—	—	—	—	151,668	—
Issuance of Class A ordinary shares relating to initial public offering and exercise of over- allotment option, net of commissions and other listing expenses	29(a)(vii)	6	—	—	—	—	3,149,258	—	—	—	—	—	3,149,264
Re-designation before the completion of the IPO	29(a)(vi)	11	4	(15)	—	—	—	—	—	—	—	—	—
Conversion of preferred shares into Class A and Class B ordinary shares	29(a)(viii)	38	*	—	(5)	(4)	(6)	8,648,893	—	—	—	—	8,648,916
		<u>54</u>	<u>4</u>	<u>(8)</u>	<u>(5)</u>	<u>(4)</u>	<u>(6)</u>	<u>11,646,478</u>	<u>793,672</u>	<u>4,528</u>	<u>—</u>	<u>151,668</u>	<u>12,596,381</u>
Balance as of December 31, 2024		<u>54</u>	<u>4</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>12,750,598</u>	<u>2,124,150</u>	<u>(196,283)</u>	<u>1,018,848</u>	<u>(8,631,352)</u>	<u>7,066,019</u>

* Represents amounts less than RMB1,000.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity (continued)

(Expressed in thousands of RMB)

	Note	Class A	Class B	Share	Share-based	Translation	Other	Accumulated	Total
		ordinary	ordinary	premium	compensation	reserve	reserves	losses	equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Note 29(a))	(Note 29(a))	(Note 29(a))	(Note 29(b)(i))	(Note 29(b)(ii))	(Note 29(b)(iii))		
Balance as of January 1, 2025		54	4	12,750,598	2,124,150	(196,283)	1,018,848	(8,631,352)	7,066,019
Changes in equity for 2025									
Loss for the year		—	—	—	—	—	—	(1,654,900)	(1,654,900)
Foreign currency translation adjustment, net of nil income taxes		—	—	—	—	(122,030)	—	—	(122,030)
Total comprehensive income		—	—	—	—	(122,030)	—	(1,654,900)	(1,776,930)
Share-based compensation expenses	7(i)	—	—	—	449,983	—	—	—	449,983
Issuance of Class A ordinary shares to settle vested RSUs	29(a)(ix)	3	—	(3)	—	—	—	—	—
Withholding of vested RSUs to satisfy income tax requirements upon settlement of vested RSUs	29(a)(ix)	—	—	—	(50,846)	—	—	—	(50,846)
Issuance of Class A ordinary shares for exercise of share options	29(a)(x) 21(e)(x) 21(e)(xi)	1	—	103,437	—	—	—	—	103,438
Class A ordinary shares issued to depositary bank	29(a)(xi)	5	—	(5)	—	—	—	—	—
Issuance of ordinary shares relating to Global Offering, net of commissions and other listing expense	29(a)(xii)	6	—	2,108,504	—	—	—	—	2,108,510
Surrender of Class A ordinary shares	29(a)(xiii)	*	—	*	—	—	—	—	—
		15	—	2,211,933	399,137	—	—	—	2,611,085
Balance as of December 31, 2025		69	4	14,962,531	2,523,287	(318,313)	1,018,848	(10,286,252)	7,900,174

* Represents amounts less than RMB1,000.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows
(Expressed in thousands of RMB)

	Note	For the year ended December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Operating activities				
Cash used in operations	21(b)	(472,024)	(589,804)	(1,317,634)
Income tax paid		(2,866)	(3,791)	(4,100)
Net cash used in operating activities		(474,890)	(593,595)	(1,321,734)
Investing activities				
Payments for purchase of property and equipment		(36,650)	(84,004)	(247,598)
Payments for purchase of intangible assets		(304)	(1,504)	(848)
Proceeds from disposal of property, equipment and intangible assets		1,903	1,060	1,444
Purchase of time deposits		(2,915,337)	(3,257,020)	(1,089,504)
Proceeds from maturity of time deposits		1,454,366	5,156,836	1,411,560
Payments for purchase of financial assets at FVTPL		(1,965,328)	(1,807,527)	(365,034)
Proceeds from sales of financial assets at FVTPL	31(e)	2,925,265	324,791	1,777,236
Payment for loans to employees	18	(10,859)	(14,236)	(357)
Proceeds from collection of loans to employees	18	—	7,109	18,982
Net cash (used in)/generated from investing activities		(546,944)	325,505	1,505,881
Financing activities				
Proceeds from issuance of ordinary shares	29(a)	42,519	1	—
Proceeds from issuance of non-redeemable preferred shares	29(a)	31	—	—
Proceeds from initial public offering and exercise of the over-allotment option, net of commissions		—	3,170,810	—
Proceeds from Global Offering, net of commissions		—	—	2,111,642
Proceeds from issuance of preferred shares and other financial instruments subject to redemption and other preferential rights	21(c)	485,262	—	—
Payment of capital element of lease liabilities	21(c)	(38,163)	(44,976)	(46,629)
Payment of interest element of lease liabilities	21(c)	(2,853)	(2,276)	(2,745)
Payment of listing expenses		(720)	(4,342)	(12,452)
Repayment of subscription price for the financial instruments subject to redemption and other preferential rights	23(a)	(39,122)	—	—
Proceeds from receipts of subscription price for the convertible redeemable preferred shares	23(a)	—	19,319	—
Proceeds from issuance of Class A ordinary shares for exercise of share options	29(a)(x)	—	—	57,452
Payment of withholding tax arising from the settlement of vested RSUs	34(c) 29(a)(ix)	—	(394,195)	(50,846)
Proceeds from bank loans	21(c)	—	80,000	332,408
Repayment of bank loans	21(c)	—	—	(88,323)
Payment of interest of bank loans	21(c)	—	(466)	(4,063)
Advances to a management personnel		—	(1,425)	—
Proceeds from collection of the advances to a management personnel		—	1,425	—
Net cash generated from financing activities		446,954	2,823,875	2,296,444
Net (decrease)/increase in cash and cash equivalents		(574,880)	2,555,785	2,480,591
Cash and cash equivalents as of January 1	21(a)	2,233,691	1,661,152	4,268,300
Effect of foreign exchange rate changes		2,341	51,363	(82,587)
Cash and cash equivalents as of December 31	21(a)	1,661,152	4,268,300	6,666,304

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

(Expressed in thousands of RMB, unless otherwise indicated)

1 General information and basis of presentation

(a) General information

WeRide Inc. (the “Company”), an exempted company with limited liability, was incorporated in the Cayman Islands under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on March 13, 2017. The Company’s American Depositary Shares (“ADSs”) have been listed on the Nasdaq Stock Market since October 25, 2024 and the Company completed its initial public offering (“IPO”) on October 28, 2024. Each ADS of the Company represents three ordinary shares.

On November 6, 2025, the Company completed its global offering (“Global Offering”), including the Hong Kong Public Offering and the International Offering, on the Stock Exchange of Hong Kong Limited (“HKEX”).

The Company is an investment holding company. The Company, through its wholly-owned subsidiaries (collectively referred to as the “Group”), is principally engaged in providing autonomous driving products and services. The Group’s principal operations and geographic markets are in the People’s Republic of China (the “PRC”).

(b) VIE reorganization

Historically, the Company conducted its surveying and mapping in internet mapping service category and held the relevant license through Guangzhou Jingqi Technology Co., Ltd. (“Guangzhou Jingqi” or the former “VIE”) and its subsidiaries prior to March 2023. The Company had control over the former VIE via a series of contractual arrangements (“VIE Arrangements”). The directors of the Company consider that the VIE Arrangements were in compliance with the relevant PRC laws and regulations and were legally binding and enforceable. In March 2023, the Group acquired 100% equity interest of the former VIE and its subsidiaries at the consideration of RMB0.6 million and the previous VIE Arrangements were terminated. Since March 2023, the Company controls the former VIE and its subsidiaries through legal ownership interests and the former VIE and its subsidiaries accounted for as consolidated subsidiaries of the Company.

(c) Basis of preparation and presentation

The Group has adopted December 31 as its financial year end date. These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards Accounting Standards (“IFRS” or “IFRS Accounting Standards”) as issued by the International Accounting Standards Board (“IASB”). These consolidated financial statements were approved and authorised for issue by the Board of Directors on April 21, 2026. Material accounting policies adopted by the Group are disclosed in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards that are first effective or available for early adoption for the annual accounting periods beginning on January 1, 2025. Note 1(d) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the year ended December 31, 2025 reflected in these consolidated financial statements. The new and revised accounting standards and interpretations issued but not yet effective for the accounting period beginning on January 1, 2025 are set out in Note 36.

The consolidated financial statements for the years presented comprise the Company and its subsidiaries.

The measurement basis used in the preparation of these consolidated financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- Other investments in securities (see Note 2(g)); and
- Financial liabilities measured at FVTPL (see Note (2(s))).

The preparation of these consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in Note 3.

(d) Changes in accounting policies

The IASB has issued the following amendments to IFRS Accounting Standards that are first effective for the accounting period beginning on January 1, 2025 and the Group has applied these amendments to these consolidated financial statements for the current year:

- *Amendments to IAS 21, Lack of exchangeability*

None of these developments have had a material effect on how the Group's results and financial position for the accounting period beginning on January 1, 2025 have been prepared or presented.

2 Material accounting policies

(a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is accounted for using the equity method. It is initially recognized at cost, which includes transaction costs. Subsequently, the Company's statement of financial position includes the Company's share of the profit or loss and other comprehensive income ("OCI") of the subsidiary, until the date on which the control is lost.

When the Company's share of losses exceeds its interest in the subsidiary, the Company's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the subsidiary. For this purpose, the Company's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Company's net investment in the subsidiary, after applying the ECL model to such other long-term interests where applicable (see Note 2(h)(i)).

(b) Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see Note 2(c)). Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

(c) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(h)(ii)).

(d) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(h)(ii)).

Gains or losses arising from the retirement or disposal of an item of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write-off the cost of items of property and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

–Leasehold improvement	Over the shorter of the useful lives of the assets or lease terms of the associated properties
–Machinery	3–5 years
–Motor vehicles	1–6 years
–Office equipment and electronic equipment	3–5 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(e) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalize the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalized are recognized as an expense on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(h)(ii)). Depreciation is calculated to write-off the cost using the straight-line method over their estimated useful lives using shorter of the useful lives of the underlying assets or lease terms.

The initial fair value of refundable rental deposits is accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in debt securities carried at amortized cost. Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statements of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the years presented. The Group presents right-of-use assets and lease liabilities separately in the consolidated statements of financial position.

(f) Intangible assets (other than goodwill)

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognized in profit or loss as incurred. Capitalized development expenditure is subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

Other intangible assets, including patents and software, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses (see Note 2(h)(ii)). Expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognized in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

–Software	5–10 years
–Patent	8 years

Amortization methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

The useful life of patent is determined based on the period of validity of patent protected by the relevant laws after considering the period of the economic benefits to the Group, technical obsolescence and estimates of useful lives of similar assets.

(g) Other investments in securities

The Group’s policies for investments in securities, other than investments in subsidiaries, are set out below.

The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVTPL for which transaction costs are recognized directly in profit or loss. These investments are subsequently accounted for as follows, depending on their classification:

(i) Non-equity investments

Non-equity investments held by the Group are investments in certain wealth management products managed by the banks and certain private fund that do not meet the criteria for being measured at amortized cost or FVOCI (recycling) and are classified into FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Changes in the fair value of the investments are recognized in profit or loss as “fair value changes of financial assets at FVTPL”.

(ii) Equity investments

An investment in equity interests is classified as financial assets at FVTPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity interests, irrespective of whether classified as at FVTPL or FVOCI, are recognized in profit or loss.

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognizes a loss allowance for expected credit losses (“ECLs”) on financial assets measured at amortized cost (including cash, cash equivalents, restricted cash, time deposits, trade receivables, amount due from related parties, receivables from payments made on behalf of customers, receivables from loans to employees and other receivables) and contract assets.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets: trade receivables, amount due from related parties, receivables from payments made on behalf of customers, receivables from loans to employees, other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the asset becomes past due or when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method and comprises the purchase cost of goods after deducting discounts from suppliers. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognized as cost of revenue in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognized as cost of revenue in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognized as a reduction in the amount of inventories recognized as cost of revenue in the period in which the reversal occurs.

(j) Restricted cash

Bank balances that are restricted as to withdrawal or for use or pledged as security is reported separately on the face of the consolidated statements of financial position.

The Group's restricted cash includes secured deposit held in designated bank accounts for the issuance of bank guarantee, the payment of the rentals and credit cards.

(k) Cash, cash equivalents and time deposits

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

Time deposits, which mature within one year at the end of each reporting period, represent interest-bearing certificates of deposits placed with banks and other financial institutions with original maturities of more than three months.

Cash, cash equivalents and time deposits are assessed for ECL in accordance with the policy set out in Note 2(h)(i).

(l) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost (see Note 2(h)(i)).

(m) Trade and other payables

Trade and other payables are initially recognized at fair value. Subsequently to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(n) Interest-bearing bank loans

Interest-bearing bank loans are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing bank loans are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with the Group's accounting policy for borrowing costs (see Note 2(aa)).

(o) Contract assets and contract liabilities

A contract asset is recognized when the Group recognizes revenue (see Note 2(x)) before being unconditionally entitled to the consideration under the terms set out in the contract. Contract assets are assessed for ECLs (see Note 2(h)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(l)).

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see Note 2(x)). A contract liability is also recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such latter cases, a corresponding receivable is also recognized (see Note 2(l)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(bb)).

(p) Ordinary shares and non-redeemable preferred shares

Ordinary shares and non-redeemable preferred shares are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Group's equity instruments. Preferred shares and other financial instruments subject to redemption and other preferential rights are classified as liabilities (see Note 2(q)).

(q) Preferred shares and other financial instruments subject to redemption and other preferential rights

(i) Convertible redeemable preferred shares

The redemption features in the preferred shares give rise to financial liabilities as under these features, the preferred shares are redeemable in cash at the option of the shareholders in case of the occurrence of triggering events that are beyond the control of the Company and the holders of the preferred shares.

The liabilities resulting from these contingent redemption obligations are measured at the present value of the redemption amount. When there are different possible redemption scenarios with different present values of the redemption amounts, the carrying amount of the liabilities are measured at the highest present value of redemption amount that could be triggered by the contingent redemption events. Under the "worst case" approach, the changes in the carrying amount of the liabilities are recognized in profit or loss.

If the preferred shares are converted into ordinary shares, the carrying amount of the financial liabilities is transferred to share capital and share premium.

(ii) Other financial instruments subject to redemption and other preferential rights

The Group enters into a series of agreements with certain investors, under which the Group and the investors commit to issue/subscribe for the convertible redeemable preferred shares upon the occurrence of specified contingent events (i.e. obtaining regulator's approval and completion of the foreign exchange registration procedures for the overseas direct investments ("ODI")). The investors have paid the subscription price upfront upon signing the agreements. Such commitments to issue/subscribe for the convertible redeemable preferred shares are referred as the other financial instruments subject to redemption and other preferential rights (the "other financial instruments"). The convertible redeemable preferred shares would give rise to financial liabilities as mentioned in Note 2(q)(i) above, when they are issued. As the issuance of the convertible redeemable preferred shares is conditional on the occurrence of the specified contingent events that are beyond the control of both the Group and counterparties, the Group recognizes such financial instruments as financial liabilities.

These liabilities are measured at the present value of the redemption amount in accordance with Note 2(q)(i). Any changes in the carrying amount of these financial instruments issued to investors are recorded in profit or loss as “changes in the carrying amounts of preferred shares and other financial instruments subject to redemption and other preferential rights”.

The Group classifies the preferred shares and other financial instruments subject to redemption and other preferential rights as current liabilities, as these preferred shares and other financial instruments may be converted into ordinary shares at the option of the holders at any time and the conversion feature does not meet the definition of an equity instrument.

(r) Treasury shares

When ordinary shares and preferred shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are presented as treasury shares included within equity. When those shares are subsequently cancelled or retired, the treasury share would be adjusted by an amount that corresponds to the sum of the par value and the share premium amounts of the shares so cancelled or retired. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

(s) Financial liabilities measured at FVTPL

Warrant liabilities arise from the warrants granted by the Group under which the holders have the rights to subscribe for the Group’s preferred shares at a predetermined price during a specific period. Warrant liabilities are measured at fair value, with changes in fair value recognized in profit or loss.

(t) Put option liabilities

Put option liabilities represent the present value of liabilities in relation to put options granted to non-controlling shareholders of the Group’s subsidiary. Under the put option clauses, the non-controlling shareholders have right to sell their equity interest to the subsidiary at a pre-agreed price on the occurrence of some certain events that are beyond the Group’s control.

Since the Group is obligated to pay cash to the investors upon occurrence of certain events beyond the Group’s control, the put option liabilities were initially recognized at present value of redemption amount by the Group with reference to the present value of the estimated future cash outflows, and were accreted to redemption amount subsequently.

(u) Employee benefits

(i) Short-term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Contributions to defined contribution plans

Pursuant to the relevant laws and regulations of the PRC, the Group’s subsidiaries in Chinese Mainland participate in a defined contribution basic pension insurance in the social insurance system established and managed by government organizations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions are recognized as part of the cost of assets or charged to profit or loss as the related services are rendered by the employees.

(iii) Share-based compensation

The Company operates a share incentive plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Employees (including directors) of the Group receive remuneration in the form of share-based awards, whereby employees render services as consideration for equity instruments (“share-based compensation”).

For share-based compensation expenses, the fair value of share-based awards granted to employees is recognized as an employee cost with a corresponding increase in a share-based compensation reserve within equity. The fair value is measured at grant date using the binomial options pricing model, taking into account the terms and conditions upon which the share-based awards were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share-based awards, the total estimated fair value of the share-based awards is spread over the vesting period, taking into account the probability that the share-based awards will vest.

During the vesting period, the number of share-based awards that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognized in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the equity-settled share-based compensation reserve. On vesting date, the amount recognized as an expense is adjusted to reflect the actual number of share-based awards that vest (with a corresponding adjustment to the share-based compensation reserve).

If the Company repurchases vested share-based awards, the payment made to the employee shall be accounted for as a deduction from equity, except to the extent that the payment exceeds the fair value of the share-based awards repurchased, measured at the repurchase date. Any such excess shall be recognized as an expense.

Where the terms or conditions of a share-based awards granted are modified, as a minimum, an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments arrangement, or is otherwise beneficial to the employee as measured at the date of modification; if a modification reduces the total fair value of the share-based awards granted, or is not otherwise beneficial to the employee, the Group nevertheless continues to recognize as a minimum the original grant date fair value of the share-based awards granted (unless those share-based awards are forfeited) as if that modification had not occurred.

(iv) Termination benefits

Termination benefits are recognized when the Group can no longer withdraw the offer of those benefits.

(v) **Income tax**

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development.

The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

(w) Provisions and contingent liabilities

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events; it is probable that an outflow of economic benefits will be required to settle the obligation; and the amount has been reliably estimated. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized of any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

(x) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services from contracts with customers.

Revenue is recognized when control over a good or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value-added tax ("VAT") or other sales taxes and is after deduction of any trade discounts.

Control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the performance by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods or services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates the transaction price to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the observable prices charged to customers when the Group sells that good or service separately. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of information. Assumptions and estimations have been made in estimating the standalone selling price, and changes in those assumptions and estimates may impact the revenue recognition.

A contract asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer and that right is conditional on something other than the passage of time. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The Group allows customers return goods only when the goods are defective.

The Group has taken advantage of the practical expedient and does not adjust the consideration for the effects of any significant financing component if the expected period of financing is 12 months or less. The contracts with customers generally do not include significant financing components or variable consideration.

Warranty obligations

The Group provides customers with a standard warranty of three to five years that covers fixing of defects and hardware component failures to ensure that the autonomous driving vehicles will function in accordance with the agreed-upon specifications. The Group assessed that this standard warranty is an assurance type warranty. In addition, subject to the product liability related laws and regulations in the jurisdictions where the Group's products and services are offered, the Group is obliged to pay compensation if its products cause harm or damage. The Group accounts for such obligation and the standard warranty in accordance with Note 2(w).

The Group also offers an option to the customers to purchase a warranty for an extended period. The Group assessed such extended warranty is a service type warranty and accounts for it as a distinct performance obligation. Transaction price allocated to the extended warranty is recognized as revenue over the extended warranty period. See Note 2(x)(ii).

The Group generates revenue from (i) the sales of autonomous driving vehicles, primarily including robobuses, robotaxis and robosweepers, and related sensor suites; (ii) the provision of autonomous driving related operational and technical support services; and (iii) the provision of other technology services, including advanced driver-assistance system ("ADAS") research and development (R&D) services, and intelligent data services.

Details of the Group's accounting policies for revenue and other income sources are as follows:

(i) Sales of autonomous driving vehicles

The Group sells autonomous driving vehicles to customers with provision of landing deployment services to make the autonomous driving vehicles operational on the roads specified by the customers. Landing deployment services include setting-up vehicles with collected and labeled maps, performing road testing, adapting cloud service for autonomous functions to make the autonomous driving vehicles run on specific roads and reach the certain customer-specific technical metrics and autonomous functions.

The Group has determined that the autonomous driving vehicles and the landing deployment services are highly interdependent and should therefore be combined as a single performance obligation. In this connection, the Group's contractual promise to customers of autonomous driving vehicles is to sell specialized autonomous driving vehicles that are optimized to provide public transportation service on specific roads meeting the customers' specifications. Without the landing deployment services, autonomous driving vehicles cannot be operated on the specific roads and reach the required technical metrics and autonomous functions designated by the customers and the Group will not be able to fulfil its promise in the contracts. Given that autonomous driving technology is an emerging technology and is characterized by a significant number of technical challenges and uncertainties, some of these are customer-specific, the performance risk of delivering autonomous driving vehicles is inseparable from the completion of the landing deployment service depending various road conditions and level of consumer acceptance. Accordingly, the benefit obtained by the customers from the autonomous driving vehicles is highly dependent on the successful completion of the landing deployment services by the Group, and the Group has combined autonomous driving vehicles and landing deployment services are accounted for as a single performance obligation. Revenue is recognized at a point in time when the autonomous driving vehicles have been accepted by the customers upon the completion of the landing deployment services by the Group.

Commencing in 2025, the Group sells customized vehicles manufactured by its OEM partners for its customers based on customers' specific requirement, which can be upgraded to autonomous driving vehicles by installing the Group's autonomous driving sensor suites and providing landing deployment requested by customers in the future.

The Group assesses that it has obtained control over the vehicles manufactured by its OEM partners once the vehicles are delivered to and accepted by the Group. Specifically, from that point of time, the Group has the ability to direct the use of the vehicles, including installing the Group's autonomous driving sensor suites onto the vehicles and then selling the vehicles to another party (i.e. the Group's customers) as the Group decides, and thereby obtaining substantially all of the remaining benefits from the vehicles via such sales. In addition, the sale of the vehicles and the provision of the landing deployment services have been combined as a single performance obligation, which means that the Group combines the vehicles manufactured by its OEM partners with its landing deployment service to produce specialized and optimized vehicles that can run on specific roads and reach the required technical metrics and autonomous functions specified by customers. As such, the Group had determined that it is a principal for the sales of autonomous driving vehicles.

The Group sells sensor suites that combine software and hardware and can be directly applied in a wide range of vehicles. Revenue from the sales of sensor suites is recognized generally at a point in time when the products are delivered to and are accepted by customers.

(ii) Autonomous driving related operational and technical support services

The Group provides optional operational assistance services to assist the customers in operating the autonomous driving vehicles for a specified period after acceptance, extended warranty of maintenance services and technical support services to enhance the autonomous driving functions based on the customer's specifications. These optional services are accounted for as separate performance obligations. Revenue from the provision of these optional services is recognized over the service period, which vary from several months to three years, using a time-elapsed measure of progress.

In some circumstances, the Group also provides autonomous driving related technical support services based on customer's request. Revenue from the provision of technical support services is recognized over the service period, which generally vary from several months to three years, using a time-elapsed measure of progress.

(iii) Other technology services

ADAS R&D services

Commencing in 2022, the Group provides customized ADAS R&D services for automotive customers based on automotive customers' specific requirement. Revenue from the provision of these services for which the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date, is recognized over time. Such revenue is recognized by measuring the progress towards complete satisfaction of the performance obligation using input method, which is based on the proportion of the costs incurred for the work performed to date relative to the estimated total costs to complete the contract. Revenue from the provision of these services for which the Group does not have an enforceable right to payment for performance completed to date, is recognized at point in time when the control of the service is transferred to customers upon acceptance notes signed by the customers.

Generally, the Group's contracts with its customers do not include any variable consideration. One exception is for the contract in relation to the ADAS R&D services, under which the Group is entitled to royalties from the customer based on the amount of actual sales made by that customer above a minimum sales threshold. The Group estimates the amount of royalties using the most likely amount method and includes the estimated amount in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the royalties is subsequently resolved. Based on the Group's estimate, no revenue has been recognized in relation to such variable consideration for the years presented due to the uncertainty to achieve the minimum sales threshold. At the end of each subsequent reporting period, the Group updates the estimate and therefore the transaction price accordingly.

Intelligent data services

Commencing in 2024, the Group provides customized intelligent data services for customers based on their business needs. Revenue from the provision of these services is recognized over time since the customers simultaneously receive and consume the benefits as the Group performs. Such revenue is recognized by measuring the progress towards complete satisfaction of the performance obligation using either input method or output method, whichever is appropriate.

To some extent, the Group arranges such services where it assists its customers in finding a provider to complete such services requested by the customers. The Group concludes that it acts as an agent in these transactions as it is not responsible for fulfilling the promise to provide such services, nor does the Group have the ability to control the related services. The Group earns a service fee, which is the difference between the amount paid by the customers to the Group and the amount paid to the service provider by the Group. Receivables from payments made on behalf of customers represented the amount paid to service provider in advance by the Group on behalf of its customers, see Note 18.

(iv) Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognized in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(y) Foreign currency translation

Item included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity (the “functional currency”). The functional currency of the Company is United States Dollars (“USD”). As the major operations of the Group are within the PRC, the Group presents its consolidated financial statements in Renminbi (“RMB”), unless otherwise stated. All values are rounded to the nearest thousand except when otherwise indicated.

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the years presented. Exchange gains and losses are recognized in profit or loss and presented outside the operating results in the consolidated statements of profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognizes such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into RMB at the average exchange rates for the period. Assets and liabilities denominated in foreign currencies are translated into RMB at the exchange rates at the balance sheet date. Equity accounts other than earnings generated in current period are translated into RMB at the appropriate historical rates. The resulting exchange differences are recognized in other comprehensive income and accumulated separately in equity in the translation reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognized.

(z) Research and development expenses

Research and development expenses are expensed as incurred. Research and development costs consist primarily of personnel-related expenses associated with engineering personnel and consultants responsible for the design, development and testing of the Group’s autonomous driving technology platform and autonomous driving vehicles, depreciation of equipment used in research and development and allocated overhead costs.

The Group determined that the expenditure on development activities incurred during the years presented did not meet the capitalization criteria, because, among others, the Group cannot demonstrate, at the time when the development expenditure was incurred, the development activities would generate probable future economic benefits.

Autonomous driving technology is an emerging technology and has potential to be applied in a wide range of different use cases. The Group faces significant challenges and uncertainty as to whether it can successfully develop and, more importantly, commercialize its autonomous driving technology platform and autonomous driving vehicles, due to expectations for better-than-human driving performance, considerable capital requirements, long lead time in development, 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 an entirely new technology. While certain autonomous driving use cases are already in the early stages of commercialization and the Group started to generate revenue since 2020, as the Group’s development activities moved on to cater for more challenging use cases involving more complex road conditions, the level of uncertainties from the above sources remain high. As such, the Group cannot demonstrate these activities would generate probable future economic benefits.

(aa) Borrowing costs

Borrowing costs are expensed in which they are incurred.

(bb) Interest income

Interest income is recognized using the effective interest method and presented outside the operating results in the consolidated statements of profit or loss.

(cc) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments and making strategic decisions. The Group's chief operating decision makers have been identified as the executive directors of the Company, who review the consolidated results of operations when making decisions about allocating resources and assessing performance of the Group as a whole.

For the purpose of internal reporting and management's operation review, the chief operating decision-makers and management personnel do not segregate the Group's business by product or service lines. Hence, the Group has only one operating segment. In addition, the Group does not distinguish between markets or segments for the purpose of internal reporting.

(dd) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 Accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Fair value of warrant liabilities

The Group measures the warrant liabilities (Note 2(s)) at fair value. There are no quoted prices in an active market, the fair value of warrant liabilities is established with the assistance of an independent valuer using generally accepted valuation techniques. The assumptions adopted by the independent valuer in the valuation models make maximum use of market inputs. However, it should be noted that some inputs, such as the fair value of the Company's ordinary shares and the estimated probability of the occurrence of triggering events, require management estimates. Management's estimates and assumptions are reviewed periodically and are adjusted if necessary. Should any of the estimates and assumptions change, it may lead to a change in the fair value of warrant liabilities.

(b) Share-based compensation

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is estimated using a model which requires the determination of the appropriate inputs. The Group has to estimate the forfeiture rate in order to determine the amount of share-based compensation expenses charged to the statement of profit or loss. The Group had to estimate the vesting periods of the share awards which were variable and subject to an estimate of when an IPO of the Company would occur before it completed its IPO in October 2024. The assumptions and models used for estimating the fair value of share-based compensation are disclosed in Note 30.

4 Segment reporting

For the purpose of resources allocation and performance assessment, the chief operating decision maker ("CODM") reviews the overall results and financial position of the Group as a whole. Accordingly, the Group has only one operating segment and no further discrete financial information nor analysis of this single segment is presented.

Geographic information

The Group's assets, liabilities, and expenses are substantially located/incurred in the PRC. Disaggregation of revenue from contracts with customers based on the locations of the customers are as follows:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Chinese Mainland	378,012	311,770	484,826
Overseas regions	23,832	49,364	199,761
	401,844	361,134	684,587

5 Revenue

The principal activities of the Group are (i) the sales of autonomous driving vehicles, primarily including robobuses, robotaxis, robosweepers, robovans and related sensor suites; (ii) the provision of autonomous driving related operational and technical support services; and (iii) the provision of other technology services, including ADAS R&D services and intelligent data services.

(i) Disaggregation of revenue

The Group generally sells autonomous driving vehicles to customers with provision of accompanying operational and technical support services. The following table sets forth the breakdown of disaggregation of revenue from contracts with customers by categories of vehicles and related services:

	<i>For the year ended December 31,</i>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000	RMB'000
Disaggregated by major products or service lines:			
Sales of robotaxis and related services	29,379	47,832	147,993
Sales of other vehicles and related services			
- Robobus	94,914	79,688	231,473
- Robosweeper	7,642	55,320	96,083
- Robovan	7,540	13,393	10,493
Other technology services	262,369	164,901	198,545
	<u>401,844</u>	<u>361,134</u>	<u>684,587</u>

Disaggregation of revenue from contracts with customers by major products or service lines and timing of revenue recognition are as follows:

	<i>For the year ended December 31,</i>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000	RMB'000
Disaggregated by major products or service lines:			
Autonomous driving related operational and technical support services	85,285	108,523	126,199
Other technology services	262,369	164,901	198,545
Provision of services	<u>347,654</u>	<u>273,424</u>	<u>324,744</u>
Sales of autonomous driving vehicles	54,190	87,710	359,843
	<u>401,844</u>	<u>361,134</u>	<u>684,587</u>
Timing of revenue recognition			
Point in time	54,190	87,710	396,431
Over time	347,654	273,424	288,156
	<u>401,844</u>	<u>361,134</u>	<u>684,587</u>

The major customers, which individually contributed more than 10% of total revenue of the Group for the years ended December 31, 2023, 2024 and 2025, are as follows. Details of concentrations of credit risk of the Group are set out in Note 31(a).

	<i>For the year ended December 31,</i>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
Customer A	55 %	24 %	*
Customer B	—	—	11 %
Customer C	—	*	11 %
Customer D	*	*	10 %

* represents that the amount of aggregated revenue from such customer is individually less than 10% of the total revenue for respective year.

(ii) Revenue expected to be recognized in the future arising from contracts with customers in existence as of the reporting date

As of December 31, 2023, 2024 and 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts were RMB263.8 million, RMB88.3 million and RMB169.6 million, respectively. These amounts represented revenue expected to be recognized in the future from operational services and ADAS research and development services contracts entered into by the customers with the Group. The Group will recognize the expected revenue in future when or as the work is completed, which is expected to occur over the next one to three years.

The Group has applied the practical expedient in paragraph 121(a) of IFRS 15 such that the above information does not include any remaining performance obligations are part of a contract that has an original expected duration of one year or less. The above information also does not include any amount of royalties under an arrangement with a customer as described in Note 2 (x)(ii).

6 Other net income

	<i>For the year ended December 31,</i>		
	<i>2023</i>	<i>2024</i>	<i>2025</i>
	RMB'000	RMB'000	RMB'000
Government grants	14,399	14,132	12,556
Net (loss)/gain on disposal of non-current assets	(1,087)	1,013	(3,468)
Others	2,438	1,346	(4,176)
	15,750	16,491	4,912

7 Expenses by nature

	<i>For the year ended December 31,</i>		
	<i>2023</i>	<i>2024</i>	<i>2025</i>
	RMB'000	RMB'000	RMB'000
Payroll and employee benefits (Note 7(i))	1,497,459	1,953,723	1,462,351
Cost of inventories (Note 16(b))	34,138	71,716	236,167
Depreciation and amortization (Note 7(ii))	89,610	101,131	166,679
Professional services fee	36,572	80,742	202,138
Service fee from a related party (Note 34)	111,532	90,055	66,805
Outsourcing service fee	43,239	67,438	139,771
Utilities and property management fee	31,978	35,698	48,100
Listing expense relating to the public offering on Nasdaq	10,346	24,622	—
Listing expense relating to the Global Offering	—	1,814	37,028
Others	88,705	107,205	160,605
Total cost of revenue, research and development expenses, administrative expenses and selling expenses	1,943,579	2,534,144	2,519,644
Notes:			
(i) Payroll and employee benefits:			
Salaries, allowances, bonus and benefits in kind	544,968	728,373	950,949
Contributions to defined contribution retirement plan	20,707	37,483	61,419
Share-based compensation expenses (Note 30)	931,784	1,187,867	449,983
	1,497,459	1,953,723	1,462,351
(ii) Depreciation and amortization:			
Property and equipment (Note 11)	49,090	58,312	111,356
Right-of-use assets (Note 12)	36,205	38,484	50,779
Intangible assets (Note 13)	4,315	4,335	4,544
	89,610	101,131	166,679

8 Other finance costs

	<i>For the year ended December 31,</i>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000	RMB'000
Interest on bank loans (Note 21(c))	—	525	4,182
Interest on lease liabilities (Note 21(c))	2,853	2,276	2,745
Changes in the carrying amount of put option liabilities (Note 21(c))	637	650	2,201
	<u>3,490</u>	<u>3,451</u>	<u>9,128</u>

9 Income tax

(a) Taxation in the consolidated statements of profit or loss represents:

The Group provided the current income tax expense of RMB2.9 million, RMB5.9 million and RMB4.1 million for the years ended December 31, 2023, 2024 and 2025, respectively. It represented withholding tax levied at 10% on interest income earned by the Company and its subsidiary in Hong Kong from banks located Chinese Mainland and withholding tax levied at 30% on interest income earned by the Company from banks located the U.S., which are non - PRC or non-U.S. residents according to the relevant rules and regulations of the Chinese Mainland or the U.S..

Reconciliation between tax expense and accounting loss at applicable tax rates:

	<i>For the year ended December 31,</i>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000	RMB'000
Loss before taxation	(1,946,235)	(2,510,940)	(1,650,800)
Notional tax benefit on loss before taxation, calculated at the rates applicable to losses in the jurisdictions concerned	(292,888)	(438,268)	(425,286)
Tax effect of non-deductible share-based compensation expenses	205,417	230,195	104,076
Tax effect of additional deduction on research and development expenses	(76,498)	(111,813)	(130,825)
Tax effect of preferential income tax rate applicable to subsidiaries	47,479	73,651	69,511
Tax effect of non-taxable interest income	(14,467)	(19,894)	(20,242)
Tax effect of withholding tax on interest income (Note (iii)(vi))	2,826	5,868	4,100
Tax effect of unused tax losses and deductible temporary differences not recognized	130,997	266,129	402,766
Income tax	<u>2,866</u>	<u>5,868</u>	<u>4,100</u>

Notes:

(i) The Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gain.

(ii) Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, the Group's subsidiary in Hong Kong is subject to Hong Kong Profits Tax at the rate of 16.5% of the estimated assessable profit generated from the operations in Hong Kong. A two-tiered profits tax rates regime was introduced in 2018 where the first Hong Kong Dollar ("HKD") 2.0 million of assessable profits earned by a company will be taxed at half of the current tax rate (8.25%) whilst the remaining profits will continue to be taxed at 16.5%. No provision for Hong Kong Profits Tax has been made, as the subsidiary of the Group incorporated in Hong Kong did not have assessable profits which are subject to Hong Kong Profits Tax for the years ended December 31, 2023, 2024 and 2025.

(iii) the U.S.

Under the United States Internal Revenue Code, the subsidiary of the Group established in the U.S. is subject to a unified Federal CIT rate of 21% and state income and franchise tax of 8.84%.

Interest income derived by the Company from the U.S. is subject to 30% U.S. federal withholding tax.

(iv) United Arab Emirates (“UAE”)

Under the Federal Decree-Law No. 47 of 2022 of the United Arab Emirates, the subsidiary of the Group established in the UAE is subject to a standard CIT rate of 9%.

(v) Singapore

Under the Income Tax Act 1947 of Singapore, the subsidiary of the Group established in Singapore is subject to a flat CIT rate of 17%.

(vi) the PRC

Under the PRC Corporate Income Tax (“CIT”) Law, the subsidiaries of the Group established in the PRC and the former VIE are subject to a unified statutory CIT rate of 25%, unless otherwise specified.

Guangzhou WeRide Tech. Co.,Ltd. and WeRide Robotaxi (Beijing) Tech. Co.,Ltd. had obtained approvals from the tax bureau to be taxed as enterprises with advanced and new technologies for the period from the calendar years from 2022 to 2024 and from 2024 to 2026, respectively, and therefore enjoyed a preferential PRC CIT rate of 15%. Guangzhou Wenyuan has successfully completed the re-certification as a high-tech enterprise and continues to enjoy the preferential tax policies from 2025 to 2027.

Interest income derived by the Company and its subsidiary in Hong Kong from the Chinese Mainland are subject to CIT on a withholding basis at rate of 10%.

No provision for income taxes has been made for the years ended December 31, 2023, 2024 and 2025 as the Company and its subsidiaries, and the former VIE and its subsidiaries have either sustained loss for tax purpose or their unused tax losses were sufficient to cover their estimated assessable profits for the year.

(b) Deferred tax assets and liabilities recognized

(i) Movements of each component of deferred tax assets and liabilities:

	<i>Assets</i>			<i>Liabilities</i>		
	<i>Tax losses</i>	<i>Lease liabilities</i>	<i>Total</i>	<i>Intangible assets</i>	<i>Right-of-use assets</i>	<i>Total</i>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax arising from:						
As of January 1, 2024	2,781	7,731	10,512	(5,483)	(8,518)	(14,001)
(Charged) /credited to profit or loss	(401)	299	(102)	997	(895)	102
As of December 31, 2024	2,380	8,030	10,410	(4,486)	(9,413)	(13,899)
(Charged) /credited to profit or loss	703	3,393	4,096	997	(5,093)	(4,096)
As of December 31, 2025	3,083	11,423	14,506	(3,489)	(14,506)	(17,995)

(ii) Reconciliations to the consolidated statements of financial position:

	<i>As of December 31,</i>	
	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000
Net deferred tax assets in the consolidated statements of financial position	997	—
Net deferred tax liabilities in the consolidated statements of financial position	(4,486)	(3,489)

(c) Deferred tax assets not recognized

The Group has not recognized deferred tax assets in respect of cumulative tax losses, including deductible temporary differences, whose expiry dates are:

	<i>As of December 31,</i>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000	RMB'000
Within 1 year	11,174	32,408	36,658
More than 1 year but within 5 years	626,232	1,147,924	1,301,948
More than 5 years	2,031,678	3,082,867	4,659,667
	<u>2,669,084</u>	<u>4,263,199</u>	<u>5,998,273</u>

Management is of opinion that it is not probable that future taxable profits against which the losses above can be utilised will be available in the relevant tax jurisdiction and entity.

10 Loss per Class A and Class B ordinary share

(a) Basic loss per Class A and Class B ordinary share

The calculation of basic loss per Class A and Class B ordinary share is based on the loss attributable to ordinary equity shareholders of the Company divided by weighted-average number of Class A and Class B ordinary shares outstanding.

In August 2024, the Company issued 12,806,568 ordinary shares to holders of Series D and Series D+ preferred shares at par value of USD0.00001 each and the Company was entitled an option to repurchase these ordinary shares if an IPO does not consummate on or before March 31, 2025. These ordinary shares were contingently returnable upon issuance; as such they were not initially treated as “outstanding” for the calculation of basic loss per ordinary share and were excluded from the calculation of loss per ordinary share amounts prior to the consummation of the IPO. However, upon the consummation of the IPO in October 2024 and consequently those shares were no longer subject to recall, the weighted average numbers of ordinary shares for the purpose of basic and diluted loss per share for the years presented have been retrospectively adjusted for the bonus element in such issuance.

Upon and immediately prior to the completion of the IPO in October 2024, the Company adopted a dual-class share structure and all of the Company’s issued ordinary shares before the completion of the IPO were re-designated into 149,442,793 Class A ordinary shares and 54,414,873 Class B ordinary shares. For comparability in the basic and diluted loss per share amounts for the years presented, the historical share capital structure has been re-presented to reflect the re-designation retrospectively.

Holders of the Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. In respect of matters requiring the votes of shareholders, the holder of Class B ordinary shares is entitled to 40 votes per share, while the holders of Class A ordinary shares entitle to one vote per share. 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. Subsequently on March 13, 2026, the Extraordinary General Meeting approved the amendment of voting rights of Class B ordinary shares to 10 votes per share.

(i) *Weighted average number of Class A and Class B ordinary shares for the purpose of basic loss per Class A and Class B ordinary share*

	<i>For the year ended December 31,</i>		
	<i>2023</i>	<i>2024</i>	<i>2025</i>
	Number of shares '000	Number of shares '000	Number of shares '000
Issued Class A and Class B ordinary shares as of January 1	103,850	105,614	826,214
Effect of bonus element in issuance of Class A ordinary shares to Series D and Series D+ preferred shareholders	12,807	12,807	—
Effect of ordinary shares issued (Note(i))	894	34,990	54,484
Effect of Class A ordinary shares issued upon IPO and exercise of the over-allotment option	—	16,350	—
Effect of Class A ordinary shares issued upon Global Offering	—	—	13,540
Effect of Class A and Class B ordinary shares converted from preferred shares	—	100,188	—
Effect of Class A ordinary shares surrendered	—	—	*
Effect of ordinary shares deemed to be in issue(Note(ii))	—	24,701	31,785
Weighted average number of Class A and Class B ordinary shares for the year	117,551	294,650	926,023

* Represents shares less than 1,000

Note:

- (i) As disclosed in Note 29(a)(xi), for the year ended December 31, 2025, the Company issued 75,000,000 Class A ordinary shares to its share depository bank to be used to settle vested RSUs and share options upon their exercise. These shares have been excluded from the computation of loss per ordinary share until they are used for the settlement of vested RSUs and exercise of vested share options.
- (ii) The ordinary shares deemed to be in issue represent the vested RSUs granted to qualified directors and employees.
- (ii) *Calculations of basic loss per Class A and Class B ordinary share*

	<i>For the year ended December 31,</i>		
	<i>2023</i>	<i>2024</i>	<i>2025</i>
Loss attributable to ordinary shareholders of the Company (in RMB'000)	(1,981,868)	(2,516,808)	(1,654,900)
Weighted average number of Class A and Class B ordinary shares in issue (in '000)	117,551	294,650	926,023
Basic loss per Class A and Class B ordinary share (in RMB)	(16.86)	(8.54)	(1.79)

(b) *Diluted loss per Class A and Class B ordinary share*

There was no difference between basic and diluted loss per Class A and Class B ordinary share for the years ended December 31, 2023, 2024 and 2025 due to the anti-dilutive effects of: 1) preferred shares and other financial instruments subject to redemption and other preferential rights issued by the Company (Note 23); 2) non-redeemable preferred shares (Note 29); and 3) the share options (Note 30).

11 Property and equipment

	<i>Leasehold improvement</i>	<i>Office equipment and electronic equipment</i>	<i>Machinery</i>	<i>Motor vehicles</i>	<i>Construction in progress</i>	<i>Total</i>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost						
As of January 1, 2024	39,462	87,967	125,027	34,779	191	287,426
Additions	9,739	61,440	12,866	5,148	68	89,261
Transfer in/(out)	—	—	78	132	(210)	—
Transfers from inventories	—	—	—	50,286	—	50,286
Disposals	—	(120)	(609)	(8,062)	(49)	(8,840)
Effect of movement in exchange rates	297	104	671	158	—	1,230
As of December 31, 2024	49,498	149,391	138,033	82,441	—	419,363
Additions	14,396	196,544	20,259	2,512	—	233,711
Transfers from inventories	—	—	5,286	77,916	—	83,202
Disposals	—	(189)	(101)	(7,702)	—	(7,992)
Effect of movement in exchange rates	(448)	(168)	(1,151)	(247)	—	(2,014)
As of December 31, 2025	63,446	345,578	162,326	154,920	—	726,270
Accumulated depreciation:						
As of January 1, 2024	(29,310)	(43,829)	(97,007)	(18,706)	—	(188,852)
Depreciation	(8,202)	(29,478)	(12,435)	(8,197)	—	(58,312)
Disposals	—	21	56	6,910	—	6,987
Effect of movement in exchange rates	(286)	(88)	(523)	(110)	—	(1,007)
As of December 31, 2024	(37,798)	(73,374)	(109,909)	(20,103)	—	(241,184)
Depreciation	(9,270)	(64,572)	(11,291)	(26,223)	—	(111,356)
Disposals	—	8	101	3,277	—	3,386
Effect of movement in exchange rates	448	148	851	206	—	1,653
As of December 31, 2025	(46,620)	(137,790)	(120,248)	(42,843)	—	(347,501)
Carrying amounts:						
As of December 31, 2024	11,700	76,017	28,124	62,338	—	178,179
As of December 31, 2025	16,826	207,788	42,078	112,077	—	378,769

12 Right-of-use assets

	<i>Properties</i> RMB'000	<i>Motor vehicles</i> RMB'000	<i>Total</i> RMB'000
Cost			
As of January 1, 2024	150,067	8,734	158,801
Additions	59,159	4,488	63,647
Derecognition	(60,738)	(5,059)	(65,797)
Effect of movement in exchange rates	300	—	300
As of December 31, 2024	148,788	8,163	156,951
Additions	50,963	4,611	55,574
Derecognition	(34,324)	—	(34,324)
Effect of movement in exchange rates	(287)	—	(287)
As of December 31, 2025	165,140	12,774	177,914
Accumulated depreciation:			
As of January 1, 2024	(101,843)	(5,300)	(107,143)
Charge for the year	(36,609)	(1,875)	(38,484)
Derecognition	57,531	4,848	62,379
Effect of movement in exchange rates	(139)	—	(139)
As of December 31, 2024	(81,060)	(2,327)	(83,387)
Charge for the year	(48,624)	(2,155)	(50,779)
Derecognition	21,979	—	21,979
Effect of movement in exchange rates	143	—	143
As of December 31, 2025	(107,562)	(4,482)	(112,044)
Carrying amounts:			
As of December 31, 2024	67,728	5,836	73,564
As of December 31, 2025	57,578	8,292	65,870

The analysis of expense items in relation to leases recognized in profit or loss is as follows:

	<i>For the year ended December 31,</i>		
	<i>2023</i> RMB'000	<i>2024</i> RMB'000	<i>2025</i> RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:			
Properties	34,630	36,609	48,624
Vehicles	1,575	1,875	2,155
	36,205	38,484	50,779
Interest on lease liabilities (Note 8)	2,853	2,275	2,745
Expense relating to short-term leases	933	1,686	8,357
	39,991	42,445	61,881

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Note 21(d) and Note 22, respectively.

Notes:

(i) Properties

The Group leases properties for its office premises, staff accommodations and garage. The leases of offices and parking space typically run for a period of one to five years.

(ii) Vehicles

The Group leases vehicles with lease terms of five years.

13 Intangible assets

	<u>Patent</u> RMB'000	<u>Software</u> RMB'000	<u>Total</u> RMB'000
Cost			
As of January 1, 2024	31,900	4,474	36,374
Purchases	—	1,504	1,504
Disposals	—	(103)	(103)
Effect of movement in exchange rates	—	19	19
As of December 31, 2024	31,900	5,894	37,794
Purchases	—	848	848
Effect of movement in exchange rates	—	(28)	(28)
As of December 31, 2025	31,900	6,714	38,614
Accumulated amortization:			
As of January 1, 2024	(9,969)	(1,811)	(11,780)
Amortization	(3,988)	(347)	(4,335)
Disposals	—	2	2
Effect of movement in exchange rates	—	(17)	(17)
As of December 31, 2024	(13,957)	(2,173)	(16,130)
Amortization	(3,987)	(557)	(4,544)
Effect of movement in exchange rates	—	26	26
As of December 31, 2025	(17,944)	(2,704)	(20,648)
Carrying amounts:			
As of December 31, 2024	17,943	3,721	21,664
As of December 31, 2025	13,956	4,010	17,966

14 Goodwill

The Group's goodwill arises from its business acquisition in 2021. As the acquisition gave an extra boost to the Group's research and development capabilities, the business of the acquired companies was integrated into the Group's businesses to provide autonomous driving technology related solutions after the business acquisition. The Group has determined that the overall business constitutes one single CGU, named Auto-driving CGU. All the goodwill has been allocated to the Auto-driving CGU.

Impairment test of goodwill

The recoverable amounts of the Auto-driving CGU are determined based on the higher of value-in-use and the fair value less costs of disposal. These calculations use cash flow projections based on financial budgets approved by the management covering a period of five years. Cash flows beyond the budget period are extrapolated using an estimated growth rate which is consistent with long-term average growth rates for the business in which the Auto-driving CGU operates. The cash flows are discounted using a discount rate. The discount rate used is pre-tax and reflects specific risks relating to the Auto-driving CGU.

Key assumptions used for the annual impairment test of goodwill were as follows:

	<u>As of December 31,</u>	
	<u>2024</u>	<u>2025</u>
Pre-tax discount rate	18.6 %	19.0 %
Estimated growth rate	2.0 %	2.0 %

Based on the impairment test performed, the recoverable amount of the Auto-driving CGU exceeded the carrying amount as of December 31, 2024 and 2025, respectively. Therefore, management determined that goodwill was not impaired as of December 31, 2024 and 2025. Based on the management's expectations reasonably possible changes in key assumptions disclosed above would not cause the carrying amount of the Auto-driving CGU to exceed its recoverable amount.

15 Restricted cash

	<i>As of December 31,</i>	
	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000
Non-Current		
Deposits for renting office (Note (i))	6,635	—
Deposits for bank guarantee	3,034	6,487
	<u>9,669</u>	<u>6,487</u>
Current		
Deposits for renting office (Note (i))	—	6,488
Deposits for bank guarantee and credit cards	4,814	6,422
	<u>4,814</u>	<u>12,910</u>

Notes:

- (i) Deposits for renting office represents cash held in collateral bank accounts in the U.S. with designated usage of deposits for renting office.

16 Inventories

(a) Inventories comprise:

	<i>As of December 31,</i>	
	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000
Production supplies	76,961	72,840
Work in progress (Note (i))	127,744	248,181
	<u>204,705</u>	<u>321,021</u>

Note:

- (i) Work in progress represents vehicles in the process of landing deployment for sale.

(b) The analysis of the amount of inventories recognized as cost of revenue and included in profit or loss is as follows:

	<i>For the year ended December 31,</i>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000	RMB'000
Carrying amounts of inventories sold	27,739	46,055	229,221
Write down of inventories	6,399	25,661	6,946
	<u>34,138</u>	<u>71,716</u>	<u>236,167</u>

17 Contract assets and contract liabilities**(a) Contract assets**

	<i>As of December 31,</i>	
	<i>2024</i>	<i>2025</i>
	RMB'000	RMB'000
Contract assets		
Arising from sales of autonomous driving vehicles	19,933	21,251
Arising from provision of services	18,280	25,964
Less: loss allowance (Note 31(a))	(9,647)	(23,910)
	<u>28,566</u>	<u>23,305</u>
Current portion	28,005	23,305
Non-current portion (Note19)	561	—

All of the amounts are expected to be recovered within one year from the end of each of the reporting year, except for the amounts of RMB561 thousand and nil as of December 31, 2024 and 2025 related to retentions included in other non-current assets, which are expected to be recovered over one year.

The Group typically agrees to a retention period between one to three years for the sales of autonomous driving vehicles after the autonomous driving vehicles have been accepted by the customers upon the completion of the landing deployment services by the Group. The related retentions are included in the contract assets until the end of the retention period as the Group's entitlement to the retentions is conditional on the Group's work satisfactorily passing retention period. Based on historical experience the Group was able to collect the retentions.

In addition, the Group's service contracts include payment schedules which require stage payments over the service period once the milestones are reached.

(b) Contract liabilities

	<i>As of December 31,</i>	
	<i>2024</i>	<i>2025</i>
	RMB'000	RMB'000
Contract liabilities		
–Billings in advance of performance	2,119	10,843
–Billings in advance of goods transferred	2,357	17,669
As of December 31	<u>4,476</u>	<u>28,512</u>

The amount of RMB12.5 million and RMB3.1 million included in contract liabilities as of December 31, 2023 and 2024 was recognized as revenue in the year ended December 31, 2024 and 2025, respectively.

18 Trade receivables, prepayments and other receivables

	<i>As of December 31,</i>	
	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000
Trade receivables	318,044	531,930
Less: loss allowance (Note 31(a))	(65,437)	(69,795)
Trade receivables, net of loss allowance	252,607	462,135
Receivables from payments made on behalf of customers, net of allowance	31,917	19,593
Receivables from loans to employees (Note (i))	18,501	—
Other receivables	50,418	19,593
Trade and other receivables at amortized cost	303,025	481,728
Prepayments to suppliers	67,542	109,584
Refundable value-added tax	64,678	106,946
Others	15,014	33,863
Prepayments	147,234	250,393
Prepayments and other receivables	197,652	269,986

Note:

(i) In June 2023, the Group provided a one-year loan with a principal amount of USD1.5 million (equivalent to RMB10.9 million) to an employee at an interest rate of 4.43%. The principal of USD1.0 million (equivalent to RMB7.1 million) was repaid in 2024. The remaining principal and cumulative interest of USD0.6 million (equivalent to RMB4.2 million) was repaid in May 2025.

In December 2024 and January 2025, the Group provided one-year loans with total principal amount of USD2.0 million (equivalent to RMB14.2 million) and USD50 thousand (equivalent to RMB357 thousand) respectively, to another employee at an interest rate of 4.30%. The total principal and cumulative interest of USD2.1 million (equivalent to RMB14.8 million) was repaid in April 2025.

All of the trade and other receivables are expected to be recovered or recognized as expense within one year. Trade receivables are normally due within 30 to 90 days from the invoice date. Further details on the Group's credit policy are set out in Note 31(a).

Aging analysis

Aging analysis of trade receivables based on the invoice date is as follows:

	<i>As of December 31,</i>	
	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000
Within 1 year	179,986	378,383
More than 1 year	138,058	153,547
	318,044	531,930

19 Other non-current assets

	<i>As of December 31,</i>	
	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000
Rental deposits	12,848	9,358
Prepayment for leasing motor vehicles	5,391	—
Prepayment for property and equipment	1,225	14,310
Contract assets-non-current, net of allowance	561	—
	20,025	23,668

20 Financial assets at FVTPL

	<i>As of December 31,</i>	
	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000
Non-current		
–Investment in a listed company (Note (i))	56,919	36,774
–Investments in private funds (Note (ii))	—	151,309
	56,919	188,083
Current		
–Non-equity investments (Note (iii))	1,685,146	144,252
	1,742,065	332,335

Notes:

- (i) In June 2024, the Company committed to subscribe 4,416,000 ordinary shares of a listed company with a total consideration of USD20.0 million, or USD4.53 per share. The Group paid the subscription consideration and received the shares in July 2024. The investment was initially recorded at USD20.0 million (equivalent to RMB138.7 million) and subsequently measured at fair value. The Company recognized losses of USD11.9 million (equivalent to RMB84.6 million) and USD2.7 million (equivalent to RMB19.2 million) relating to this investment in fair value changes for the years ended December 31, 2024 and 2025, respectively.
- (ii) In 2025, the Group invested in two private funds in Chinese Mainland with total consideration of RMB81.9 million and one overseas private fund with consideration of USD10.0 million (equivalent to RMB70.3 million), respectively. The Group didn't have any control over these funds and these investments were measured at fair value with changes recorded through profit or loss, which was inconsequential for the year ended December 31, 2025.
- (iii) The non-equity investments represent wealth management products issued by banks with variable returns. The variable returns of these wealth management products are determined by the performance of underlying assets including government bonds and money market funds. These financial assets are measured at fair value with changes recorded through profit or loss.

Please see more information about the fair value valuation in Note 31(e).

21 Cash, cash equivalents and time deposits

(a) *Cash, cash equivalents and time deposits comprise:*

	<i>As of December 31,</i>	
	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000
Cash and cash equivalents	4,268,300	6,666,304
Time deposits	620,148	301,401

RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restrictions imposed by the PRC government. The Group's time deposits are denominated in USD or RMB and are deposited with banks and other financial institutions in Chinese Mainland and overseas.

(b) Reconciliation of loss before taxation to cash used in operations:

	Note	For the year ended December 31.		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Loss for the year		(1,949,101)	(2,516,808)	(1,654,900)
Adjustments for:				
–Net loss/(gain) on disposal of non-current assets	6	1,087	(1,013)	3,468
–Impairment loss on receivables and contract assets	31(a)	40,217	28,664	16,625
–Write down of inventories	16(b)	6,399	25,661	6,946
–Share-based compensation expenses	7(i)	931,784	1,187,867	449,983
–Depreciation and amortization	7(ii)	89,610	101,131	166,679
–Other finance costs	8	3,490	3,451	9,128
–Changes in the carrying amounts of preferred shares and other financial instruments subject to redemption and other preferential rights		554,048	465,254	—
–Fair value changes of financial liabilities measured at FVTPL		4,549	—	—
–Fair value changes of financial assets at FVTPL		(42,960)	61,834	(41,822)
–Net foreign exchange (gain)/loss		(5,932)	(557)	9,031
–Interest income from time deposits		—	41,384	(11,040)
–Income tax expense		2,866	5,868	4,100
Changes in:				
–Inventories		(68,548)	(62,255)	(207,619)
–Contract assets–current		1,717	54,410	(10,386)
–Trade receivables		(54,076)	(11,166)	(213,821)
–Prepayments and other receivables		(108,442)	7,859	(89,861)
–Prepayments to and amounts due from related parties		(25,031)	312	17,944
–Restricted cash		821	(2,573)	(5,119)
–Other non-current assets		22,002	(3,180)	5,471
–Trade payables		6,291	3,734	142,334
–Other payables, deposits received and accrued expenses		51,517	98,563	68,648
–Contract liabilities		8,298	(8,022)	24,078
–Amounts due to related parties		52,995	(68,377)	(7,501)
–Other non-current liabilities		4,375	(1,845)	—
Cash used in operations		(472,024)	(589,804)	(1,317,634)

(c) *Reconciliation of movement of liabilities to cash flows arising from financing activities*

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified into the Group's consolidated statements of cash flows as cash flows from financing activities.

	<i>Lease liabilities</i>	<i>Financial liabilities measured at FVTPL</i>	<i>Preferred shares and financial instruments issued to investors subject to redemption and other preferential rights</i>	<i>Put option liabilities</i>	<i>Total</i>
	RMB'000 (Note 22)	RMB'000 (Note 27)	RMB'000 (Note 23)	RMB'000 (Note 24)	RMB'000
As of January 1, 2023	67,873	72,112	7,017,554	39,812	7,197,351
Changes from financing cash flows:					
Proceeds from issuance of other financial instruments subject to redemption and other preferential rights	—	—	485,262	—	485,262
Capital element of lease rentals paid	(38,163)	—	—	—	(38,163)
Interest element of lease rentals paid	(2,853)	—	—	—	(2,853)
Total changes from financing cash flows	(41,016)	—	485,262	—	444,246
Exchange adjustments	426	1,627	124,858	—	126,911
Other changes:					
Increase in lease liabilities from entering into new leases during the year	23,271	—	—	—	23,271
Increase in interest expenses	2,853	—	—	—	2,853
Changes in the carrying amount of put option liabilities	—	—	—	637	637
Changes in the carrying amounts of preferred shares and other financial instruments subject to redemption and other preferential rights	—	—	554,048	—	554,048
Fair value changes of financial liabilities measured at FVTPL	—	4,549	—	—	4,549
Deemed distribution to a preferred shareholder	—	32,767	—	—	32,767
Exercise of warrants to subscribe for convertible redeemable preferred shares	—	(111,055)	—	—	(111,055)
Total other changes	26,124	(73,739)	554,048	637	507,070
As of December 31, 2023	53,407	—	8,181,722	40,449	8,275,578

	<i>Lease liabilities</i>	<i>Bank loans</i>	<i>Preferred shares and financial instruments issued to investors subject to redemption and other preferential rights</i>	<i>Put option liabilities</i>	<i>Total</i>
	RMB'000 (Note 22)	RMB'000 (Note 28)	RMB'000 (Note 23)	RMB'000 (Note 24)	RMB'000
As of January 1, 2024	53,407	—	8,181,722	40,449	8,275,578
Changes from financing cash flows:					
Proceeds from bank loans	—	80,000	—	—	80,000
Payment of interest of bank loans	—	(466)	—	—	(466)
Capital element of lease rentals paid	(44,976)	—	—	—	(44,976)
Interest element of lease rentals paid	(2,276)	—	—	—	(2,276)
Total changes from financing cash flows	(47,252)	79,534	—	—	32,282
Exchange adjustments	401	—	29,771	—	30,172
Other changes:					
Increase in lease liabilities from entering into new leases during the year	59,159	—	—	—	59,159
Increase in interest expenses	2,276	525	—	—	2,801
Changes in the carrying amount of put option liabilities	—	—	—	650	650
Early termination of lease	(3,207)	—	—	—	(3,207)
Gain from early termination of lease	(1,825)	—	—	—	(1,825)
Changes in the carrying amounts of preferred shares and other financial instruments subject to redemption and other preferential rights	—	—	465,254	—	465,254
Cancellation of other financial instruments issued to an investor	—	—	(27,831)	—	(27,831)
Conversion from preferred shares to ordinary shares	—	—	(8,648,916)	—	(8,648,916)
Total other changes	56,403	525	(8,211,493)	650	(8,153,915)
As of December 31, 2024	62,959	80,059	—	41,099	184,117

	<i>Lease liabilities</i> RMB'000 (Note 22)	<i>Bank loans</i> RMB'000 (Note 28)	<i>Put option liabilities</i> RMB'000 (Note 24)	<i>Total</i> RMB'000
As of January 1, 2025	62,959	80,059	41,099	184,117
Changes from financing cash flows:				
Proceeds from bank loans	—	332,408	—	332,408
Payment of bank loans	—	(88,323)	—	(88,323)
Payment of interest of bank loans	—	(4,063)	—	(4,063)
Capital element of lease rentals paid	(46,629)	—	—	(46,629)
Interest element of lease rentals paid	(2,745)	—	—	(2,745)
Total changes from financing cash flows	(49,374)	240,022	—	190,648
Exchange adjustments	(93)	—	—	(93)
Other changes:				
Increase in lease liabilities from entering into new leases during the year	50,963	—	—	50,963
Increase in interest expenses	2,745	4,182	—	6,927
Changes in the carrying amount of put option liabilities	—	—	2,201	2,201
Early termination of lease	(12,345)	—	—	(12,345)
Gain from early termination of lease	306	—	—	306
Total other changes	41,669	4,182	2,201	48,052
As of December 31, 2025	55,161	324,263	43,300	422,724

(d) *Total cash outflow for leases*

Amounts included in the consolidated statements of cash flows for leases comprise the following:

	<i>For the year ended December 31,</i>		
	<i>2023</i> RMB'000	<i>2024</i> RMB'000	<i>2025</i> RMB'000
Within operating cash flows (Note 12)	933	1,686	8,357
Within financing cash flows (Note 21(c))	41,016	47,252	49,374
	41,949	48,938	57,731

These amounts relate to the following:

	<i>For the year ended December 31,</i>		
	<i>2023</i> RMB'000	<i>2024</i> RMB'000	<i>2025</i> RMB'000
Lease rentals paid	41,949	48,938	57,731

(e) Non-cash transactions

Non-cash investing and financing transactions mainly comprised the following:

- (i) Purchase of right-of-use assets included in lease liabilities amounting to RMB23.2 million, RMB59.2 million and RMB51.0 million for the years ended December 31, 2023, 2024 and 2025, respectively.
- (ii) Transfer from inventories to property and equipment amounting to nil, RMB50.3 million and RMB83.2 million for the years ended December 31, 2023, 2024 and 2025, respectively.
- (iii) Accrual for the purchase of property and equipment amounting to nil, RMB5.2 million and RMB5.9 million for the years ended December 31, 2023, 2024 and 2025, respectively.
- (iv) Exercise of warrants to subscribe for convertible redeemable preferred shares amounting to RMB111.1 million for the year ended December 31, 2023.
- (v) In May 2023, the Company amended a warrant issued in 2018 to a preferred shareholder with nominal consideration, as a result, the Group recognized the fair value changes of the warrant due to the amendment as a deemed distribution to this preferred shareholder amounting to RMB32.8 million for the year ended December 31, 2023.
- (vi) In May 2024, the Company entered into an amendment with a holder of a financial instrument, pursuant to which both parties agreed to reduce the number of subscribed Series D Preferred Shares from 1,133,534 to 429,369 at purchase price of USD4.6580 per share through reducing the subscription receivables from the holder amounting to USD3.3 million (equivalent to RMB23.3 million). The cancellation of the other financial instrument was reflected in the increase of other reserve of RMB4.5 million and the decrease of the other financial instrument of RMB27.8 million for the year ended December 31, 2024.
- (vii) In October 2024, the Company completed the IPO. The redeemable preferred shares amounting to RMB8,648.9 million were transferred from liabilities to equity, and the non-redeemable preferred shares amounting to RMB15 thousand were transferred to ordinary shares, upon the completion of the IPO.
- (viii) In November 2024, the Company cancelled all the issued treasury shares amounting to RMB151.7 million by adjusting the amount that corresponded to the sum of the par value and the share premium amounts of the shares so cancelled.
- (ix) In October 2024, the accrued commission relating to the IPO amounting to RMB16.2 million was offset against share premium upon the completion of IPO. In November 2025, the accrued commission relating to the Global Offering amounting to RMB0.7 million was offset against share premium upon the completion of Global Offering .
- (x) The Company received proceeds from issuance of 7,921,691 Class A ordinary shares for the exercise of share options amounting to RMB44.1 million in advance from certain employees and recorded the amounts in other payables before 2025. These share options were exercised in 2025, as a result, the Company recognized RMB44.1 million in equity relating to Class A ordinary shares and share premium and de-recognized RMB44.1 million in other payables.
- (xi) Upon the exercise of share options held by certain employees in 2025, RMB1.9 million of exercise prices was recorded in other receivables as of December 31, 2025 with increase of equity relating to Class A ordinary shares and share premium.

22 Lease liabilities

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the years presented:

	<i>As of December 31,</i>	
	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000
Current		
–Within 1 year	36,900	31,920
Non-current		
After 1 year but within 2 years	20,883	14,418
After 2 years but within 5 years	5,176	8,823
	<u>26,059</u>	<u>23,241</u>
	<u>62,959</u>	<u>55,161</u>

23 Preferred shares and other financial instruments subject to redemption and other preferential rights

(a) Other financial instruments issued to investors

The Group committed to issue convertible redeemable preferred shares to certain investors and received the consideration in full from the investors upfront.

The movement of other financial instruments issued to investors during the years presented is set out as below:

	<i>For the year ended December 31,</i>	
	<u>2023</u>	<u>2024</u>
	RMB'000	RMB'000
As of January 1	621,449	138,938
Issuance of financial instruments	—	—
Issuance of convertible redeemable preferred shares according to the commitment (Note 23(b))	(538,696)	(115,753)
Changes in the carrying amount	48,408	4,208
Cancellation of other financial instruments issued to an investor	—	(27,831)
Foreign exchange effect	7,777	438
As of December 31	138,938	—

In 2023, the Group repaid the original issue price of RMB39.1 million (equivalent to USD6.2 million) to certain investors, who committed to subscribe for 1,331,387 Series D Preferred Shares at a per share purchase price of US\$4.658, after obtaining regulator's approval and completing the foreign exchange registration procedures for the overseas direct investments. As of December 31, 2023, the subscription price of USD6.2 million (equivalent to RMB43.9 million) was not received by the Group, which was recorded as subscription receivables in the consolidated statements of financial position.

In May 2024, the Company entered into an amendment with the investors, pursuant to which both parties agreed to reduce the number of subscribed Series D Preferred Shares committed to subscribed for from 1,331,387 to 583,752 with an aggregate subscription price of USD2.7 million (equivalent to RMB19.3 million), which was collected in 2024.

(b) Convertible redeemable preferred shares

The Series B-1 Preferred Shares, Series B-2 Preferred Shares and Series B-3 Preferred Shares are collectively referred to as the "Series B convertible redeemable preferred shares", Series C-1 Preferred Shares is referred to as the "Series C-1 convertible redeemable preferred shares", Series D Preferred Shares are referred to as the "Series D convertible redeemable preferred shares", and Series D+ Preferred Shares are referred to as the "Series D+ convertible redeemable preferred shares". All series of convertible redeemable preferred shares have the same par value of USD0.00001 per share. The redemption and other preferential rights of the convertible redeemable preferred shares are set forth below.

Redemption Rights

The Company is obliged to redeem all or part of the outstanding issued convertible redeemable preferred shares, at any time after the occurrence of specified contingent redemption events, including but not limited to that the Company has not completed a qualified IPO as of June 30, 2026.

The redemption amount payable for each convertible redeemable preferred shares upon the occurrence of any of the specified contingent events, will be an amount equal to 100% of the convertible redeemable preferred shares' original issue price, plus all accrued but unpaid dividends thereon up to the date of redemption and simple interest on the original issue price at the rate of 10% per annum for Series B convertible redeemable preferred shares or 8% per annum for Series C-1 convertible redeemable preferred shares, Series D convertible redeemable preferred shares and Series D+ convertible redeemable preferred shares.

Conversion Rights

Each convertible redeemable preferred share shall be convertible, at the option of the holder, at any time after the date of issuance of such preferred shares, without the payment of any additional consideration, into fully-paid and non-assessable ordinary shares according to a conversion ratio of 1:1 based on the original issuance price, subject to adjustments for dilution, including but not limited to issuing new shares under the original subscription price per share paid by the holders.

All the outstanding convertible redeemable preferred shares shall automatically be converted into ordinary shares, at the applicable then-effective conversion price upon either of (a) the closing of a qualified IPO, or (b) the date or the occurrence of an event, specified by vote or written consent or agreement of the majority of all the preferred shares holders.

Voting Rights

The holders of convertible redeemable preferred shares shall be entitled to vote on all matters on which the holders of ordinary shares shall be entitled to vote on an 'as-converted' basis.

Dividend Rights

The holders of redeemable preferred shares are entitled to receive dividends at a simple rate of 8% of the original issue price per annum for each convertible redeemable preferred share held by such holder, payable out of funds or assets when and as such funds or assets become legally available. The dividends shall be paid in the sequence of (i) Series D+ convertible redeemable preferred shares; (ii) Series D convertible redeemable preferred shares; (iii) Series C-1 convertible redeemable preferred shares; and (iv) Series B convertible redeemable preferred shares. After the dividends have been paid in full or declared to the holders of the convertible redeemable preferred shares, the holders of the convertible redeemable preferred shares and 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. The dividends shall not be cumulative and shall be paid when, as and if declared by the Board of Directors. The Board of Directors has right to decide whether to declare the dividends or not.

Presentation and classification

The Group recognized the financial liabilities arising from the redemption obligations for the preferred shares at the present value of the redemption amounts, with the changes in the carrying amount recorded in the consolidated statements of profit or loss. The movements of these financial liabilities during the years presented are set out as below:

	<i>Series B-1 Preferred Shares</i>	<i>Series B-2 Preferred Shares</i>	<i>Series B-3 Preferred Shares</i>	<i>Series C-1 Preferred Shares</i>	<i>Series D Preferred Shares</i>	<i>Series D+ Preferred Shares</i>	<i>Total</i>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of January 1, 2023	1,678,082	216,962	467,587	2,150,323	1,883,151		6,396,105
Issuance of new convertible redeemable preferred shares	—	—	—	—	219,037	266,225	485,262
Changes in the carrying amount of convertible redeemable preferred shares	140,860	18,161	39,441	153,256	151,422	2,500	505,640
Issuance of convertible redeemable preferred shares under the commitments in other financial instruments issued to investors (Note 23(a))	—	—	—	—	—	538,696	538,696
Foreign exchange effect	29,250	3,781	8,151	37,327	34,021	4,551	117,081
As of December 31, 2023	1,848,192	238,904	515,179	2,340,906	2,287,631	811,972	8,042,784
	<i>Series B-1 Preferred Shares</i>	<i>Series B-2 Preferred Shares</i>	<i>Series B-3 Preferred Shares</i>	<i>Series C-1 Preferred Shares</i>	<i>Series D Preferred Shares</i>	<i>Series D+ Preferred Shares</i>	<i>Total</i>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Changes in the carrying amount of convertible redeemable preferred shares	116,264	15,083	32,554	126,495	120,517	50,133	461,046
Issuance of convertible redeemable preferred shares under the commitments in other financial instruments issued to investors (Note 23(a))	—	—	—	—	115,753	—	115,753
Conversion into Class A ordinary shares upon IPO of the Company	(1,971,168)	(254,856)	(549,605)	(2,475,929)	(2,532,302)	(865,056)	(8,648,916)
Foreign exchange effect	6,712	869	1,872	8,528	8,401	2,951	29,333
As of December 31, 2024	—	—	—	—	—	—	—

24 Put option liabilities

In July 2019, WeRide Hong Kong Ltd. (“WeRide HK”) and Guangzhou Jingqi entered into an agreement with two investors. Pursuant to the agreement, 1) WeRide HK, Guangzhou Jingqi and the investors together established a new company, Wenyuan Yuexing (Guangdong) Travel Technology Co.,Ltd. (“Wenyuan Yuexing”) in which the Group has control; 2) the investors injected capital of RMB36.0 million and 28.8 million in exchange for 20% and 16% equity interest of Wenyuan Yuexing, respectively; and 3) the investors have the right to require the Group to repurchase all or a part of their equity interests in Wenyuan Yuexing and to require the Group to pay any shortfall if their investment return falls below 10% of the original injection amount, if Wenyuan Yuexing cannot complete an initial public offering before August 2025. Based on negotiation among the Group and the shareholders of Wenyuan Yuexing, the Group has redeemed 15% equity interest from one of the investors in 2021.

The movements of the put option liabilities during the years presented are set out as below:

	<i>For the year ended December 31,</i>		
	<i>2023</i>	<i>2024</i>	<i>2025</i>
	RMB'000	RMB'000	RMB'000
As of January 1	39,812	40,449	41,099
Changes in carrying amount (Note 8)	637	650	2,201
As of December 31	40,449	41,099	43,300

25 Other non-current liabilities

	<i>As of December 31,</i>	
	<i>2024</i>	<i>2025</i>
	RMB'000	RMB'000
Government grants received with conditions	4,677	7,720

The Group was awarded grants from governments with conditions attached in the next few years. The government grants with conditions expected to be satisfied in more than one year are presented as non-current liabilities, which will be released to other income in the consolidated statements of profit or loss when the conditions attached are satisfied.

26 Trade and other payables, deposits received and accrued expenses

	<i>As of December 31,</i>	
	<i>2024</i>	<i>2025</i>
	RMB'000	RMB'000
Trade payables	20,713	163,000
Government grants received with conditions*	184,542	192,019
Accrued payroll and social insurance	96,593	118,413
Payables for professional services	27,134	49,413
Taxes payable and others	89,486	48,512
Total other payables, deposits received and accrued expenses	397,755	408,357
Trade and other payables, deposits received and accrued expenses measured at amortized cost	418,468	571,357

* The current portion of government grants received with conditions mainly represent the grants received with certain requirements of operation performance and tax contribution in a specified region.

Aging analysis

The aging analysis of trade payables based on the invoice date, is as follows:

	<i>As of December 31,</i>	
	<i>2024</i>	<i>2025</i>
	RMB'000	RMB'000
Within 1 year	20,713	154,930
More than 1 year	—	8,070
	20,713	163,000

As of December 31, 2024 and 2025, all of the balances of trade and other payables are expected to be settled or recognized as income within one year or are repayable on demand. The credit period granted by the suppliers is generally between 30 to 60 days.

Information about the Group's exposure to currency and liquidity risks is included in Note 31.

27 Financial liabilities measured at FVTPL

The Group granted warrants to certain investors in 2022 and before, under which the investors have the rights to subscribe for the Company's preferred shares at a predetermined or nominal price during a specific period. Such warrants are classified as financial liabilities measured at FVTPL.

The movement of warrant liabilities during the year presented is set out as below:

	<i>For the year ended December 31,</i>
	<u>2023</u>
	RMB'000
As of January 1	72,112
Deemed distribution to a preferred shareholder (Note (i))	32,767
Fair value changes	4,549
Exercised by the investors to subscribe for preferred shares	
–Other reserve (Note 29(b)(iii))	(111,055)
Foreign exchange effect	1,627
As of December 31	—

Notes:

- (i) In May 2023, the Company amended a warrant issued in 2018 to a preferred shareholder with nominal consideration. The warrant became exercisable as amended to subscribe for 1,382,929 shares of Series A Preferred Shares at a predetermined nominal price during a specific period. The fair value changes of the warrant of RMB32.8 million due to the amendment was treated as a deemed distribution to this preferred shareholder.

The Group has engaged an independent valuation firm to evaluate the fair value of the warrants utilizing the binomial option-pricing model, which involves significant assumptions including the risk-free interest rate, the expected volatility, expected dividend yield and expected term. The warrants were remeasured as of the end of each year presented utilizing the binomial option-pricing model with the following assumptions:

	<i>For the year ended December 31,</i>
	<u>2023</u>
Expected volatility	53.8 %
Risk-free interest rate (per annum)	4.3 %
Expected dividend yield	0 %
Expected term	2.5 years

The risk-free interest rate was based on the U.S. Treasury rate for the expected remaining life of the convertible notes and warrants. The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of the Company's convertible notes and warrants. Expected dividend yield is zero as the Company does not anticipate any dividend payments in the foreseeable future. Expected term is the remaining life of the convertible notes and warrants.

28 Bank loans

	<i>As of December 31,</i>	
	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000
Non-current		
–Long-term bank loan (Note (i))	50,040	—
Current		
–Short-term bank loans (Note (ii))	30,019	324,263
	<u>80,059</u>	<u>324,263</u>

Notes:

- (i) In September 2024, a commercial bank in the PRC provided the Group with a two-year long-term bank loan of RMB50.0 million bearing an interest rate of 2.9% per annum. In 2025, the Group repaid the long-term loan in advance.
- (ii) In 2024 and 2025, certain commercial banks in the PRC provided the Group with certain one-year short-term loans with total principal amount of RMB30.0 million and RMB332.4 million, respectively, bearing interest rates varying from 2.1% to 2.3% per annum. All the short-term loans borrowed in 2024 were repaid upon maturity in 2025. As of December 31, 2025, certain patents held by the Group were pledged for certain bank loans with total principal amount of RMB120 million.

29 Capital and reserves**(a) Share capital and share premium***Authorized:*

- (i) As of December 31, 2023, the authorized capital of the Company was USD50,000 or i) 4,357,600,932 ordinary shares, including 50 Golden Shares; ii) 211,706,410 non-redeemable preferred shares, consisting of 65,403,460 Series Seed-1 Preferred Shares, 52,959,930 Series Seed-2 Preferred Shares and 93,343,020 Series A Preferred Shares; and iii) 430,692,658 convertible redeemable preferred shares.

Golden Share represents the share held by each member, who shall be entitled to 7,200,000 votes in respect of each Golden Share held by such member (as adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the ordinary shares or the Golden Shares).

- (ii) In July 2024, the Board of Directors approved, conditional upon and immediately prior to the completion of the IPO, the reorganization of the authorized share capital of the Company, of which the authorized share capital of the Company shall be USD50,000 divided into 5,000,000,000 shares of a par value of USD0.00001 each, comprising (i) 3,500,000,000 Class A ordinary Shares of a par value of USD0.00001 each, (ii) 500,000,000 Class B ordinary shares of a par value of USD0.00001 each, and (iii) 1,000,000,000 shares of a par value of USD0.00001 each of such class or classes, which was designated to Class A ordinary shares, approved by the Board of Directors, with completion of Global Offering.

Issued:

	<i>Number of ordinary shares</i>	<i>Share capital of ordinary shares</i> RMB'000	<i>Number of non-redeemable preferred shares</i>	<i>Share capital of non-redeemable preferred shares</i> RMB'000
As of January 1, 2023	108,743,250	8	205,671,810	15
Issuance of new shares (Note (iii))	1,763,689	—	4,400,229	—
As of December 31, 2023	110,506,939	8	210,072,039	15
Issuance of new shares (Note (iv)(v))	93,350,727	7	—	—
Conversion of preferred shares into Class A and Class B ordinary shares (Note (viii))	—	—	(210,072,039)	(15)
Re-designation before the completion of the IPO (Note (vi))	(203,857,666)	(15)	—	—
As of December 31, 2024	—	—	—	—

(iii) In 2023, the Company issued 1,763,689 ordinary shares with consideration of USD6.0 million (equivalent to RMB42.5 million) and 4,400,229 Series A Preferred Shares with consideration of USD4.4 thousand (equivalent to RMB31 thousand), upon the exercise of the warrant issued in 2018.

(iv) In July 2024, the Company issued 80,544,159 ordinary shares at par value of USD0.00001 to settle vested restricted share units held by certain management personnel.

(v) In July 2024, to achieve an equitable relative shareholding among different shareholder groups of the Company, the Board of Directors and shareholders of the Company approved the issuance of a total of 12,806,568 ordinary shares to holders of Series D and Series D+ preferred shares at par value of USD0.00001, for an aggregate consideration of USD128.1 (equivalent to RMB0.9 thousand). These shares were issued in August 2024 and the Company was entitled an option to repurchase these ordinary shares if an IPO does not consummate on or before March 31, 2025. The Company was involved in this transaction to facilitate the agreement reached by the Company's shareholders to adjust the ownership structure, and has accounted for these issuances as a shareholder transaction with an increase in the Company's shareholder's equity of USD128.1 (equivalent to RMB0.9 thousand).

(vi) In October 2024, the Company adopted a dual-class share structure and all of the Company's issued ordinary shares before the completion of the IPO were re-designated into 149,442,793 Class A ordinary shares and 54,414,873 Class B ordinary shares immediately upon the completion of the IPO.

Holders of the Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. In respect of matters requiring the votes of shareholders, the holder of Class B ordinary shares is entitled to 40 votes per share, while the holders of Class A ordinary shares entitle to one vote per share. 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.

(vii) Upon completion of the IPO and exercised of the over-allotment option, the Company issued 85,263,652 and 2,736,570 Class A ordinary shares at par value of USD0.00001 each for cash consideration of USD5.17 each, respectively. The net proceeds received were USD443.0 million (equivalent to RMB3,149.3 million), net of commissions and listing expenses. The listing expenses paid and payable mainly include legal fees, accounting fees and other related costs, which were incremental costs directly attributable to the issuance of the new shares.

- (viii) Upon completion of the IPO, each of the issued 210,072,039 non-redeemable preferred share and 334,309,270 redeemable preferred share was converted into one Class A or Class B ordinary share on a one for one basis. As a result, the financial liabilities for convertible redeemable preferred shares were derecognized and recorded as Class A ordinary share and share premium.
- (ix) For the year ended December 31, 2025, the Company issued 62,809,502 Class A ordinary shares to settle 64,060,176 vested RSUs held by certain employees, with par value of US\$0.00001 each, of which 29,936,726 Class A ordinary shares were newly issued, and 32,872,776 Class A ordinary shares were used from the 75,000,000 Class A ordinary shares issued to the share depository bank (see Note (xi)). As a result, the Company recognized RMB3 thousand in equity relating to Class A ordinary shares and de-recognized RMB3 thousand in share premium. Meanwhile, 1,250,674 vested RSUs were withheld for withholding tax amounting to RMB50.8 million.
- (x) For the year ended December 31, 2025, the Company issued 21,994,184 Class A ordinary shares for the exercise of vested share options held by certain employees, with par value of US\$0.00001 each, of which 7,921,691 Class A ordinary shares were newly issued, and 14,072,493 Class A ordinary shares were used from the 75,000,000 Class A ordinary shares issued to the share depository bank (see Note (xi)). As a result, the Company recognized total exercise prices amounting RMB1 thousand in equity relating to Class A ordinary shares and de-recognized RMB1 thousand in share premium. The Company received proceeds amounting to RMB57.5 million from issuance of Class A ordinary shares for the exercise of vested share options.
- (xi) For the year ended December 31, 2025, the Company issued 75,000,000 Class A ordinary shares to its share depository bank to be used for the settlement of vested RSUs and exercise of vested share options. These shares have been excluded from the computation of loss per ordinary share until they are used for the settlement of vested RSUs and exercise of vested share options. No consideration was received by the Company for this issuance of ordinary shares. As a result, the Company recognized RMB5 thousand in equity relating to Class A ordinary shares and de-recognized RMB5 thousand in share premium. As of December 31, 2025, 32,872,776 and 14,072,493 Class A ordinary shares had been used for the aforesaid settlement of vested RSUs and exercise of vested share options, respectively.
- (xii) In November 2025, upon completion of the Global Offering, the Company issued 88,250,000 Class A ordinary shares at par value of USD0.00001 each for cash consideration of HKD27.1 each. The net proceeds received were HKD2,314.6 million (equivalent to RMB2,108.5 million), net of commissions and listing expenses. The listing expenses paid and payable mainly include legal fees, accounting fees and other related costs, which were incremental costs directly attributable to the issuance of the new shares.
- (xiii) Each ADS of the Company represents three ordinary shares. Any fractional ordinary shares arising from the conversion that amount to less than one ADS were surrendered to the Company.

Analysis of the Company's issued Class A and Class B ordinary shares was as follows:

	<i>Number of Class A ordinary shares</i>	<i>Share capital of Class A ordinary shares</i>	<i>Number of Class B ordinary shares</i>	<i>Share capital of Class B ordinary shares</i>
		RMB'000		RMB'000
As of January 1, 2024	—	—	—	—
Re-designation from ordinary shares before the completion of the IPO (Note (vi))	149,442,793	11	54,414,873	4
Conversion of non-redeemable preferred shares into Class A and Class B ordinary shares (Note (viii))	209,672,489	15	399,550	*
Conversion of redeemable preferred shares into Class A ordinary shares (Note (viii))	334,309,270	23	—	—
Issuance of Class A ordinary shares relating to IPO and exercise of over-allotment option (Note (vii))	88,000,222	6	—	—
Cancellation of treasury shares (Note 29 (c))	(10,025,092)	(1)	—	—
As of December 31, 2024	771,399,682	54	54,814,423	4
Issuance of ordinary shares relating to Global Offering (Note (xii))	88,250,000	6	—	—
Issuance of Class A ordinary shares to settle vested RSUs (Note (ix))	29,936,726	3	—	—
Class A ordinary shares issued to depository bank (Note (xi))	75,000,000	5	—	—
Issuance of Class A ordinary shares for exercise of share options (Note (x))	7,921,691	1	—	—
Surrender of Class A ordinary shares (Note (xiii))	(58)	*	—	—
As of December 31, 2025	972,508,041	69	54,814,423	4

* Represents amounts less than RMB1,000.

(b) Nature and purpose of reserves

The movement of reserves and accumulated losses of the Group was set out as below:

	Share-based compensation reserve RMB'000	Translation reserve RMB'000	Other reserves RMB'000	Accumulated losses RMB'000
As of January 1, 2023	398,694	(161,324)	903,265	(4,132,676)
Loss for the year	—	—	—	(1,949,101)
Foreign currency translation adjustment, net of nil income taxes	—	(73,323)	—	—
Share-based compensation expenses	931,784	—	—	—
Exercise of warrants to subscribe for convertible redeemable preferred shares	—	—	111,055	—
Deemed distribution to a preferred shareholder	—	—	—	(32,767)
As of December 31, 2023	1,330,478	(234,647)	1,014,320	(6,114,544)
Loss for the year	—	—	—	(2,516,808)
Foreign currency translation adjustment, net of nil income taxes	—	38,364	—	—
Share-based compensation expenses	1,187,867	—	—	—
Withholding of vested RSUs to satisfy income tax requirements upon settlement of vested RSUs	(394,195)	—	—	—
Cancellation of other financial instruments issued to an investor	—	—	4,528	—
As of December 31, 2024	2,124,150	(196,283)	1,018,848	(8,631,352)
Loss for the period	—	—	—	(1,654,900)
Foreign currency translation adjustment, net of nil income taxes	—	(122,030)	—	—
Share-based compensation expenses	449,983	—	—	—
Withholding of vested RSUs to satisfy income tax requirements upon settlement of vested RSUs	(50,846)	—	—	—
As of December 31, 2025	2,523,287	(318,313)	1,018,848	(10,286,252)

(i) Share-based compensation reserve

The share-based compensation reserve represents the portion of the grant date fair value of share options or restricted share units granted to the key management officers, employees and nonemployees that has been recognized as share-based compensation expenses in accordance with the accounting policy adopted for share-based compensation in Note 2(u)(iii).

(ii) Translation reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(iii) Other reserves

Other reserves represent the differences arising from the exercise of warrant liabilities measured at FVTPL to convertible redeemable preferred shares (see Note 2(q)(i)) which are measured at present value of redemption amounts or non-redeemable preferred shares which are classified as equity.

(c) Treasury shares

In November 2024, the Board of Directors of the Company authorized the cancellation of all treasury shares for nil consideration and such cancelled shares were returned to the pool of authorized but unissued shares.

(d) Capital risk management

The Group defines “capital” as including all components of equity, convertible redeemable preferred shares, and other financial instruments subject to redemption and other preferential rights. The Group’s policy is to maintain a strong capital base to maintain investors, creditors and market confidence and to sustain future development of the business. There were no changes in the Group’s approach to capital management during the years presented. The Group is not subject to any externally imposed capital requirements.

(e) Dividends

No dividends have been declared or paid by the Company or the companies comprising the Group to its shareholders during the years presented. For the deemed distribution to a preferred shareholder in May 2023, see Note 27.

30 Share-based compensation arrangements

In June 2018, the Board of Directors of the Company approved and adopted the 2018 Share Plan, under which the Company reserves 311,125,716 shares to grant share options or restricted share units for officers, directors, employees and non-employees.

(a) Share options

Share options granted under the 2018 Share Plan are generally subject to a time-based requirement of up to four-year service schedule.

Under the 2018 Share Plan, 10,834,516, 16,276,585 and 81,966 share options were granted to officers, employees and nonemployees for the years ended December 31, 2023, 2024 and 2025, respectively. Share options were granted with exercise prices ranging from USD0.5 to USD3.9. All the share options granted under the 2018 Share Plan have a contractual term of ten years.

Share options’ activities for the years presented were summarized as follows:

	<i>For the year ended December 31,</i>					
	<i>2023</i>		<i>2024</i>		<i>2025</i>	
	<i>Weighted average exercise price USD</i>	<i>Number of options</i>	<i>Weighted average exercise price USD</i>	<i>Number of options</i>	<i>Weighted average exercise price USD</i>	<i>Number of options</i>
Outstanding as of January 1	0.9	103,897,771	0.9	109,142,239	1.2	121,852,549
Granted	1.2	10,834,516	2.7	16,276,585	1.2	81,966
Expired	0.6	(935,335)	0.8	(643,187)	0.6	(1,549,294)
Modified	—	—	—	—	1.2	(915,730)
Forfeited	0.9	(4,654,713)	1.2	(2,923,088)	1.2	(2,314,650)
Exercised	—	—	—	—	0.7	(21,994,184)
Outstanding as of December 31	0.9	109,142,239	1.2	121,852,549	1.3	95,160,657
Exercisable as of December 31			1.2	84,685,936	1.3	86,543,577

The weighted average grant date fair value of the share options granted for the years ended December 31, 2023, 2024 and 2025 were USD2.6, USD3.4 and USD4.4, respectively. The aggregated fair value of the share options at the grant date for the years ended December 31, 2023, 2024 and 2025 were USD27.6 million (equivalent to RMB193.0 million), USD55.7 million (equivalent to RMB389.5 million) and USD0.4 million (equivalent to RMB2.8 million), respectively.

In December 2024, the Board of Directors of the Company approved to increase the exercise price of 8,879,402 share options from USD1.22 per share to USD3.89 per share.

In January and April 2025, the Company approved to replace 915,730 share options granted in August 2024 with 693,524 restricted share units, which effectively reduce the exercise price to nil and simultaneously reduce the number of share awards granted. As the total fair value of these modified equity instruments is lower than that of the original equity instruments (as estimated as at the date of the modification), such non-beneficial modification is accounted for in accordance with the accounting policy Note 2(u)(iii).

In October 2025, the Board of Directors of the Company approved to accelerate the vesting of 30,216,690 share options granted to certain management personnel. As a result, the Company recognized total share-based compensation expenses in the amount of RMB116.5 million for the year ended December 31, 2025.

The share options outstanding as of December 31, 2023, 2024 and 2025 had weighted average remaining contractual life of 8.0 years, 7.0 years and 6.4 years, respectively.

The fair value of share options granted was measured by reference to the fair value of the Company's equity interest. The Group had used the discounted cash flow method to determine the underlying equity fair value of the Company. The estimation of the share options granted was measured based on a binominal options pricing model. The key assumptions used in determining the fair value of share options were as follows:

	<i>For the year ended December 31,</i>		
	<i>2023</i>	<i>2024</i>	<i>2025</i>
Fair value of the Company's ordinary shares	USD3.46 per share	USD3.47-USD4.82 per share	USD5.53 per share
Expected volatility	52.0%	52.0%-52.3%	52.6%
Exercise multiple	2.2x-2.8x	2.2x-2.8x	2.8x
Expected dividends	0%	0%	0%
Risk-free interest rate (per annum)	4.05%	4.0%-4.51%	4.52%
Expected term	10 years	10 years	10 years

The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of the Company's share options. The risk-free interest rate was estimated based on the yield to maturity of U.S. treasury bonds denominated in USD for a term consistent with the expected term of the Company's share options in effect at the valuation date. The expected exercise multiple was estimated as the average ratio of the share price to the exercise price of when employees, officers or nonemployees would decide to voluntarily exercise their vested share options. Expected dividend yield is zero as the Company has never declared or paid any cash dividends on its shares, and the Company does not anticipate any dividend payments in the foreseeable future. Expected term is the contract life of the share options.

(b) Restricted share units

Restricted share units granted under the 2018 Share Plan have a contractual term of seven years with varying time-based requirement of service period up to four years and a requirement of the closing of an IPO of the Company. No cash consideration is required of the recipient in connection with the grant of restricted share units.

The completion of the Company's IPO was considered a non-market performance condition before the Company completed its IPO on October 28, 2024. Service and non-market performance conditions are not taken into account when determining the grant date fair value of restricted share units, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of restricted share units that will ultimately vest.

That is, before the Company completed its IPO, the actual length of vesting period of the restricted share units is subject to an IPO condition. The Group considered that an IPO would be probable to occur after the required service period and recognized the share compensation expenses over the estimated vesting period, which was based on an estimate of when an IPO would occur.

Upon completion of the filings with the China Securities Regulatory Commission (“CSRC”) for offering and the CSRC concluded the filing procedure and published the filing results on the CSRC website in August 2023, which was essential for the completion of an IPO, the Company had determined that the vesting of the restricted share units has since become probable. Accordingly, the Group had recognized a cumulative catch-up of the share-based compensation amounting RMB417.1 million for the year ended December 31, 2023.

Restricted share units’ activities for the years presented were summarized as follows:

	<i>For the year ended December 31,</i>		
	<i>2023</i>	<i>2024</i>	<i>2025</i>
	<i>Number of restricted share units</i>	<i>Number of restricted share units</i>	<i>Number of restricted share units</i>
Outstanding as of January 1	194,569,490	194,035,796	6,781,568
Granted	—	20,281,568	20,610,865
Modified	—	—	693,524
Forfeited	(533,694)	(470,649)	(2,110,061)
Vested	—	(207,065,147)	(3,561,936)
Outstanding as of December 31	194,035,796	6,781,568	22,413,960

The restricted share units outstanding as of December 31, 2023, 2024 and 2025 had weighted average remaining contractual life of 0.4 years, 6.9 years and 6.1 years, respectively.

In June 2024, the Board of Directors of the Company approved to accelerate the vesting of 125,994,150 restricted share units granted to certain management personnel through waiving the requirement of the closing of an IPO of the Company. As a result, the Company recognized a total share-based compensation expenses in the amount of RMB69.5 million for the year ended December 31, 2024.

Total compensation expense calculated based on the grant date fair value and the estimated forfeiture rate recognized in the consolidated statements of profit or loss for aforementioned share options and restricted share units granted were RMB931.8 million, RMB1,187.9 million and RMB450.0 million for the years ended December 31, 2023, 2024 and 2025, respectively.

31 Financial risk management and fair value of financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group’s business. The Group’s exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group’s credit risk is primarily attributable to trade receivables, amount due from related parties, contract assets, receivables from payments made on behalf of customers, receivables from loans to employees and other receivables. The Group’s exposure to credit risk arising from time deposits, financial assets at FVTPL, cash, cash equivalents and restricted cash is limited because the counterparties are banks with high-credit-quality, for which the Group considers to have low credit risk. The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables, amounts due from related parties, contract assets and receivables from payments made on behalf of customers

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As of December 31, 2024 and 2025, 28% and 15% of the total trade receivables, amounts due from related parties, contract assets and receivables from payments made on behalf of customers were due from the Group's largest customer, 37% and 27% of the total trade receivables, amounts due from related parties, contract assets and receivables from payments made on behalf of customers were due from the Group's five largest customers, respectively.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are normally due within 30–90 days from the invoice date. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables, amounts due from related parties, contract assets and receivables from payments made on behalf of customers at an amount equal to lifetime ECLs, which is calculated using a provision matrix. The provision rates are based on the invoice date for groupings of various customers with similar loss patterns (i.e., by customer type and rating). Expected loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. These rates are adjusted to reflect the differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. As of December 31, 2024 and 2025, 60% and 65% of the Group's trade receivables, amounts due from related parties, contract assets and receivables from payments made on behalf of customers were due within one year, respectively. Based on this assessment, additional loss allowance of RMB40.2 million, RMB28.7 million and RMB16.6 million were recognized for the years ended December 31, 2023, 2024 and 2025, respectively.

Receivables from loans to employees and other receivables

In determining the ECL for receivables from loans to employees and other receivables, the management has taken into account the historical default experience and forward-looking information, as appropriate. The management has assessed that no debtors of these receivables had a significant increase in credit risk since initial recognition and risk of default is insignificant, and therefore, no material ECL allowance was provided for receivables from loans to employees and other receivables for the years presented.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables, amounts due from related parties, contract assets and receivables from payments made on behalf of customers:

	<i>As of December 31, 2024</i>				
	<i>Carrying amount</i>	<i>Provision on individual basis</i>	<i>Weighted average loss rates</i>	<i>ECLs</i>	<i>Loss allowance</i>
	RMB'000			RMB'000	RMB'000
Within 1 year	242,657	—	8.9 %	(21,628)	(21,628)
1 to 2 years	59,470	—	20.5 %	(12,195)	(12,195)
More than 2 years	105,124	(1,410)	43.6 %	(45,811)	(47,221)
	407,251	(1,410)		(79,634)	(81,044)

	<i>As of December 31, 2025</i>				
	<i>Carrying amount</i>	<i>Provision on individual basis</i>	<i>Weighted average loss rates</i>	<i>ECLs</i>	<i>Loss allowance</i>
	RMB'000			RMB'000	RMB'000
Within 1 year	393,273	—	3.5 %	(13,748)	(13,748)
1 to 2 years	112,003	—	13.7 %	(15,327)	(15,327)
More than 2 years	96,786	(1,200)	68.2 %	(66,035)	(67,235)
	602,062	(1,200)		(95,110)	(96,310)

Movement in the loss allowance account in respect of trade receivables, amounts due from related parties, contract assets and receivables from payments made on behalf of customers during the years presented is as follows:

	<i>For the year ended December 31,</i>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000	RMB'000
As of January 1	(12,144)	(52,361)	(81,044)
Credit loss recognized during the year	(40,217)	(28,664)	(16,625)
Write-offs during the year	—	—	1,088
Effect of movement in exchange rates	—	(19)	271
As of December 31	(52,361)	(81,044)	(96,310)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to the approval by the Company's Board of Directors when the loans and borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the years presented of the Group's financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the years presented) and the earliest date the Group can be required to pay.

	<i>As of December 31, 2024</i>				
	<i>Carrying amount</i>	<i>Total contractual undiscounted cash flow</i>	<i>Within 1 year or on demand</i>	<i>More than 1 year but within 2 years</i>	<i>More than 2 years but within 5 years</i>
Put option liabilities	41,099	41,580	41,580	—	—
Trade payables	20,713	20,713	20,713	—	—
Long-term bank loan	50,040	52,984	—	52,984	—
Short-term bank loans	30,019	30,019	30,019	—	—
Other payables, deposits received and accrued expenses	397,755	397,755	397,755	—	—
Lease liabilities	62,959	67,175	38,524	22,761	5,890
Amounts due to related parties	9,450	9,450	9,450	—	—
Total financial liabilities that are settled by delivering cash or another financial asset	612,035	619,676	538,041	75,745	5,890

	<i>As of December 31, 2025</i>				
	<i>Carrying amount</i>	<i>Total contractual undiscounted cash flow</i>	<i>Within 1 year or on demand</i>	<i>More than 1 year but within 2 years</i>	<i>More than 2 years but within 5 years</i>
Put option liabilities	43,300	43,300	43,300	—	—
Trade payables	163,000	163,000	163,000	—	—
Short-term bank loans	324,263	329,243	329,243	—	—
Other payables, deposits received and accrued expenses	408,357	408,357	408,357	—	—
Lease liabilities	55,161	59,079	33,324	15,715	10,040
Amounts due to related parties	1,949	1,949	1,949	—	—
Total financial liabilities that are settled by delivering cash or another financial asset	996,030	1,004,928	979,173	15,715	10,040

(c) **Interest rate risk**

Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The Group does not enter into financial derivatives to hedge interest rate risk.

The following table details the interest rate profile of the Group's financial assets and liabilities as of the end of each year presented.

(i) Interest rate risk profile

	<i>As of December 31,</i>			
	<i>interest rates</i>	<i>2024</i>	<i>interest rates</i>	<i>2025</i>
	%	RMB'000	%	RMB'000
Fix rate instruments:				
Cash and cash equivalents	0%~5.25%	4,268,300	0%~3.99%	6,666,304
Time deposits	1.55%~5.05%	620,148	1.40%~1.65%	301,401
Restricted cash-current	0.01%~2%	4,814	0.05%~1.60%	12,910
Restricted cash-non-current	0.01%~1.61%	9,669	1.25%~1.95%	6,487
Long-term bank loan	2.9%	(50,040)	—	—
Short-term bank loans	2.5%	(30,019)	2.11%~2.30%	(324,263)
Lease liabilities-current	4.4%	(36,900)	4.40%	(31,920)
Lease liabilities-non-current	4.4%	(26,059)	4.40%	(23,241)
		4,759,913		6,607,678
Variable rate instruments:				
Non-equity investments		1,685,146		144,252

(ii) Sensitivity analysis

As of December 31, 2024 and 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's loss for the year and accumulated losses by RMB16.9 million and RMB1.4 million, respectively.

The sensitivity analysis above indicates the instantaneous change in the Group's loss for the year and accumulated losses that would arise assuming that the change in interest rates had occurred at the end of the years presented and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the years presented. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the years presented, the impact on the Group's loss for the year and accumulated losses is estimated as an annualised impact on interest expense or income of such a change in interest rates.

(d) Foreign currency risk

The Group is exposed to currency risk primarily due to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars (“USD”). The Group manages this risk as follows:

(i) Exposure to currency risk

The following table details the Group’s exposure at the end of the years presented to currency risk arising from recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year-end date. Differences resulting from the translation of the financial statements of foreign operations into the Group’s presentation currency are excluded.

	<i>Exposure to foreign currencies</i>	
	<i>As of December 31,</i>	
	<i>USD 2024</i>	<i>USD 2025</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Cash	1,941,370	1,447,276
Trade receivables	9,694	65,733
Intercompany payables	(1,493,516)	(1,021,260)
Net exposure arising from recognized assets and liabilities	457,548	491,749

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group’s loss for the year and cumulative losses that would arise if foreign exchange rates to which the Group has significant exposure at the end of each year presented had changed at that date, assuming all other risk variables remained constant.

	<i>As of December 31,</i>			
	<i>2024</i>		<i>2025</i>	
	<i>Increase/</i> <i>(decrease)</i> <i>in foreign</i> <i>exchange rates</i>	<i>(Increase)/</i> <i>decrease on loss</i> <i>for the year and</i> <i>accumulated losses</i> <i>RMB'000</i>	<i>Increase/</i> <i>(decrease)</i> <i>in foreign</i> <i>exchange rates</i>	<i>(Increase)/</i> <i>decrease on loss</i> <i>for the year</i> <i>and accumulated losses</i> <i>RMB'000</i>
USD	10 %	45,755	10 %	49,175
USD	(10)%	(45,755)	(10)%	(49,175)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities’ loss for the year and cumulative losses measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the years presented for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of each year presented, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group’s presentation currency.

(e) *Fair value measurement*

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the years presented on a recurring basis, categorized into the three-level fair value hierarchy as defined in

IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The following table presents the Group's financial assets and liabilities that are measured at fair value at the end of each year presented:

Recurring fair value measurement	<i>As of December 31, 2024</i>			
	<i>Fair value</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
–Financial assets at FVTPL	1,742,065	56,919	1,685,146	—

Recurring fair value measurement	<i>As of December 31, 2025</i>			
	<i>Fair value</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
–Financial assets at FVTPL	332,335	36,774	144,252	151,309

For the years presented, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the years presented in which they occur.

Financial instruments in level 2

Financial assets at FVTPL in Level 2

The fair value of the financial assets in Level 2, is determined based on the unit price published on the counterparty bank's or financial institution's websites. The published unit price is the unit price at which a holder could redeem the fund units at the end of each year presented.

Financial assets at FVTPL in Level 2 consisted of the following:

	<i>As of December 31,</i>	
	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000
Aggregated cost basis	1,662,401	82,323
Gross unrealized holding gain	22,745	61,929
Aggregated fair value	1,685,146	144,252

The tables below reflect the reconciliation from the opening balance to the closing balance for recurring fair value measurements of the fair value hierarchy for the years presented:

	For the year ended December 31, 2023					
	<u>January 1, 2023</u>	<u>Purchase</u>	<u>Sell</u>	<u>Included in earnings</u>	<u>Foreign exchange effect</u>	<u>December 31, 2023</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets						
Financial assets at FVTPL	1,218,524	1,965,328	(2,925,265)	42,960	15,495	317,042

	For the year ended December 31, 2024					
	<u>January 1, 2024</u>	<u>Purchase</u>	<u>Sell</u>	<u>Included in earnings</u>	<u>Foreign exchange effect</u>	<u>December 31, 2024</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets						
Financial assets at FVTPL	317,042	1,665,195	(324,791)	22,745	4,955	1,685,146

	For the year ended December 31, 2025					
	<u>January 1, 2025</u>	<u>Purchase</u>	<u>Sell</u>	<u>Included in earnings</u>	<u>Foreign exchange effect</u>	<u>December 31, 2025</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets						
Financial assets at FVTPL	1,685,146	212,823	(1,777,236)	61,929	(38,410)	144,252

Financial instruments in level 3

Financial assets at FVTPL in level 3

Financial instruments in level 3 assets at FVTPL represented equity investments in unlisted private funds. The fair values of the two private funds in Chinese Mainland are determined by using recent transaction approach, under which, the significant unobservable input is recent transaction prices. The fair value of the overseas fund is determined based on the net asset values of the investments in unlisted private funds reported to the limited partners by the general partners at the end of the reporting period. The fair value changes for these funds was inconsequential for the year ended December 31, 2025.

The quantitative information of the significant unobservable input and description of valuation techniques used in Level 3 fair value measurement for the overseas fund, including the description of the sensitivity to changes in unobservable inputs for recurring Level 3 fair value measurements, are as follows:

Description	Fair value at December 31, 2025 RMB'000	Valuation techniques	Unobservable input	Range (weighted average, if applicable)	Sensitivity of fair value to changes in unobservable inputs RMB'000
Financial assets measured at FVPL - Investments in private funds	69,386	Net asset value approach	Net asset value	+/- 5 %	3,469

The table below reflects the reconciliation from the opening balance to the closing balance for recurring fair value measurements of the fair value hierarchy for the period presented:

Assets	For the year ended December 31, 2025					December 31, 2025 RMB'000
	January 1, 2025 RMB'000	Purchase RMB'000	Sell RMB'000	Included in earnings RMB'000	Foreign exchange effect RMB'000	
Financial assets at FVTPL	—	152,211	—	(916)	14	151,309

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortized cost are not materially different from their fair values as of December 31, 2024 and 2025.

(f) Cash concentration

Cash, cash equivalents, restricted cash, time deposits and financial assets at FVTPL, which are maintained at banks, consist of the following:

	<i>As of December 31,</i>	
	<i>2024</i>	<i>2025</i>
	RMB'000	RMB'000
RMB denominated:		
Financial institutions in Chinese Mainland	503,800	609,872
USD denominated:		
Financial institutions in Chinese Mainland	1,816,218	922,512
Financial institution in Hong Kong	11,671	2,112,459
Financial institution in the U.S.	462,786	92,523
Financial institution in the Singapore	3,767,075	3,222,844
Financial institution in the Middle East	10,561	17,573
Arab Emir, Dirham (“AED”) denominated:		
Financial institution in the Middle East	3,198	2,592
European Dollar (“EUR”) denominated:		
Financial institutions in Chinese Mainland	1,129	276
Financial institution in the Middle East	186	—
Financial institution in Germany	—	1,667
Singapore Dollar (“SGD”) denominated:		
Financial institution in the Singapore	11,453	7,181
Hong Kong Dollar (“HKD”) denominated:		
Financial institution in Hong Kong	—	141,678
Swiss Franc (“CHF”) denominated:		
Financial institution in the Switzerland	—	177

As of December 31, 2025, the bank deposits in Chinese Mainland, Hong Kong, the U.S., Germany, Singapore and Switzerland are insured by the government authority up to RMB500,000, HKD800,000, USD250,000, EUR100,000, SGD100,000 and CHF100,000 with individual bank, respectively. Total bank deposits amounted to RMB34.9 million are insured as of December 31, 2025. The Company has not experienced any losses in uninsured bank deposits.

32 Commitments

Commitments not provided for in the financial statements are as follows:

	<i>As of December 31,</i>	
	<i>2024</i>	<i>2025</i>
	RMB'000	RMB'000
Contracted for purchase of inventories (Note (i))	62,296	39,795
Contracted for purchase of services (Note (ii))	216,807	216,807
Contracted for capital investments(Note (iii))	—	20,520
	279,103	277,122

Notes:

As of December 31, 2025, the Group had entered into the following commitment agreements:

- (i) A vehicle purchase agreement with Zhengzhou Yutong Bus Co., Ltd. (“Yutong”), an affiliate of a shareholder of the Company, pursuant to which the Group committed to purchase vehicles manufactured by Yutong with an aggregated purchase amount of RMB100.3 million in 2024. As of December 31, 2025, the Group has paid RMB69.0 million under this vehicle purchase agreement. The Group is in the process of negotiating with Yutong to extend the term to purchase vehicles under the agreement.

Another vehicle purchase agreement with a Chinese manufacturer, specializing in the development, production and sale of buses, pursuant to which the Group committed to purchase vehicles manufactured by this manufacturer with an aggregated purchase amount of RMB32.7 million in 2024 and 2025. As of December 31, 2025, the Group has paid RMB24.3 million under this vehicle purchase agreement.

- (ii) A research and development service agreement with another Chinese manufacturer, pursuant to which the Group committed to purchase research and development services from the manufacturer with an aggregated purchase consideration of RMB216.8 million in 2024 and 2025. As of December 31, 2025, the research and development services has not started and no consideration has been paid yet.

- (iii) As of December 31, 2025, the Group had aggregated capital expenditure commitments amounting to RMB20.5 million.

33 Principal subsidiaries

As of December 31, 2025, the Company's principal subsidiaries were as follows:

<i>Company Name</i>	<i>Place of incorporation/establishment</i>	<i>Group's effective interest (direct or indirect)</i>	<i>Principal activities</i>
WeRide Corp.	the U.S.	100%	Research and development of autonomous driving technology
WeRide HK	the PRC Hong Kong	100%	Holding company
WeRide (Singapore) Pte. Ltd.	Singapore	100%	Sales of autonomous driving products and provision of related services
WeRide Middle East General Trading Ltd.	Abu Dhabi	100%	Sales of autonomous driving products and provision of related services
Guangzhou Wenyuan	Chinese Mainland	100%	Sales of autonomous driving products and provision of related services
Guangzhou Jingqi	Chinese Mainland	100%	Sales of autonomous driving products and provision of related services
Wenyuan Yuexing (Guangdong) Travel Technology Co., Ltd.	Chinese Mainland	100%	Sales of autonomous driving products and provision of related services
Wenyuan Suxing (Jiangsu) Technology Co., Ltd.	Chinese Mainland	100%	Sales of autonomous driving products and provision of related services
Wuxi WeRide Intelligent Technology Co., Ltd.	Chinese Mainland	100%	Sales of autonomous driving products and provision of related services
Shenzhen Wenyuan Zhixing Intelligent Technology Co., Ltd.	Chinese Mainland	100%	Research and development of autonomous driving technology
Wenyuan Jingxing (Beijing) Technology Co., Ltd.	Chinese Mainland	100%	Sales of autonomous driving products and provision of related services
Taizhou Wenyuan Zhixing Intelligent Technology Co., Ltd.	Chinese Mainland	100%	Data processing of autonomous driving technology
Shanghai Wenyuan Zhixing Automotive Technology Co., Ltd.	Chinese Mainland	100%	Research and development of autonomous driving technology

34 Material related party transactions

(a) Name and relationship with related parties

<i>Name of related parties</i>	<i>Relationship with the Group</i>
Dr. Tony Xu Han	Founder, Chairman, Executive Director and CEO
Mr. Yan Li	Co-founder, Executive Director and Chief Technology Officer
Mr. Hua Zhong	Senior Vice President
Ms. Jennifer Xuan Li	Chief Financial Officer and Head of International
Mr. Qingxiong Yang	Vice President
Mr. Jean-François Salles	Non-Executive Director
Mr. Kazuhiro Doi	Non-Executive Director
Mr. David Tong Zhang	Independent Director
Ms. Huiping Yan	Independent Director
Mr. Tony FanCheong Chan	Independent Director
Mr. Grégoire de Franqueville	Former Non-Executive Director
Mr. Takao Asami	Former Non-Executive Director
Alliance Automotive R&D (Shanghai) Co., Ltd., Alliance Ventures, B.V. and Nissan Mobility Service Co., Ltd (collectively “Alliance affiliates”)	Affiliates of a shareholder
Zhengzhou Yutong Bus Co., Ltd., Zhengzhou Yutong Heavy Industry Co., Ltd., Yutong Heavy Equipment Co., Ltd., Zhengzhou Yutong Mining Equipment Co., Ltd, and Ourland Environmental Technical Ltd (collectively “Yutong affiliates”) (Note(i))	Affiliates of a shareholder prior to January 1, 2025, when the shareholder had significant influence over the Company
Guangzhou Yuji Technology Co., Ltd. and its subsidiaries (collectively “Yuji affiliates”)	Entity controlled by a close family member of Dr. Tony Xu Han

(b) Key management personnel compensation

	<i>For the year ended December 31,</i>		
	<i>2023</i>	<i>2024</i>	<i>2025</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Short-term employment benefits (excluding discretionary bonus)	18,191	15,575	18,611
Discretionary bonus	7,396	15,425	15,029
Contributions to defined contribution retirement plans	264	229	215
Share-based compensation expenses	621,172	973,975	135,836
	647,023	1,005,204	169,691

(c) *Other transactions with related parties*

In addition to the transactions disclosed elsewhere in these consolidated financial statements, the Group entered into the following continuing material related party transactions during the years presented:

	<i>For the year ended December 31,</i>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000	RMB'000
Sales of goods to:			
Yutong affiliates	5,708	—	—
Alliance affiliates	4,510	2,840	—
	<u>10,218</u>	<u>2,840</u>	<u>—</u>
Service rendered to:			
Alliance affiliates	14,898	15,053	7,632
Yutong affiliates	23,390	13,816	—
Yuji affiliates	—	528	—
	<u>38,288</u>	<u>29,397</u>	<u>7,632</u>
Purchases of goods or services from:			
Yutong affiliates (Note (i))	18,377	71,042	—
Yuji affiliates	111,532	90,055	66,805
	<u>129,909</u>	<u>161,097</u>	<u>66,805</u>
Payments made on behalf of customers to:			
Yuji affiliates	34,848	65,238	2,734
	<u>34,848</u>	<u>65,238</u>	<u>2,734</u>
Disposal of property and equipment to:			
Yuji affiliates	—	—	1,431
	<u>—</u>	<u>—</u>	<u>1,431</u>

Notes:

- (i) The Group sold and recognized goods purchased from Yutong affiliates for business operation in cost of goods sold in the amount of RMB10.8 million and RMB 9.1 million for the years ended December 31, 2023, 2024, respectively.
- (ii) The Group entered into a share subscription agreement with one of Alliance affiliates in July 2024, who committed to subscribe shares of the Company as a cornerstone investor with an aggregate purchase price of USD97.0 million (equivalent to RMB689.6 million). The Company issued 18,774,194 Class A ordinary shares for cash consideration of USD5.17 each to the shareholder and collected the subscription consideration upon completion of the IPO.
- (iii) In July 2024, the Company issued 80,544,159 ordinary shares to settle vested restricted shares held by certain management personnel and withheld 45,449,991 vested restricted share units to fund the withholding tax payable arising from the settlement of these vested restricted share units amounting to RMB394.2 million.

(d) *Balances with related parties*

	<i>As of December 31,</i>	
	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000
Trade related		
Trade receivables from:		
Alliance affiliates	3,944	590
Yutong affiliates	11,880	—
Less: loss allowance	(2,707)	(16)
Trade receivables, net of loss allowance	13,117	574
Prepayments to:		
Yuji affiliates	—	8,436
Yutong affiliates	13,501	—
Prepayments to and amounts due from related parties	26,618	9,010
Trade related		
Amounts due to related parties		
Trade and other payables to:		
Yutong affiliates	2,185	—
Yuji affiliates	7,265	1,949
	9,450	1,949

As of December 31, 2024 and 2025, amounts due from related parties are unsecured, interest-free and repayable on demand.

35 Company level financial position

The following parent company financial information of the Company has been prepared using the same accounting policies as set out in the accompanying consolidated financial statements. As of December 31, 2025, there were no material contingencies, significant provisions of long-term obligations, mandatory dividend or redemption requirements of preferred shares and other financial instruments subject to redemption and other preferential rights of the Company, except for those, which have been separately disclosed in the consolidated financial statements:

(a) *Condensed Statements of Profit or Loss*

	<i>For the year ended December 31,</i>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000	RMB'000
Other net income	6,353	—	—
Administrative expenses	(11,095)	(24,016)	(106,815)
Selling expenses	—	(261)	(1,376)
Operating loss	(4,742)	(24,277)	(108,191)
Interest income	—	18,327	24,024
Net foreign exchange loss	—	—	(159)
Fair value changes of financial liabilities measured at FVTPL	(4,549)	—	—
Fair value changes of financial assets at FVTPL	—	(84,579)	(19,014)
Changes in the carrying amounts of preferred shares and other financial instruments subject to redemption and other preferential rights	(554,048)	(465,254)	—
Share of loss from subsidiaries and former VIE	(1,385,762)	(1,959,421)	(1,550,686)
Loss before taxation	(1,949,101)	(2,515,204)	(1,654,026)
Income tax	—	(1,604)	(874)
Loss for the year	(1,949,101)	(2,516,808)	(1,654,900)

(b) *Condensed Statements of Financial Position*

	<i>As of December 31,</i>	
	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000
ASSETS		
Amounts due from subsidiaries	6,946,299	5,237,491
Financial assets at FVTPL–non-current	56,919	106,161
Non-current assets	7,003,218	5,343,652
Prepayments and other receivables	76,113	60,985
Financial assets at FVTPL – current	—	141,650
Cash	602,407	2,384,885
Current assets	678,520	2,587,520
Total assets	7,681,738	7,931,172
EQUITY		
Class A ordinary shares	54	69
Class B ordinary shares	4	4
Share premium	12,750,598	14,962,531
Reserves	2,946,715	3,223,822
Accumulated losses	(8,631,352)	(10,286,252)
Total equity	7,066,019	7,900,174
LIABILITIES		
Other payables, deposits received and accrued expenses	615,719	30,998
Current liabilities	615,719	30,998
Total liabilities	615,719	30,998
Total equity and liabilities	7,681,738	7,931,172

(c) *Condensed Statements of Cash Flow*

	<i>For the year ended December 31,</i>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	RMB'000	RMB'000	RMB'000
Net cash used in operating activities	(7,659)	(32,211)	(35,909)
Net cash used in investing activities	(1,663,084)	(3,459,830)	(343,440)
Net cash generated from financing activities	1,095,129	3,314,536	2,204,635
Net (decrease)/increase in cash	(575,614)	(177,505)	1,825,286
Cash as of January 1	1,326,502	770,140	602,407
Effect of foreign exchange rate changes	19,252	9,772	(42,808)
Cash as of December 31	770,140	602,407	2,384,885

36 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended December 31, 2025

Up to the date of issue of these consolidated financial statements, the IASB has issued a number of amendments, which are not yet effective for the year ended December 31, 2025 and have not been adopted in these consolidated financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting period beginning on or after
Amendments to IFRS 9 and IFRS 7, <i>Contracts Referencing Nature-dependent Electricity</i>	January 1, 2026
Amendments to IFRS 9 and IFRS 7: <i>Amendments to the Classification and Measurement of Financial Instruments</i>	January 1, 2026
Annual improvements to IFRS Accounting Standards–Volume 11	January 1, 2026
IFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	January 1, 2027
IFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	January 1, 2027
Amendments to IAS 21, <i>Translation to a Hyperinflationary Presentation Currency</i>	January 1, 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined at a future date

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. Even though IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the consolidated financial statements. IFRS 18 is effective for the year beginning on or after 1 January 2027 and is to be applied retrospectively.

37 Subsequent events

On March 13, 2026, the Company adopted the 2026 Share Plan to attract, incentivize and retain employees, directors and consultants through the grant of awards. The maximum number of shares (including treasury shares) which may be issued or transferred under the Plan shall not exceed 10% of the total issued and outstanding ordinary shares (excluding any treasury shares) of the Company as at March 13, 2026. This Share Plan has a contractual term of ten years since March 13, 2026 and the shares granted under this Share Plan are generally subject to a time-based requirement of service schedule.

On March 23, 2026, the Board of Directors authorized a share repurchase program, effective as of March 23, 2026, under which the Company may repurchase up to USD100 million of its Class A ordinary shares (including in the form of ADSs) over the next 12 months, the proposed repurchases may be made from time to time on the open market at prevailing market prices, in privately negotiated transactions, in block trades and/or through other legally permissible means, depending on market conditions and in accordance with applicable rules and regulations.

**DESCRIPTION OF RIGHTS OF EACH CLASS OF SECURITIES
REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

WeRide Inc. (or “we,” “us,” “our company” and “our”) has the following securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”):

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American Depositary Shares, each representing three Class A ordinary shares par value US\$0.00001 per share	WRD	The Nasdaq Stock Market LLC (The Nasdaq Global Select Market)
Class A ordinary shares, par value US\$0.0000001 per share*		The Nasdaq Stock Market LLC (The Nasdaq Global Select Market)

* Not for trading, but only in connection with the listing on The Nasdaq Global Select Market of our American depositary shares, each representing three Class A ordinary shares.

This exhibit contains a description of the rights of (i) the holders of ordinary shares and (ii) ADS holders. Shares underlying the ADSs are held by Deutsche Bank Trust Company Americas, as depositary, and holders of ADSs will not be treated as holders of the shares.

Description of Ordinary Shares

The following is a summary of material provisions of our current amended and restated memorandum and articles of association (“our memorandum and articles of association”), as well as the Companies Act (As Revised) of the Cayman Islands (the “Companies Act”) insofar as they relate to the material terms of our ordinary shares. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire Memorandum and Articles of Association, which is filed as an exhibit to our latest Annual Report on Form 20-F (the “Form 20-F”).

Preemptive Rights (Item 9.A.3 of Form 20-F)

Our shareholders do not have preemptive rights.

Type and Class of Securities (Item 9.A.5 of Form 20-F)

Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares, each of par value US\$0.00001 per share. The respective number of Class A ordinary shares and Class B ordinary shares issued and outstanding as of the last day of our company’s respective fiscal year is provided on the cover of the applicable Form 20-F. Certificates representing the ordinary shares are issued in registered form. We will issue only non-negotiable shares, and will not issue bearer or negotiable shares.

Limitations or Qualifications (Item 9.A.6 of Form 20-F)

We keep and intend to maintain a dual-class voting structure. Holders of Class A ordinary shares are entitled to one vote per share, while holders of Class B ordinary shares are entitled to ten (10) votes per share. In respect of matters requiring the votes of shareholders, on a poll, each Class A ordinary shares shall be entitled to one vote on all matters subject to the vote at general meetings of our company, while each Class B ordinary shares shall be entitled to ten (10) votes on all matters subject to the vote at general meetings of

our company based on our dual-class share structure save that each Class A ordinary share and each Class B ordinary share shall entitle its holder to one vote on a poll at a general meeting in respect of a resolution on (a) any amendment to our memorandum and articles of association, including the variation of rights attached to any class of shares, (b) the appointment, election or removal of any independent non-executive director; (c) the appointment or removal of the auditors; or (d) the voluntary liquidation or winding-up of our Company. Due to the super voting power conferred upon holders of our Class B ordinary shares, the voting power of holders of our Class A ordinary shares may be materially limited.

Rights of Other Types of Securities (Item 9.A.7 of Form 20-F)

Not applicable.

Rights of the Shares (Item 10.B.3 of Form 20-F)

Ordinary Shares. Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of our Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights. Our ordinary shares are issued in registered form and are issued when registered in our register of members (shareholders). We may not issue shares to bearer. Our shareholders who are nonresidents of the Cayman Islands may freely hold and vote their shares.

Conversion. Class B ordinary shares may be converted into the same number of Class A ordinary shares by the holders thereof at any time, while Class A ordinary shares cannot be converted into Class B ordinary shares under any circumstances.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors or declared by our shareholders by ordinary resolution (provided that no dividend may be declared by our shareholders which exceeds the amount recommended by our directors). Our memorandum and articles of association provide that dividends may be declared and paid out of the funds of our company lawfully available therefor. Under the laws of the Cayman Islands, our company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

Voting Rights. 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 general meeting of the Company. 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 10 votes on all matters subject to the vote at general meetings of our company. Voting at any meeting of shareholders is by poll.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast at a meeting, a special resolution requires the affirmative vote of no less than two-thirds of the votes attaching to the outstanding ordinary shares cast at a meeting and a super-majority resolution requires the affirmative vote of no less than three-fourths of the votes attaching to the outstanding ordinary shares cast at a meeting. Ordinary resolutions, special resolutions and super-majority resolutions may also be passed by a unanimous written resolution signed by all members entitled to vote. A special resolution will be required for important matters such as a change of name, while a super-majority resolution will be required to make changes to our memorandum and articles of association. Our shareholders may, among other things, sub-divide or consolidate all or any of our company's share capital by ordinary resolution.

General Meetings of Shareholders. As a Cayman Islands exempted company, we are not obliged by the Companies Act to call shareholders' annual general meetings. Our memorandum and articles of association provide that we shall in each financial year hold a general meeting as our annual general meeting within six months of the end of such financial year in which case we shall specify the meeting as such in the

notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors.

Shareholders' general meetings may be convened by a majority of our board of directors or by the chairman of the board of directors. Advance notice of at least twenty-one days is required for the convening of our annual general shareholders' meeting and fourteen days for any other general meeting of our shareholders. A quorum required for any general meeting of shareholders consists of at least one shareholder present in person or by proxy, representing not less than ten percent of all votes attaching to the issued and outstanding shares in our company entitled to vote at general meeting.

The Companies Act does not provide shareholders with the right 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 memorandum and articles of association provide that upon the requisition of any one or more of our shareholders who together hold shares which carry in aggregate not less than one-tenth of all votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, our 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.

Transfer of Ordinary Shares. Subject to the restrictions set out in our 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 ordinary 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; and
- a fee of such maximum sum as the Nasdaq Stock Market 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 Nasdaq Stock Market, 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 60 days in any year as our board may determine.

Liquidation. On the winding up of our company, if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of our 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 our share 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.

Calls on Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders of these shares, on such terms and in such manner as may be determined by our board of directors. Our company may also repurchase any of our shares on such terms and in such manner as have been approved by our board of directors or by an ordinary resolution of our shareholders. 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 new 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 our 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.

Exclusive Forum. Under our memorandum and articles of association, unless we consent in writing to the selection of an alternative forum, the federal courts of the United States shall be the exclusive forum 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 United States Securities Act of 1933, as amended (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, or purchasing or otherwise acquiring American depository shares issued pursuant to deposit agreements, shall be deemed to have notice of and consented to the provisions of this article. Without prejudice to the foregoing, if the provision in this article is held to be illegal, invalid or unenforceable under applicable law, the legality, validity or enforceability of the rest of articles of association shall not be affected and this article shall be interpreted and construed to the maximum extent possible to apply in the relevant jurisdiction with whatever modification or deletion may be necessary so as best to give effect to our intention.

Requirements for Amendments (Item 10.B.4 of Form 20-F)

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 all the holders of the issued shares of that class or series or with the sanction of a resolution passed by a majority of the votes cast 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 or subsequent to such existing class of shares, or the redemption or purchase of any shares of any class by our company. The rights of the holders of shares shall not be deemed to be varied by the creation or issue of shares with preferred or other rights including, without limitation, the creation of shares with enhanced or weighted voting rights.

Limitations on the Rights to Own Shares (Item 10.B.6 of Form 20-F)

There are no limitations imposed by the laws of the Cayman Islands or our memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on its shares.

Provisions Affecting Any Change of Control (Item 10.B.7 of Form 20-F)

Anti-Takeover Provisions. Some provisions of our 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 preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders; and
- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Ownership Threshold (Item 10.B.8 of Form 20-F)

There are no provisions in our memorandum and articles of association that require our company to disclose shareholder ownership above any particular ownership threshold. However, our shareholders may be required to disclose shareholder ownership in accordance with applicable laws and regulations.

Differences Between the Law of Different Jurisdictions (Item 10.B.9 of Form 20-F)

The Companies Act of the Cayman Islands is derived, to a large extent, from the older Companies Acts of England but does not follow recent English statutory enactments and, accordingly, there are significant differences between the Companies Act of the Cayman Islands and the current Companies Act of England. In addition, the Companies Act of the Cayman Islands differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of certain significant differences between the provisions of the Companies Act of the Cayman Islands applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

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, (i) “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 (ii) 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 surviving or consolidated company, a list of 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 parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman 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 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 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; provided that 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) 75% in value of the shareholders or class of shareholders, or (b) a majority in number representing 75% in value of the creditors or class of 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 dissentient minority shareholder(s) upon a tender offer. When a tender offer is made and accepted by holders of 90.0% of the shares affected, the offeror may, within a two-month period commencing after the approval by the said holders, 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 by way of scheme of arrangement is thus approved and sanctioned, or if a tender offer is made and accepted, in accordance with the foregoing statutory procedures, 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) so that a non-controlling shareholder may be permitted 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 (and is therefore incapable of ratification by the shareholder);
- 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 memorandum and articles of association provide 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 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 exercise the skill they actually possess and such care and diligence

that a reasonably 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.

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. Cayman Islands law and our memorandum and 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 that 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 does not provide shareholders with the right 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 memorandum and articles of association allow any one or more of our shareholders who together hold shares which carry in aggregate not less than a majority of all votes attaching to all 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 memorandum and articles of association do not provide our shareholders with any other right to put proposals before annual general meetings or extraordinary general meetings. As a Cayman Islands exempted 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 memorandum and 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 issued and outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our memorandum and articles of association, directors may be removed with or without cause, by an ordinary resolution of our shareholders (other than a Founder Entity Appointed Director as defined in the memorandum and articles of association). A director will also cease to be a director if he (i) becomes prohibited by applicable law from being a director; (ii) becomes bankrupt or makes any arrangement or composition with his creditors; (iii) dies or is found to be or becomes of unsound mind; (iv) resigns his office by notice in writing; (v) without special leave of absence from our board, is absent from meetings of our board for three consecutive meetings and our board resolves that his office be vacated; or (vi) is removed from office pursuant to any other provision of our 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, it does provide that such transactions must be entered into bona fide in the best interests of the company 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 either an order of the courts of the Cayman Islands or by the board of directors.

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.

Restructuring. A company may present a petition to the Grand Court of the Cayman Islands for the appointment of a restructuring officer on the grounds that the company:

- (a) is or is likely to become unable to pay its debts; and
- (b) intends to present a compromise or arrangement to its creditors (or classes thereof) either pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring.

The Grand Court may, among other things, make an order appointing a restructuring officer upon hearing of such petition, with such powers and to carry out such functions as the court may order. At any time (i) after the presentation of a petition for the appointment of a restructuring officer but before an order for the appointment of a restructuring officer has been made, and (ii) when an order for the appointment of a restructuring officer is made, until such order has been discharged, no suit, action or other proceedings (other than criminal proceedings) shall be proceeded with or commenced against the company, no resolution to wind up the company shall be passed, and no winding up petition may be presented against the company, except with the leave of the court. However, notwithstanding the presentation of a petition for the appointment of a restructuring officer or the appointment of a restructuring officer, a creditor who has security over the whole or part of the assets of the company is entitled to enforce the security without the leave of the court and without reference to the restructuring officer appointed.

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 our memorandum and articles of association, 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 the holders of at least two-thirds of the issued shares of that class or series or with the sanction of a resolution passed by a majority of the votes cast 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 or subsequent to such existing class of shares, or the redemption or purchase of any shares of any class by our company. The rights of the holders of shares shall not be deemed to be varied by the creation or issue of shares with preferred or other rights including, without limitation, the creation of shares with enhanced or weighted voting rights.

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 memorandum and articles of association, our memorandum and articles of association may only be amended by a special resolution of our shareholders.

Rights of Non-resident or Foreign Shareholders. There are no limitations imposed by our 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 memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

Changes in Capital (Item 10.B.10 of Form 20-F)

Our shareholders may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe.

Our shareholders may by special resolution:

- increase our share capital by new shares of such amount as we think expedient;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- subdivide our shares, or any of them, into shares of a smaller amount than that fixed by our third amended and restated memorandum and articles of association, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; and
- 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 diminish the amount of our share capital by the amount of the shares so cancelled.

Our shareholders may by special resolution reduce our share capital and any capital redemption reserve in any manner authorized by the Companies Act.

Debt Securities (Item 12.A of Form 20-F)

Not applicable.

Warrants and Rights (Item 12.B of Form 20-F)

Not applicable.

Other Securities (Item 12.C of Form 20-F)

Not applicable.

American Depositary Shares (Items 12.D.1 and 12.D.2 of Form 20-F)

Deutsche Bank Trust Company Americas, as depositary, registers and delivers the ADSs. Each ADS represents ownership of three Class A ordinary shares, deposited with Deutsche Bank AG, Hong Kong Branch, as custodian for the depositary. Each ADS will also represent ownership of any other securities, cash or other property which may be held by the depositary. The depositary's corporate trust office at which the ADSs are administered is located at 1 Columbus Circle, New York, NY 10019, USA. The principal executive office of the depositary is located at 1 Columbus Circle, New York, NY 10019, USA.

The Direct Registration System, or DRS, is a system administered by The Depository Trust Company, or DTC, pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements issued by the depositary to the ADS holders entitled thereto.

We do not treat ADS holders as our shareholders and accordingly, you, as an ADS holder, do not have shareholder rights. Cayman Islands law governs shareholder rights. The depositary is the holder of the Class A ordinary shares underlying your ADSs. As a holder of ADSs, you have ADS holder rights. A deposit agreement among us, the depositary and you, as an ADS holder, and the beneficial owners of ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. The laws of the State of New York govern the deposit agreement and the ADSs. See “—Jurisdiction and Arbitration.”

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 American Depositary Receipt, which are filed as exhibits to the Form 20-F.

Holding the ADSs

How do you hold your ADSs?

You may hold ADSs either (1) directly (a) by having an American Depositary Receipt, or ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (b) by holding ADSs in DRS, or (2) indirectly through your broker or other financial institution. If you hold ADSs directly, you are an ADS holder. This description assumes you hold your ADSs directly. ADSs are issued through DRS, unless you specifically request certificated ADRs. 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.

Dividends and Other Distributions

How will you receive dividends and other distributions on the shares?

The depositary has agreed to pay to you the cash dividends or other distributions it or the custodian receives on Class A ordinary shares or other deposited securities, after deducting its fees and expenses. You will receive these distributions in proportion to the number of Class A ordinary shares your ADSs represent as of the record date (which will be as close as practicable to the record date for our Class A ordinary shares) set by the depositary with respect to the ADSs.

- **Cash.** The depositary will convert or cause to be converted any cash dividend or other cash distribution we pay on the Class A ordinary shares or any net proceeds from the sale of any Class A ordinary shares, rights, securities or other entitlements under the terms of the deposit agreement into U.S. dollars if it can do so on a practicable basis and can transfer the U.S. dollars to the United States, and will distribute promptly the amount thus received. If the depositary shall determine in its judgment that such conversions or transfers are not practical or lawful or if any government approval or license is needed and cannot be obtained at a reasonable cost within a reasonable period or otherwise sought, 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 or cause the custodian to hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid and such funds will be held for the respective accounts of the ADS holders. It will not invest the foreign currency and it will not be liable for any interest for the respective accounts of the ADS holders.

Before making a distribution, any taxes or other governmental charges, together with fees and expenses of the depository, that must be paid, will be deducted. *It will distribute only whole U.S. dollars and cents and will round down fractional cents to the nearest whole cent. If the exchange rates fluctuate during a time when the depository cannot convert the foreign currency, you may lose some or all of the value of the distribution.*

- **Shares.** For any Class A ordinary shares we distribute as a dividend or free distribution, either (1) the depository will distribute additional ADSs representing such Class A ordinary shares or (2) existing ADSs as of the applicable record date will represent rights and interests in the additional Class A ordinary shares distributed, to the extent reasonably practicable and permissible under law, in either case, net of applicable fees, charges and expenses incurred by the depository and taxes and/or other governmental charges. The depository will only distribute whole ADSs. It will try to sell Class A ordinary shares which would require it to deliver a fractional ADS and distribute the net proceeds in the same way as it does with cash. The depository may sell a portion of the distributed Class A ordinary shares sufficient to pay its fees and expenses, and any taxes and governmental charges, in connection with that distribution.
- **Elective Distributions in Cash or Shares.** If we offer holders of our Class A ordinary shares the option to receive dividends in either cash or shares, the depository, after consultation with us and having received timely notice as described in the deposit agreement of such elective distribution by us, has discretion to determine to what extent such elective distribution will be made available to you as a holder of the ADSs. We must timely first instruct the depository to make such elective distribution available to you and furnish it with satisfactory evidence that it is legal to do so. The depository could decide it is not legal or reasonably practicable to make such elective distribution available to you. In such case, the depository shall, on the basis of the same determination as is made in respect of the Class A ordinary shares for which no election is made, distribute either cash in the same way as it does in a cash distribution, or additional ADSs representing Class A ordinary shares in the same way as it does in a share distribution. The depository is not obligated to make available to you a method to receive the elective dividend in shares rather than in ADSs. There can be no assurance that you will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of Class A ordinary shares.
- **Rights to Purchase Additional Shares.** If we offer holders of our Class A ordinary shares any rights to subscribe for additional shares, the depository shall, having received timely notice as described in the deposit agreement of such distribution by us, consult with us, and we must determine whether it is lawful and reasonably practicable to make these rights available to you. We must first instruct the depository to make such rights available to you and furnish the depository with satisfactory evidence that it is legal to do so. If the depository decides it is not legal or reasonably practicable to make the rights available but that it is lawful and reasonably practicable to sell the rights, the depository will endeavor to sell the rights and in a riskless principal capacity or otherwise, at such place and upon such terms (including public or private sale) as it may deem proper, distribute the net proceeds in the same way as it does with cash. The depository will allow rights that are not distributed or sold to lapse. In that case, you will receive no value for them.

If the depository makes rights available to you, it will establish procedures to distribute such rights and enable you to exercise the rights upon your payment of applicable fees, charges and expenses incurred

by the depositary and taxes and/or other governmental charges. The Depositary shall not be obliged to make available to you a method to exercise such rights to subscribe for Class A ordinary shares (rather than ADSs).

U.S. securities laws may restrict transfers and cancellation of the ADSs represented by Class A ordinary shares purchased upon exercise of rights. For example, you may not be able to trade these ADSs freely in the United States. In this case, the depositary may deliver restricted depositary shares that have the same terms as the ADSs described in this section except for changes needed to put the necessary restrictions in place.

There can be no assurance that you will be given the opportunity to exercise rights on the same terms and conditions as the holders of Class A ordinary shares or be able to exercise such rights.

- **Other Distributions.** Subject to receipt of timely notice, as described in the deposit agreement, from us with the request to make any such distribution available to you, and provided the depositary has determined such distribution is lawful and reasonably practicable and feasible and in accordance with the terms of the deposit agreement, the depositary will distribute to you anything else we distribute on deposited securities by any means it may deem practicable, upon your payment of applicable fees, charges and expenses incurred by the depositary and taxes and/or other governmental charges. If any of the conditions above are not met, the depositary will endeavor to sell, or cause to be sold, what we distributed and distribute the net proceeds in the same way as it does with cash; or, if it is unable to sell such property, the depositary may dispose of such property in any way it deems reasonably practicable under the circumstances for nominal or no consideration, such that you may have no rights to or arising from such property.

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. 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 we and/or the depositary determines that it is illegal or not practicable for us or the depositary to make them available to you.

Deposit, Withdrawal and Cancellation

How are ADSs issued?

The depositary will deliver ADSs if you or your broker deposit Class A ordinary shares or evidence of rights to receive Class A ordinary 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 entitled thereto.

How do ADS holders cancel an American Depositary Share?

You may turn in your ADSs at the depositary's corporate trust office or by providing appropriate instructions to your broker. 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 Class A ordinary shares and any other deposited securities underlying the ADSs to you or a person you designate at the office of the custodian. Or, at your request, risk and expense, the depositary will deliver the deposited securities at its corporate trust office, to the extent permitted by law.

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 you a statement confirming that you

are the owner of uncertificated ADSs. Alternatively, upon receipt by the depository of a proper instruction from a holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depository will execute and deliver to you an ADR evidencing those ADSs.

Voting Rights

How do you vote?

You may instruct the depository to vote the Class A ordinary shares or other deposited securities underlying your ADSs at any meeting at which you are entitled to vote pursuant to any applicable law, the provisions of our memorandum and articles of association, and the provisions of or governing the deposited securities. *Otherwise, you could exercise your right to vote directly if you withdraw the Class A ordinary shares. However, you may not know about the meeting sufficiently enough in advance to withdraw the Class A ordinary shares.*

If we ask for your instructions and upon timely notice from us by regular, ordinary mail delivery, or by electronic transmission, as described in the deposit agreement, the depository will notify you of the upcoming meeting at which you are entitled to vote pursuant to any applicable law, the provisions of our memorandum and articles of association, and the provisions of or governing the deposited securities, and arrange to deliver our voting materials to you. The materials will include or reproduce (a) such notice of meeting or solicitation of consents or proxies; (b) a statement that the ADS holders at the close of business on the ADS record date will be entitled, subject to any applicable law, the provisions of our memorandum and articles of association, and the provisions of or governing the deposited securities, to instruct the depository as to the exercise of the voting rights, if any, pertaining to the Class A ordinary shares or other deposited securities represented by such holder's ADSs; and (c) a brief statement as to the manner in which such instructions may be given to the depository or deemed given in accordance with the second to last sentence of this paragraph if no instruction is received by the depository to give a discretionary proxy to a person designated by us. Voting instructions may be given only in respect of a number of ADSs representing an integral number of Class A ordinary shares or other deposited securities. For instructions to be valid, the depository must receive them in writing on or before the date specified. The depository will try, as far as practical, subject to applicable law and the provisions of our memorandum and articles of association, to vote or to have its agents vote the Class A ordinary shares or other deposited securities (in person or by proxy) as you instruct. The depository will only vote or attempt to vote as you instruct.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depository to vote the Class A ordinary shares underlying your ADSs. In addition, there can be no assurance that ADS holders and beneficial owners generally, or any holder or beneficial owner in particular, will be given the opportunity to vote or cause the custodian to vote on the same terms and conditions as the holders of our Class A ordinary shares. If we timely requested the depository to solicit your instructions but no instructions are received by the depository from an owner with respect to any of the deposited securities represented by the ADSs of that owner on or before the date established by the depository for such purpose, the depository shall deem that owner to have instructed the depository to give a discretionary proxy to a person designated by us with respect to such deposited securities, and the depository shall give a discretionary proxy to a person designated by us to vote such deposited securities. However, no such instruction shall be deemed given and no such discretionary proxy shall be given with respect to any matter if we inform the depository we do not wish such proxy given, substantial opposition exists or the matter materially and adversely affects the rights of holders of the Class A ordinary shares.

The depository and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. *This means that you may not be able to exercise your right to vote and you may have no recourse if the Class A ordinary shares underlying your ADSs are not voted as you requested.*

In order to give you a reasonable opportunity to instruct the depository as to the exercise of voting rights relating to deposited securities, if we request the depository to act, we will give the depository notice

of any such meeting and details concerning the matters to be voted at least 30 business days in advance of the meeting date.

Compliance with Regulations

Information Requests

Each ADS holder and beneficial owner shall (a) provide such information as we or the depositary may request pursuant to law, including, without limitation, relevant Cayman Islands law, any applicable law of the United States of America, our memorandum and articles of association, any resolutions of our Board of Directors adopted pursuant to such memorandum and articles of association, the requirements of any markets or exchanges upon which the Class A ordinary shares, ADSs or ADRs are listed or traded, or to any requirements of any electronic book-entry system by which the ADSs or ADRs may be transferred, regarding the capacity in which they own or owned ADRs, the identity of any other persons then or previously interested in such ADRs and the nature of such interest, and any other applicable matters, and (b) be bound by and subject to applicable provisions of the laws of the Cayman Islands, our memorandum and articles of association, and the requirements of any markets or exchanges upon which the ADSs, ADRs or Class A ordinary shares are listed or traded, or pursuant to any requirements of any electronic book-entry system by which the ADSs, ADRs or Class A ordinary shares may be transferred, to the same extent as if such ADS holder or beneficial owner held Class A ordinary shares directly, in each case irrespective of whether or not they are ADS holders or beneficial owners at the time such request is made.

Disclosure of Interests

Each ADS holder and beneficial owner shall comply with our requests pursuant to Cayman Islands law, the rules and requirements of the Nasdaq and any other stock exchange on which the Class A ordinary shares are, or will be, registered, traded or listed or our memorandum and articles of association, which requests are made to provide information, inter alia, as to the capacity in which such ADS holder or beneficial owner owns ADS and regarding the identity of any other person interested in such ADS and the nature of such interest and various other matters, whether or not they are ADS holders or beneficial owners at the time of such requests.

Fees and Expenses

As an ADS holder, you are required to pay the following service fees to the depositary bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any of your ADSs):

Service	Fees
To any person to which ADSs are issued or to any person to which a distribution is made in respect of ADS distributions pursuant to stock dividends or other free distributions of stock, bonus distributions, stock splits or other distributions (except where converted to cash)	Up to US\$0.05 per ADS issued
Cancellation of ADSs, including in the case of termination of the deposit agreement	Up to US\$0.05 per ADS cancelled
Distribution of cash dividends	Up to US\$0.05 per ADS held

Distribution of cash entitlements (other than cash dividends) and/or cash proceeds from the sale of rights, securities and other entitlements	Up to US\$0.05 per ADS held
Distribution of ADSs pursuant to exercise of rights	Up to US\$0.05 per ADS held
Distribution of securities other than ADSs or rights to purchase additional ADSs	Up to US\$0.05 per ADS held
Depository services	Up to US\$0.05 per ADS held on the applicable record date(s) established by the depository bank

As an ADS holder, you are also be responsible for paying certain fees and expenses incurred by the depository bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any of your ADSs) such as:

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

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

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

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

The depositary may make payments to us or reimburse us for certain costs and expenses, by making available a portion of the ADS fees collected in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary bank agree from time to time.

Payment of Taxes

You are responsible for any taxes or other governmental charges payable, or which become payable, on your ADSs or on the deposited securities represented by any of your ADSs. The depositary may refuse to register or transfer your ADSs or allow you to withdraw the deposited securities represented by your ADSs until such taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs 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 you any net proceeds, or send to you any property, remaining after it has paid the taxes. You agree to indemnify us, the depositary, the custodian and each of our and their respective agents, directors, employees and affiliates for, and hold each of them harmless from, any claims with respect to taxes (including applicable interest and penalties thereon) arising from any refund of taxes, reduced rate of withholding at source or other tax benefit obtained for you. Your obligations under this paragraph shall survive any transfer of ADRs, any surrender of ADRs and withdrawal of deposited securities or the termination of the deposit agreement.

Reclassifications, Recapitalizations and Mergers

If we:	Then:
Change the nominal or par value of our Class A ordinary shares	The cash, shares or other securities received by the depositary will become deposited securities.
Reclassify, split up or consolidate any of the deposited securities	Each ADS will automatically represent its equal share of the new deposited securities.
Distribute securities on the Class A ordinary shares that are not distributed to you, or recapitalize, reorganize, merge, liquidate, sell all or substantially all of our assets, or take any similar action	The depositary may distribute some or all of the cash, shares or other securities it received. It may also deliver new ADSs or ask you to surrender your outstanding ADRs in exchange for new ADRs identifying the new deposited securities.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the form of ADR 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, including expenses incurred in connection with foreign exchange control regulations and other charges specifically payable by ADS holders under the deposit agreement, or materially prejudices a substantial existing 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 your ADSs, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended.* If any new laws are adopted which would require the deposit agreement to be amended in order to comply therewith, we and the depositary may amend the deposit agreement in accordance with such laws and such amendment may become effective before notice thereof is given to ADS holders.

How may the deposit agreement be terminated?

The depositary will terminate the deposit agreement if we ask it to do so, in which case the depositary will give notice to you at least 90 days prior to termination. The depositary may also terminate the deposit agreement if the depositary has told us that it would like to resign, or if we have removed the depositary, and in either case we have not appointed a new depositary within 90 days. In either such case, the depositary must notify you at least 30 days before termination.

After termination, the depositary and its agents will do the following under the deposit agreement but nothing else: collect distributions on the deposited securities, sell rights and other property and deliver Class A ordinary shares and other deposited securities upon cancellation of ADSs after payment of any fees, charges, taxes or other governmental charges. Six months or more after the date of termination, the depositary may sell any remaining deposited securities by public or private sale. 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, for the *pro rata* benefit of the ADS holders that have not surrendered their ADSs. It will not invest the money and has no liability for interest. After such sale, the depositary's only obligations will be to account for the money and other cash. After termination, we shall be discharged from all obligations under the deposit agreement except for our obligations to the depositary thereunder.

Books of Depositary

The depositary maintains ADS holder records at its depositary office. You may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the Company, the ADRs and the deposit agreement.

The depositary maintains facilities in the Borough of Manhattan, The City of New York to record and process the issuance, cancellation, combination, split-up and transfer of ADRs.

These facilities may be closed at any time or from time to time when such action is deemed necessary or advisable by the depositary in connection with the performance of its duties under the deposit agreement or at our reasonable written request.

Limitations on Obligations and Liability

Limits on our Obligations and the Obligations of the Depositary and the Custodian; Limits on Liability to Holders of ADSs

The deposit agreement expressly limits our obligations and the obligations of the depositary and the custodian. It also limits our liability and the liability of the depositary. The depositary and the custodian:

- are only obligated to take the actions specifically set forth in the deposit agreement without gross negligence or willful misconduct;
- are not liable if any of us or our respective controlling persons or agents are prevented or forbidden from, or subjected to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement and any ADR, by reason of any provision of any present or future law or regulation of the United States or any state thereof, of the Cayman Islands or any other country, or of any other governmental authority or regulatory authority or stock exchange, or on account of the possible criminal or civil penalties or restraint, or by reason of any provision, present or future, of our memorandum and articles of association or any provision of or governing any deposited securities, or by reason of any act of God or war or other circumstances beyond its control (including, without limitation, nationalization, expropriation, currency restrictions, work stoppage, strikes, civil unrest, revolutions, rebellions, explosions and computer failure);

- are not liable by reason of any exercise of, or failure to exercise, any discretion provided for in the deposit agreement or in our memorandum and articles of association or provisions of or governing deposited securities;
- are not liable for any action or inaction of the depository, the custodian or us or their or our respective controlling persons or agents in reliance upon the advice of or information from legal counsel, any person presenting Class A ordinary shares for deposit or any other person believed by it in good faith to be competent to give such advice or information;
- 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;
- are not liable for any special, consequential, indirect or punitive damages for any breach of the terms of the deposit agreement, or otherwise;
- may rely upon any documents we believe in good faith to be genuine and to have been signed or presented by the proper party;
- disclaim any liability for any action or inaction of any of us or our respective controlling persons or agents in reliance upon the advice of or information from legal counsel, accountants, any person presenting Class A ordinary shares for deposit, holders and beneficial owners (or authorized representatives) of ADSs, or any person believed in good faith to be competent to give such advice or information; and
- disclaim any liability for inability of any holder to benefit from any distribution, offering, right or other benefit made available to holders of deposited securities but not made available to holders of ADS.

The depository and any of its agents also disclaim any liability (i) for any failure to carry out any instructions to vote, the manner in which any vote is cast or the effect of any vote or failure to determine that any distribution or action may be lawful or reasonably practicable or for allowing any rights to lapse in accordance with the provisions of the deposit agreement, (ii) for the failure or timeliness of any notice from us, the content of any information submitted to it by us for distribution to you or for any inaccuracy of any translation thereof, (iii) for any investment risk associated with the acquisition of an interest in the deposited securities, the validity or worth of the deposited securities, the credit-worthiness of any third party, (iv) for any tax consequences that may result from ownership of ADSs, Class A ordinary shares or deposited securities, or (v) for any acts or omissions made by a successor depository whether in connection with a previous act or omission of the depository or in connection with any matter arising wholly after the removal or resignation of the depository, provided that in connection with the issue out of which such potential liability arises the depository performed its obligations without gross negligence or willful misconduct while it acted as depository.

In the deposit agreement, we and the depository agree to indemnify each other under certain circumstances.

Jurisdiction and Arbitration

The laws of the State of New York govern the deposit agreement and the ADSs and we have agreed with the depository 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) shall have exclusive jurisdiction to hear and determine any dispute arising from or in any way relating to the deposit agreement and that the depository has the right to refer any claim or dispute arising from the relationship created by the deposit agreement to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

The arbitration provisions of the deposit agreement do not preclude you from pursuing claims under the Securities Act or the Exchange Act in the United States District Court for the Southern District of New York (or such state courts if the United States District Court for the Southern District of New York lacks subject matter jurisdiction).

Jury Trial Waiver

The deposit agreement provides that each party to the deposit agreement (including each holder, beneficial owner and holder of interests in the ADRs) irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any lawsuit or proceeding 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 based on the facts and circumstances of that case in accordance with the applicable law.

Requirements for Depositary Actions

Before the depositary will issue, deliver or register a transfer of an ADS, split up, subdivide or combine ADSs, make a distribution on an ADS, or permit withdrawal of Class A ordinary 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 Class A ordinary shares or other deposited securities and payment of the applicable fees, expenses and charges of the depositary;
- satisfactory proof of the identity and genuineness of any signature or any other matters contemplated in the deposit agreement; and
- compliance with (A) any laws or governmental regulations relating to the execution and delivery of ADRs or ADSs or to the withdrawal or delivery of deposited securities and (B) such reasonable regulations and procedures as the depositary may establish, from time to time, consistent with the deposit agreement and applicable laws, including presentation of transfer documents.

The depositary may refuse to issue and deliver ADSs or register transfers of ADSs generally when the register of the depositary or our transfer books are closed or at any time if the depositary or we determine that it is necessary or advisable to do so.

Your Right to Receive the Shares Underlying Your ADSs

You have the right to cancel your ADSs and withdraw the underlying Class A ordinary shares at any time except:

- when temporary delays arise because: (1) the depositary has closed its transfer books or we have closed our transfer books; (2) the transfer of Class A ordinary shares is blocked to permit voting at a shareholders' meeting; or (3) we are paying a dividend on our Class A ordinary shares;
- when you owe money to pay fees, taxes and similar charges;
- 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 Class A ordinary shares or other deposited securities, or other circumstances specifically contemplated by Section I.A.(1) of the General Instructions to Form F-6 (as such General Instructions may be amended from time to time); or

- for any other reason if the depository or we determine, in good faith, that it is necessary or advisable to prohibit withdrawals.

The depository shall not knowingly accept for deposit under the deposit agreement any Class A ordinary shares or other deposited securities required to be registered under the provisions of the Securities Act, unless a registration statement is in effect as to such Class A ordinary shares.

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 DRS and Profile Modification System, or Profile, apply to uncertificated ADSs upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC pursuant to which the depository may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements issued by the depository to the ADS holders entitled thereto. Profile is a required feature of DRS which allows a DTC participant, claiming to act on behalf of an ADS holder, to direct the depository 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 depository of prior authorization from the ADS holder to register such transfer.

CERTAIN PORTIONS OF THIS EXHIBIT (INDICATED BY ASTERISKS) HAVE
BEEN OMITTED AS THE REGISTRANT HAS DETERMINED THAT THE
INFORMATION IS BOTH NOT MATERIAL AND ARE THE TYPE THAT THE
REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

UBER TECHNOLOGIES, INC.

1725 3rd Street
San Francisco, CA 94158

May 5, 2025

WeRide Inc.
2630 Orchard Pkwy
San Jose, CA 95131

Ladies and Gentlemen:

This letter agreement (this “**Letter**”) sets forth the agreement and understanding of Uber Technologies, Inc., a Delaware corporation (“**Uber**”) and WeRide Inc. (“**WeRide**”), a company incorporated in the Cayman Islands, regarding the commitment of Uber, on the terms and subject to the conditions described below, to purchase, or cause the purchase of, directly or indirectly, equity interests of WeRide (such acquisition, the “**Transaction**”).

1. Commitment. Uber hereby commits (the “**Commitment**”) on the terms and subject to the conditions set forth in this Letter to purchase, or cause the purchase of, equity securities of WeRide in the form of Class A ordinary shares, par value \$0.0001 per share (“**Class A ordinary shares**”), of WeRide, for an aggregate cash purchase price equal to \$100,000,000 (as such amount may be adjusted pursuant to Section 1(a) or Section 2(b) hereof, the “**Commitment Amount**”). In order to exercise the Commitment, WeRide may, at any time before November 30, 2025 (as such date may be extended pursuant to this Section 1, Section 2(a), or Section 3(vi) of this Letter, the “**Long-Stop Date**”), provide to Uber a written notice (including through e-mail) on the terms and subject to the conditions set forth in this Letter, which notice shall confirm WeRide’s exercise of the Commitment and the proposed closing date (the “**Exercise Notice**”). Such purchase shall be effectuated through a private placement (“**Private Placement**”) on the Long-Stop Date at a price per share equal to the volume-weighted average price per American Depositary Share of WeRide, each representing three Class A ordinary shares (“**ADSs**”), on the Nasdaq Stock Market as reported by Bloomberg (or, if Bloomberg ceases to publish such price, any successor service reasonably chosen by WeRide) for the [***]-trading day period prior to the Long-Stop Date (which price shall be adjusted to reflect the ADS-to-Class A ordinary share ratio) (the “[***]-**Day VWAP Price**”). Notwithstanding the foregoing, if the [***]-Day VWAP Price on November 28, 2025 is below \$[***] per ADS (the “**Floor Price**”), WeRide shall be entitled to either (i) extend the Long-Stop Date by [***] months (such period, the “**Extension Period**”) or (ii) call any amount up to the Commitment Amount by delivering an Exercise Notice and require Uber to fulfil the Commitment at a price per Class A ordinary share equal to, at WeRide’s option, (x) [***]% of the closing price of the ADSs on the Nasdaq Stock Market on such date (or if such date is not a trading day, the preceding trading day) as reported by Bloomberg (or, if Bloomberg ceases to publish such price, any successor service reasonably chosen by WeRide) (which price shall be adjusted to reflect the

ADS-to-Class A ordinary share ratio) or (y) [***]% of the [***]-Day VWAP Price, in each case subject to a cap of the Floor Price, and to the extent the other conditions set forth in Section 3 hereto are satisfied, Uber shall be obligated to fulfil the Commitment at such price. In the event WeRide determines to extend the Long-Stop Date pursuant to clause (i) of the preceding sentence, the following provisions shall govern the Transaction notwithstanding anything contained herein to the contrary:

- a. At (x) the end of every sixty (60) day period during the Extension Period and (y) on the Long-Stop Date, WeRide shall be entitled to call any amount up to the Commitment Amount (or the remaining Commitment Amount if WeRide has previously exercised part of the Commitment) by delivering an Exercise Notice and require Uber to fulfil the Commitment at a price per Class A ordinary share equal to the volume-weighted average price per ADS on the Nasdaq Stock Market as reported by Bloomberg (or, if Bloomberg ceases to publish such price, any successor service reasonably chosen by WeRide) for the [***]-trading day period prior to such date (which price shall be adjusted to reflect the ADS-to-Class A ordinary share ratio) (the “[***]-Day VWAP Price”). In the event the applicable [***]-Day VWAP Price is less than the Floor Price, WeRide shall be entitled to call any amount up to the Commitment Amount (or the remaining Commitment Amount if WeRide has previously exercised part of the Commitment) by delivering an Exercise Notice and require Uber to fulfil the Commitment at a price per Class A ordinary share equal to, at WeRide’s option, (A) [***]% of the closing price of ADSs on the Nasdaq Stock Market on the date of the Exercise Notice (or if such date is not a trading day, the preceding trading day) as reported by Bloomberg (or, if Bloomberg ceases to publish such price, any successor service reasonably chosen by WeRide) (which price shall be adjusted to reflect the ADS-to-Class A ordinary share ratio) or (B) [***]% of [***]-Day VWAP Price, in each case subject to a cap of the Floor Price.
- b. Subject to the satisfaction of the other conditions set forth in Section 3 hereto, Uber shall be obligated to fulfil the Commitment for the amount called in the applicable Exercise Notice within [***] days of the date of the applicable Exercise Notice delivered pursuant to clause (a) above.

The Commitment shall be satisfied by Uber or, in its sole discretion, through one or more of Uber’s affiliates (provided that Uber shall be responsible to satisfy the Commitment if its designated affiliate fails to do so). For the avoidance of doubt, Uber shall not under any circumstances be obligated under this Letter to purchase, directly or indirectly, any Class A ordinary shares for an aggregate purchase price that exceeds the Commitment Amount, except to the extent the aggregate purchase price is adjusted to account for the rounding of fractional Class A ordinary shares.

2. **Potential IPO.** In the event that WeRide conducts its initial public offering in Hong Kong (the “HK IPO”) the following provisions shall govern the Transaction notwithstanding anything contained herein to the contrary:

- a. To the extent WeRide offers Uber the opportunity to purchase Class A ordinary shares as a placee in the HK IPO at the same price per share offered to the public in the HK IPO (the “**IPO Price**”) and Uber does not invest in the HK IPO or only invests part of the Commitment Amount in the HK IPO, the Long-Stop Date shall be deemed to be extended until the earlier of (i) six (6) months from the closing date of the HK IPO and (ii) November 30, 2026.
- b. If Uber invests in the HK IPO, the Commitment Amount will be reduced on a dollar-for-dollar basis by the amount Uber has invested in the HK IPO. Any amount up to the remaining Commitment Amount may be called by WeRide by delivering the Exercise Notice prior to the Long-Stop Date.
- c. If Uber does not invest in the HK IPO, WeRide may call any amount up to the full Commitment Amount by delivering the Exercise Notice prior to the Long-Stop Date.
- d. The purchase of Class A ordinary shares pursuant to an Exercise Notice delivered pursuant to clause (b) or clause (c) above shall be subject to the conditions specified in Section 3 of this Letter and shall be effectuated through a Private Placement at a price per Class A ordinary share (the “**Private Placement Price**”) equal to the higher of (i) the IPO Price and (ii) the [***]-Day VWAP Price; provided that, if prior to the pricing of the HK IPO Uber notifies the underwriters of the HK IPO and WeRide that it seeks to invest the full amount of the Commitment Amount in the HK IPO and Uber is not allocated Class A ordinary shares for the Commitment Amount, then the Private Placement Price will be equal to the IPO Price; provided further that in no event shall the Private Placement Price be lower than such price that represents a discount of [***]% or more to the benchmarked price of the Class A ordinary shares if required under applicable Hong Kong listing rules and regulations.
- e. If any currency conversion is required in connection with the calculation of Uber’s remaining Commitment Amount or the purchase price for Class A ordinary shares in the HK IPO, such conversion shall be made using the selling exchange rate for conversion of the foreign currency into U.S. dollars as quoted by Wall Street Journal on the date of the HK IPO.
- f. The parties agree that to the extent Uber purchases any Class A ordinary shares in the HK IPO it shall execute and deliver a lock-up agreement, in the form attached hereto as Exhibit A, whether or not such lock-up agreement is required to be executed by other investors in the HK IPO.

3. **Conditions.** The obligation of the parties hereto to consummate a Private Placement shall be subject to (unless waived in writing by the parties) the satisfaction of the following conditions on or prior to the date of the closing of such Private Placement: (i) WeRide shall have provided the Exercise Notice (including through e-mail) to Uber at least [***] days prior to the proposed closing date of such Private Placement; (ii) Uber and WeRide shall have entered into an amendment (“**Amendment No. 1**”) to that certain Master Framework Agreement, dated as of November 22, 2024, between Uber and WeRide (as may be amended from time to time, the “**MFA**”); (iii) the MFA (as amended by Amendment No. 1) shall not have been terminated and shall be in effect; (iv) the execution and delivery by Uber and WeRide of a definitive purchase agreement (the “**Purchase Agreement**”) in the form attached hereto as Exhibit B and, if applicable, the delivery by WeRide of any disclosure schedules as may be necessary in respect of the representations of WeRide set forth in the Purchase Agreement (provided that if Uber has not previously funded the portion of the Commitment called for by WeRide’s initial Exercise Notice and, after review of the information contained in any such disclosure schedules, Uber elects not to consummate such Private Placement, then Uber and WeRide shall promptly execute the Reversion Amendment (as defined below), and Uber shall have no further liabilities or obligations hereunder, including to fund all or any portion of any remaining outstanding Commitment; provided further that Uber may only make such election not to consummate such Private Placement to the extent the information contained in any such disclosure schedules is material); (v) the continued listing of the ADSs on the Nasdaq Global Market; (vi) no Law or Order shall be in effect preventing the exercise of the Commitment or the consummation of such Private Placement (provided that if this clause (vi) is the only condition in this Section 3 not satisfied or waived on or prior to the date of the closing of such Private Placement, each of Uber and WeRide shall use commercially reasonable efforts to engage in discussions in good faith regarding alternative transaction structures to effectuate the intent of the exercise of the Commitment and the consummation of such Private Placement and the Long-Stop Date shall be deemed to be extended by sixty (60) days or until such earlier date that such Law or Order no longer prevents the exercise of the Commitment or the consummation of the Transaction; provided further, that (x) if such Law or Order is still in effect on the Long-Stop Date so extended and Uber has not previously funded the portion of the Commitment called for by WeRide’s initial Exercise Notice, then this Letter will terminate automatically and immediately in accordance with Section 6 hereto, Uber and WeRide shall promptly execute the Reversion Amendment and Uber shall have no further liabilities or obligations hereunder, including to fund all or any portion of any remaining outstanding Commitment and (y) the requirement pursuant to any Law or Order to make a filing or notification in respect of the Transaction shall not alone be deemed to be a Law or Order preventing the exercise of the Commitment or consummation of the Private Placement); (vii) upon reasonable request by Uber or its representatives after the date hereof and prior to the closing of the Private Placement, WeRide shall have provided, and shall have caused its affiliates to provide, Uber with the information necessary and within WeRide’s possession for Uber to confirm whether the Transaction is a “prohibited transaction” within the meaning of 31 C.F.R. § 850.224 or any successor thereto; (viii) neither WeRide nor any of its subsidiaries shall be engaged in (A) any covered activity identified in the definition of “notifiable transaction” at 31 C.F.R. § 850.217 (as

in effect as of the date of this Letter) other than as has been disclosed to Uber as of the date of this Letter, or (B) any covered activity identified in the definition of “prohibited transaction” at 31 C.F.R. § 850.224 (as in effect as of the date of this Letter); and (ix) either (A) no filing under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “**HSR Act**”), is required in connection with the Transaction or (B) the waiting period applicable to the Transaction under the HSR Act shall have expired.

4. Covenants.

- a. The parties hereto shall keep confidential, to the extent permitted by Law, the existence and terms of this Letter. All disclosures within the scope of this Letter are subject to the Mutual Non-Disclosure Agreement between Uber and WeRide effective as of July 1, 2024 (the “**NDA**”). The definitions and terms of the NDA are incorporated as if fully stated herein and shall be deemed to be in effect during the term of this Letter, including in the event of and notwithstanding an earlier expiration of the NDA. Notwithstanding the foregoing, (i) Uber specifically agrees and acknowledges that WeRide may disclose the existence or terms of this Letter to any person to the extent required by applicable Law or as is necessary or desirable in connection with HK IPO or the making of filings necessary to receive all requisite approvals for the HK IPO and the Transaction, and (ii) WeRide specifically agrees and acknowledges that Uber may disclose to the U.S. Department of the Treasury any information subject to the NDA as reasonably required to satisfy Uber’s obligations under 31 CFR 850.401 in connection with this Letter.
- b. If Uber determines that a notification to the U.S. Department of the Treasury is required with respect to the Transaction pursuant to 31 CFR 850.401, then WeRide shall, and shall cause its affiliates to, within [***] days of a request by Uber or its representatives, provide Uber with the information reasonably necessary and within WeRide’s possession for Uber to prepare the notification or to respond to any requests from the U.S. Department of the Treasury with respect to such notification.
- c. [***]
- d. Each party to this Letter shall use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, and to assist and cooperate with the other party in taking or causing to be taken, all actions necessary, proper or advisable under this Letter and applicable Law to consummate the Transaction on or before the Long-Stop Date, including, without limitation, all necessary filings, submissions or notifications, with respect to this Letter and the Transaction required under the HSR Act, 31 C.F.R. Part 850, and any related governmental request thereunder.

5. **Governing Law.** This Letter shall be governed and interpreted in accordance with the laws of the State of New York without giving effect to the conflicts of law principles thereof.

6. **Termination.** This Letter and the obligation of Uber to fund the Commitment will terminate automatically and immediately at the earlier of (i) the closing of the purchase by Uber of Class A ordinary shares for the full amount of the Commitment Amount in the HK IPO and (ii) 12:01 a.m., Eastern Time, on second business day following the Long-Stop Date (such date, the “**Termination Date**”), if the conditions to any Private Placement described herein are not satisfied on or prior to the Termination Date; provided that if WeRide has delivered an Exercise Notice to Uber prior to the Long-Stop Date, the Termination Date will be extended until immediately following the closing of the purchase by Uber of Class A ordinary shares pursuant to the Exercise Notice. Upon termination of this Letter each of Uber and WeRide shall have no further obligations or liabilities hereunder; provided further, that Section 4(a), Section 4(b), Section 4(c), Section 5, Section 6 and Section 7 of this Letter shall remain in full force and effect and survive any valid termination of this Letter in accordance with its terms and conditions.

7. **Master Framework Agreement**

- a. In the event that Uber does not fully fund and deliver to WeRide the portion of the Commitment Amount called by WeRide pursuant to and on the closing date specified in the applicable Exercise Notice, other than a failure to fund by Uber that is caused by a failure of WeRide to satisfy a condition specified in Section 3(i), Section 3(ii) or Section 3(iv) of this Letter (an “**Uber Failure to Fund**”), then at WeRide’s discretion, WeRide may (i) pursue specific performance of Uber’s obligation to fund the portion of the Commitment Amount called by WeRide or (ii) require Uber to promptly execute and deliver to WeRide an amendment (the “**Reversion Amendment**”) to the MFA; provided that if WeRide chooses to specifically enforce Uber’s obligation to fund the portion of the Commitment Amount called by WeRide, Amendment No. 1 shall be suspended and the MFA shall be deemed to be in effect without giving effect to Amendment No. 1 until such time that (x) WeRide has received the portion of the Commitment Amount called by WeRide, in the event the proceeding seeking such specific performance is decided in favor of WeRide or (y) the Reversion Amendment has been executed by Uber, in the event the proceeding seeking such specific performance is decided against WeRide. The Reversion Amendment shall provide that Amendment No. 1 shall be immediately terminated and have no further force and effect. For the avoidance of doubt, no Reversion Amendment shall be required pursuant to this Letter (x) if WeRide elects not to exercise the Commitment prior to or on the Long-Stop Date or (y) from and after such time as Uber has funded the portion of the Commitment called by WeRide pursuant to the initial Exercise Notice.

8. **Definitions.**

- a. **“Governmental Authority”** means any: (a) multinational or supranational body exercising legislative, judicial, taxing or regulatory powers, (b) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature, (c) federal, state, local, municipal, foreign or other government or (d) governmental or quasi-governmental authority of any nature (including any governmental division, department, agency, commission, instrumentality, official, organization, unit, body or entity and any court or other tribunal).
- b. **“Law”** means any local, state, national, regional, federal or international statute, law, ordinance, rule, treaty, regulation, common law or other legal requirement, including any Order.
- c. **“Order”** means any judgment, order (including any Executive Order of the President of the United States), writ, injunction, award or decree of any arbitrator or any court or other Governmental Authority and any award in any arbitration proceeding.

9. **Counterparts.** This Letter may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Letter and any amendments hereto, to the extent signed and delivered by means of digital imaging and electronic mail, shall be treated in all manner and respects as an original contract and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Letter as of the date first set forth above.

UBER TECHNOLOGIES, INC.

By: /s/ Madhu Kannan
Name: Madhu Kannan
Title: Vice President, Corporate Development

WERIDE INC.

By: /s/ Tony Xu Han
Name: Tony Xu Han
Title: Chief Executive Officer

[Signature Page to WeRide Letter Agreement]

Exhibit A
Form of IPO Lock-Up Agreement

Exhibit B

Form of Private Placement Agreement



SUBSCRIPTION AGREEMENT

This Subscription Agreement (this "Agreement") is made as of [], 2025 by and between:

- (1) WeRide Inc., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "Company"); and
- (2) Uber Technologies, Inc., a company incorporated in the State of Delaware (the "Purchaser"). The Purchaser on the one hand, and the Company on the other hand, are sometimes herein referred to each as a "Party," and collectively as the "Parties."

WITNESSETH:

WHEREAS, the Purchaser wishes to invest in the Company by acquiring Class A ordinary shares, par value US\$0.00001 per share ("Ordinary Shares"), of the Company in a transaction exempt from registration pursuant to Section 4(a)(2) of the U.S. Securities Act of 1933, as amended (the "Securities Act").

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises hereinafter set forth, the Parties hereto agree as follows:

ARTICLE I

PURCHASE AND SALE

Section 1.1 Issuance, Sale and Purchase of Ordinary Shares. Upon the terms and subject to the conditions of this Agreement, the Purchaser hereby agrees to purchase, and the Company hereby agrees to issue, sell and deliver to the Purchaser, at the Closing (as defined below), such number of Ordinary Shares that is equal to the quotient of the Purchase Price (as defined below) divided by the Offer Price (as defined below) (the "Purchased Shares") at a price per Ordinary Share equal to the Offer Price and for an aggregate purchase price of US\$[●]¹ (the "Purchase Price"), free and clear of all liens or encumbrances (except for restrictions arising under the Securities Act or created by virtue of this Agreement); provided, however, that (a) no fractional shares of Ordinary Shares will be issued as Purchased Shares, (b) any fractions shall be rounded down to the nearest whole number of Ordinary Shares, and (c) the Purchase Price will be reduced by the value of any such fractional share (as calculated on the basis of the Offer Price). The "Offer Price" means [].²

Section 1.2 Closing.

(a) Closing. The closing (the "Closing") of the sale and purchase of the Purchased Shares pursuant to Section 1.1 shall take place on the date hereof or on such other date

¹ NTD: To be the amount called pursuant to the exercise notice. If full amount is not called in an exercise notice, remaining commitment amount would be called in accordance with the terms of the commitment letter.

² NTD: Purchase price to be determined based on terms in the commitment letter.

as the Company and the Purchaser may mutually agree. The date and time of the Closing are referred to herein as the “Closing Date.”

(b) Payment and Delivery. At the Closing, the Purchaser shall pay and deliver the Purchase Price to the Company in U.S. dollars by wire transfer, or by such other method mutually agreeable to the Company and the Purchaser, of immediately available funds to such bank account designated in writing by the Company, and the Company shall deliver to the Purchaser a copy of its irrevocable instructions to its transfer agent instructing such transfer agent to deliver to the Purchaser (i) the Purchased Shares in book-entry form on the record books of the Company’s transfer agent and (ii) a certified true copy of the register of the members of the Company, evidencing the Purchased Shares as being issued to the Purchaser.

(c) Restrictive Legend. The book-entry position representing Purchased Shares shall be endorsed with the following legend:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (AS AMENDED, THE “ACT”) OR UNDER THE SECURITIES LAWS OF ANY STATE. THIS SECURITY MAY NOT BE TRANSFERRED, SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF (1) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR (2) AN EXEMPTION OR QUALIFICATION UNDER THE ACT AND OTHER APPLICABLE SECURITIES LAWS AND, IN THE CASE OF CLAUSE (2), UNLESS WERIDE INC. (THE “COMPANY”) RECEIVES (OR WAIVES THE REQUIREMENT TO RECEIVE) AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT REGISTRATION IS NOT REQUIRED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS. IN ADDITION, THIS SECURITY IS SUBJECT TO THE TRANSFER RESTRICTIONS DESCRIBED IN THE SUBSCRIPTION AGREEMENT DATED [], 2025. ANY ATTEMPT TO TRANSFER, SELL, PLEDGE OR HYPOTHECATE THIS SECURITY IN VIOLATION OF THESE RESTRICTIONS SHALL BE VOID.

Section 1.3 Reliance on Securities Act Exemption. The purchase, issuance, sale and delivery of the Purchased Shares shall be made pursuant to and in reliance upon Section 4(a)(2) of the Securities Act.

Section 1.4 Closing Conditions.

(a) Conditions to the Purchaser’s Obligations to Effect the Closing. The obligation of the Purchaser to purchase and pay for the Purchased Shares as contemplated by this Agreement is subject to the satisfaction, on or before the Closing Date, of the following conditions, either of which may be waived in writing by the Purchaser in its sole discretion:

(i) All corporate and other actions required to be taken by the Company in connection with the issuance, sale and delivery of the Purchased Shares shall have been completed.

(ii) The representations and warranties of the Company contained in Section 2.1 of this Agreement shall be true and correct on the date of this Agreement and, if the

Closing Date shall be a date other than the date of this Agreement, shall be true and correct in all material respects (other than the representations and warranties qualified by materiality or Material Adverse Effect, which shall be true and correct in all respects) on and as of the Closing Date.

(b) Conditions to Company's Obligations to Effect the Closing. The obligation of the Company to issue and sell the Purchased Shares to the Purchaser as contemplated by this Agreement is subject to the satisfaction, on or before the Closing Date, of each of the following conditions, either of which may be waived in writing by the Company in its sole discretion:

(i) All corporate and other actions required to be taken by the Purchaser in connection with the purchase of the Purchased Shares shall have been completed.

(ii) The representations and warranties of the Purchaser contained in Section 2.2 of this Agreement shall be true and correct on the date of this Agreement and, if the Closing Date shall be a date other than the date of this Agreement, shall be true and correct in all material respects (other than the representations and warranties qualified by materiality, which shall be true and correct in all respects) on and as of the Closing Date.

(c) Conditions to Parties' Obligations to Effect the Closing. The obligation of the Parties to consummate the transactions contemplated by this Agreement is subject to the satisfaction, on or before the Closing Date, of each of the following conditions, which may only be waived in writing by both Parties:

(i) No Law or Order shall be in effect preventing the consummation of the transactions contemplated by this Agreement; provided, that if this clause (i) is the only condition in this Section 1.4 not satisfied or waived on or prior to the Closing, each of the Parties shall use commercially reasonable efforts, subject to and pursuant to the terms of the letter agreement, dated as of [], 2025, by and between the Parties (the "Letter"), to engage in discussions in good faith regarding alternative transaction structures to effectuate the intent of the transactions contemplated by this Agreement. For purposes of this Section 1.4, "Law" means any local, state, national, regional, federal or international statute, law, ordinance, rule, treaty, regulation, common law or other legal requirement, including any Order; "Order" means any judgment, order (including any Executive Order of the President of the United States), writ, injunction, award or decree of any arbitrator or any court or other Governmental Authority and any award in any arbitration proceeding; and "Governmental Authority" means any: (w) multinational or supranational body exercising legislative, judicial, taxing or regulatory powers, (x) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature, (y) federal, state, local, municipal, foreign or other government or (z) governmental or quasi-governmental authority of any nature (including any governmental division, department, agency, commission, instrumentality, official, organization, unit, body or entity and any court or other tribunal).

(ii) All conditions set forth in Section 3 of the Letter shall have been satisfied.

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of the Company. The Company hereby represents and warrants to the Purchaser as follows:³

(a) Due Formation. The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the Cayman Islands, with power and authority (corporate and other) to own its properties and conduct its business as now conducted.

(b) Authority. The Company has the requisite corporate power and authority to enter into, execute and deliver this Agreement and each agreement, certificate, document and instrument to be executed and delivered by the Company pursuant to this Agreement and to perform its obligations hereunder. The execution and delivery by the Company of this Agreement and any agreements, certificates, documents and instruments to be executed and delivered by the Company pursuant to this Agreement and the performance by the Company of its obligations hereunder have been duly authorized by all requisite actions on its part.

(c) Valid Agreement. This Agreement has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(d) Due Issuance of the Purchased Shares. The Purchased Shares have been duly authorized and, when issued and delivered to and paid for by the Purchaser pursuant to this Agreement, will be validly issued, fully paid and non-assessable and free and clear of any pledge, mortgage, security interest, encumbrance, lien, charge, assessment, right of first refusal, right of pre-emption, third party right or interest, claim or restriction of any kind or nature, except for restrictions arising under the Securities Act or created by virtue of this Agreement and upon delivery and entry into the register of members of the Company will transfer to the Purchaser good and valid title to the Purchased Shares. The rights of the Ordinary Shares to be issued to the Purchaser as Purchased Shares are as stated in the Eighth Amended and Restated Memorandum and Articles of Association of the Company.

(e) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any provision of the organizational documents of the Company or any of the Company's subsidiaries and consolidated affiliates (each a "Subsidiary" and collectively "Subsidiaries"), (ii) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental entity or court to which the Company or its

³ NTD: Customary disclosure schedules can be added to qualify Company representations and warranties if required by the Company; provided that, the Company may limit the information in the disclosure schedules to the extent required by applicable Law or Order (as defined herein).

Subsidiaries is subject, or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of or creation of an encumbrance under, or create in any party the right to accelerate, terminate, modify, or cancel, any agreement, contract, lease, license, instrument, or other arrangement to which the Company or its Subsidiaries is a party or by which the Company or its Subsidiaries is bound or to which any of the Company's or its Subsidiaries' assets are subject, except in each case of (ii) and (iii), as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. There is no action, suit or proceeding, pending or threatened against the Company or its Subsidiaries that questions the validity of this Agreement or the right of the Company to enter into this Agreement or to consummate the transactions contemplated hereby. For purposes of this Section 2.1, "Material Adverse Effect" means any event, fact, circumstance or occurrence that, individually or in the aggregate with any other events, facts, circumstances or occurrences, results in or would reasonably be expected to result in a material adverse change in or a material adverse effect on (A) the financial condition, assets, liabilities, results of operations, business, prospects, or operations of the Company or its Subsidiaries taken as a whole, except to the extent that any such Material Adverse Effect results from (x) changes in generally accepted accounting principles that are generally applicable to comparable companies or (y) changes in general economic and market conditions; or (B) the ability of the Company to consummate the transactions contemplated by this Agreement.

(f) Consents and Approvals. Neither the execution and delivery by the Company of this Agreement, nor the consummation by the Company of any of the transactions contemplated hereby, nor the performance by the Company of this Agreement in accordance with its terms requires the consent, approval, order or authorization of, or registration with, or the giving notice to, any governmental or public body or authority or any third party, except such as have been or will have been obtained, made or given on or prior to the Closing Date, or where the failure to obtain any such consent, approval, authorization, order, registration or qualification would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(g) SEC Reports. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Exchange Act of 1934 ("Exchange Act") for the twelve (12) months preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, being collectively referred to herein as the "SEC Reports") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Exchange Act and the rules and regulations promulgated thereunder, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) General Solicitation. Neither the Company nor any person acting on behalf of the Company has offered any of the Purchased Shares through any public advertising or any form of general solicitation, including any advertisement, article, notice or other communication regarding the Purchased Shares published in any newspaper, magazine or similar media or social media or broadcast over television or radio or presented at any seminar. The Company has not, directly or indirectly, sold, offered for sale, solicited offers to buy or otherwise negotiated in

respect of, any security (as defined in the Securities Act) which, to its knowledge, is or will be (i) integrated with the offer and sale of the Purchased Shares for purposes of the Securities Act or (ii) aggregated with prior offerings by the Company for the purposes of the rules and regulations of the Nasdaq Stock Market.

(i) Compliance with Laws. The business of the Company or its Subsidiaries is not being conducted in violation of any law or government order applicable to the Company or its Subsidiaries, except for violations which do not and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(j) Outbound Investment Security Program. Neither the Company nor any of its subsidiaries engages in any covered activity identified in the definition of “prohibited transaction” at 31 C.F.R. § 850.224 (as in effect as of the date of the Letter).

(k) Investment Company Act Matters. The Company is not, and immediately after receipt of payment for and issuance of the Purchased Shares to the Purchaser, will not be, an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

Section 2.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants, to the Company as follows:

(a) Due Formation. The Purchaser is duly organized, validly existing and in good standing (or the foreign equivalent to the extent the concept is applicable in such jurisdiction) in the jurisdiction of its organization. The Purchaser has all requisite power and authority to carry on its business as it is currently being conducted.

(b) Authority. The Purchaser has the requisite corporate or other applicable organizational power and authority to enter into, execute and deliver this Agreement and each agreement, certificate, document and instrument to be executed and delivered by the Purchaser pursuant to this Agreement and to perform its obligations hereunder and thereunder. All corporate or other applicable organizational action on the part of the Purchaser, its officers, directors and shareholders necessary for the authorization, execution and delivery of this Agreement and any agreements, certificates, documents and instruments to be executed and delivered by the Purchaser pursuant to this Agreement and the performance of all obligations of the Purchaser hereunder and thereunder have been taken and no other corporate or other applicable organizational proceedings on the part of the Purchaser, its officers, directors or shareholders are necessary to authorize and approve this Agreement or the transactions contemplated hereby.

(c) Valid Agreement. This Agreement has been duly executed and delivered by the Purchaser and constitutes the legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors’ rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(d) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any provision of the organizational documents of the Purchaser or violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental entity or court to which the Purchaser is subject, or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of or creation of an encumbrance under, or create in any party the right to accelerate, terminate, modify, or cancel, any agreement, contract, lease, license, instrument, or other arrangement to which the Purchaser is a party or by which the Purchaser is bound or to which any of the Purchaser's assets are subject, in each case of the foregoing (i) and (ii), in such a manner that would materially and adversely affect the Purchaser's ability to consummate the transactions contemplated hereby. There is no action, suit or proceeding, pending or threatened against the Purchaser that questions the validity of this Agreement or the right of the Purchaser to enter into this Agreement or to consummate the transactions contemplated hereby.

(e) Consents and Approvals. Neither the execution and delivery by the Purchaser of this Agreement, nor the consummation by the Purchaser of any of the transactions contemplated hereby, nor the performance by the Purchaser of this Agreement in accordance with its terms requires the consent, approval, order or authorization of, or registration with, or the giving notice to, any governmental or public body or authority or any third party, except such as have been or will have been obtained, made or given on or prior to the Closing Date.

(f) Experience. The Purchaser acknowledges that it is investing in securities of companies in the development stage and that it is able to fend for itself, can bear the economic risk of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Purchased Shares.

(g) Purchase Entirely for Own Account. The Purchaser hereby confirms that the Purchased Shares will be acquired for investment for the Purchaser's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, the Purchaser further represents that the Purchaser does not presently have any contract, undertaking, agreement or direct or indirect arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to any of the Purchased Shares. Except as otherwise disclosed to the Company on or prior to the Closing Date, the Purchaser has not been formed for the specific purpose of acquiring the Purchased Shares.

(h) No General Solicitation. Neither the Purchaser nor any of its officers, directors, employees, agents, or affiliates has been directly or indirectly solicited through any public advertising or general solicitation, including as a result of any advertisement, article, notice or other communication regarding the Purchased Shares published in any newspaper, magazine or similar media or social media or broadcast over television or radio or presented at any seminar.

(i) Information. The Purchaser believes it has received the information it considers necessary or appropriate for deciding whether to purchase the Purchased Shares. The

Purchaser further represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Purchased Shares; provided, however, neither such inquires nor any other investigation conducted by or on behalf of such Purchaser or by its representatives or counsel shall modify, amend or affect such Purchaser's right to rely on the truth, accuracy and completeness of the Company's representations and warranties contained in this Agreement. The Purchaser has consulted to the extent deemed appropriate by the Purchaser with the Purchaser's own advisers as to the financial, tax, legal and related matters concerning an investment in the Purchased Shares.

(j) Purchaser Status. At the time such Purchaser was offered the Purchased Shares, it was, and as of the date hereof it is, and on the Closing Date, it will be an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7), (a)(8), (a)(9), (a)(12), or (a)(13) under the Securities Act.

(k) Refusal to Register Improper Transfers. The Purchaser acknowledges that the Company shall make a notation in its share register regarding the restrictions on transfer set forth herein and shall transfer such shares on the books of the Company only to the extent consistent therewith. In particular, the Purchaser acknowledges that the Company shall refuse to register any transfer of the Purchased Shares not made pursuant to registration under the Securities Act or pursuant to an available exemption from registration under the Securities Act.

ARTICLE III

COVENANTS

Section 3.1 Conversion to ADSs. Upon written notice from the Purchaser, the Company shall use its best efforts to cause the Purchased Shares held by the Purchaser to be duly converted into ADSs of the Company in accordance with the provisions of the Deposit Agreement, dated October 24, 2024 (the "Deposit Agreement"), by and among the Company, Deutsche Bank Trust Company Americas (the "Depository") and all holders and beneficial owners of ADSs evidenced by American Depositary Receipts of the Company; provided that, at any time the transfer restrictions described in Section 3.2 of this Agreement are in effect or the Purchased Shares are Restricted Securities (as defined in the Deposit Agreement), the Purchased Shares shall be converted into Restricted ADSs (as defined in the Deposit Agreement). The Company shall pay all fees of the Depository in connection with the conversion of the Purchased Shares to ADSs or Restricted ADSs ("Converted Shares"), as the case may be.

Section 3.2 Transfer Restrictions. From and after the Closing Date until the date that is ninety (90) days following the Closing Date, the Purchaser agrees that neither it nor any of its Affiliates shall Transfer any Purchased Shares or Converted Shares (the "Lock-Up Restriction"), except as follows: (i) any Transfer of Purchased Shares or Converted Shares to one or more of its Affiliates, so long as such Affiliates agree in writing to be bound by the Lock-Up Restriction; provided, however, that if any such transferee ceases to be an Affiliate of Purchaser, then such transferee shall transfer its Purchased Shares or Converted Shares, as applicable, to the Purchaser or one of its Affiliates; (ii) any Transfer of Purchased Shares or Converted Shares to the Company or any of its Subsidiaries, including pursuant to a share buyback (for the avoidance of doubt, to the extent that the Purchaser's participation in such buyback is limited to its pro rata interest in the

Company, such interest shall be based on its beneficial ownership; provided, however, that in no event shall the Purchaser's participation in any such buyback for which participation is so limited exceed the pro rata interest based on such the Purchaser's beneficial ownership); (iii) any Transfer of Purchased Shares or Converted Shares pursuant to a merger, consolidation, share exchange, tender offer or other similar transaction involving the Company that has been approved, authorized or recommended by the board of directors of the Company; (iv) any conversion of the Purchased Shares into ADSs pursuant to Section 3.1, *provided* that any such Converted Shares received upon such conversion and exchange shall remain subject to the Lock-Up Restriction; (v) any transactions relating to securities of the Company acquired in open market transactions after the Closing Date, *provided* that no filing under the Exchange Act or other public announcement shall be required or shall be voluntarily made during the ninety (90) day restricted period in connection with subsequent sales of such securities acquired in such open market transactions; or (vi) any Transfer of Purchased Shares or Converted Shares with the prior written consent of the Company.

For the purposes of this Section 3.2, the following terms shall have the meanings ascribed to them below.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, or is controlled by, or is under common control with, such Person. For this purpose, "control" (including, with its correlative meanings, "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise.

"Person" means any individual, firm, corporation, partnership, limited liability company, trust, governmental entity or other entity.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company or other entity, whether incorporated or unincorporated, of which such first Person directly or indirectly owns or controls at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions.

"Transfer" means any direct or indirect sale, transfer, assignment, pledge, hypothecation, mortgage, license, gift, creation of a security interest in or lien on, placement in trust (voting or otherwise), encumbrance or other disposition to any Person, any swap, put option, derivative, or any other agreement, transaction or series of transactions that hedges or transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of securities or interest in such securities, whether any such swap, derivative, put option, agreement, transaction or series of transactions is to be settled by delivery of securities, in cash or otherwise.

Section 3.3 Cooperation. Following the expiration of the Lock-Up Restriction, upon the Purchaser's written request, the Company shall cooperate with the Purchaser to facilitate the prompt (but in no even later than seven (7) Business Days following any such request therefor from the Purchaser) preparation and delivery of uncertificated shares representing the Purchased Shares and, if applicable, the Converted Shares to be sold pursuant to the Resale Registration Statement (as defined below) or Rule 144 under the Securities Act ("Rule 144") free of any

restrictive legends and representing such number of Purchased Shares and the Converted Shares, as applicable, and registered in such names as the holders of such securities may reasonably request to the extent permitted by such Resale Registration Statement or Rule 144 to effect sales of such securities; provided that as a condition to the removal of restrictive legends pursuant to sales under Rule 144, the Purchaser shall provide the Company's transfer agent or the Depository, as applicable, with an opinion of counsel (including in-house counsel), which opinion is reasonably satisfactory in form and substance to the Company and its counsel, that the restriction under the Securities Act referenced in such legend (or such notations or arrangements) is no longer required in order to ensure compliance with the Securities Act. For the purposes of this Agreement, "Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

Section 3.4 Resale Registration Statement.

(a) On or after the Closing Date, and subject to the delivery to the Company of the Purchaser Information (as defined below), the Company shall as promptly as practicable (and in any event no later than sixty (60) days after the Closing Date), file with the SEC a registration statement on Form F-3 (or such other appropriate form if the Company is not then F-3 eligible) (the "Resale Registration Statement") providing for the resale by the Purchaser and its Affiliates of the Purchased Shares and the Converted Shares (together, the "Registrable Securities"). Before filing the Resale Registration Statement, the Company shall furnish to the Purchaser a copy of the Resale Registration Statement. The Purchaser and its counsel shall have at least five (5) Business Days prior to the anticipated filing date of the Resale Registration Statement to review and comment upon such Resale Registration Statement and any amendment or supplement to such Resale Registration Statement and any related prospectus, prior to its filing with the SEC (other than, in each case, any document which is filed by the Company with the SEC pursuant to the Exchange Act and is incorporated by reference in the Resale Registration Statement). The Company shall (i) consider in good faith such comments as the Purchaser or its counsel reasonably proposed by the Purchaser and (ii) not file the Resale Registration Statement or related prospectus or any amendment or supplement thereto (excluding for the avoidance of doubt any reports, schedules, forms, statements and other documents required to be filed by the Company under the Exchange Act) containing information regarding the Purchaser to which the Purchaser reasonably objects, unless such information is required to comply with any applicable law or regulation. Unless otherwise agreed to in writing by the Purchaser prior to the filing of the Resale Registration Statement, the Purchaser shall not be identified as a statutory underwriter in the Resale Registration Statement. The Purchaser shall furnish all information reasonably requested by the Company and as shall be reasonably required in connection with such registration.

(b) The Company shall use reasonable best efforts to cause such Resale Registration Statement to become effective as soon as practicable after such filing, but no later than the earlier of (i) the sixtieth (60th) calendar day following the filing of the Resale Registration Statement if the SEC notifies the Company that it will "review" the Resale Registration Statement and (ii) the fifth (5th) Business Day after the date the Company is notified (orally or in writing, whichever is earlier) by the SEC that the Resale Registration Statement will not be "reviewed" or will not be subject to further review. The Company shall use reasonable best efforts to keep such

Resale Registration Statement continuously effective and available for the resale of all of the Registrable Securities covered thereby at all times until the earlier of the date that all of the Registrable Securities (x) have been sold or transferred by the Purchaser or (y) have become eligible for resale under Rule 144 under the Securities Act by non-affiliates without volume or manner-of-sale restrictions pursuant to Rule 144 and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144. The Company shall, by 9:30 a.m. New York City time on the first (1st) Business Day after the effective date of the Resale Registration Statement, file a final prospectus with the SEC, as required by Rule 424(b) and shall provide the Purchaser with a copy of the final prospectus to be used in connection with the sale or other disposition of the securities covered thereby.

(c) The Company shall indemnify and hold harmless the Purchaser, each of its Affiliates who holds Registrable Securities, the respective officers, directors, members, managers, partners, agents, investment advisers and employees of the Purchaser and each such Affiliate, each person who controls the Purchaser and each such Affiliate (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, members managers, partners, agents and employees of each such controlling person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) and expenses (collectively, "Losses") that arise out of or are based upon any untrue or alleged untrue statement of a material fact contained in the Resale Registration Statement, any prospectus included in the Resale Registration Statement or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, except to the extent that such untrue statements, alleged untrue statements, omissions or alleged omissions are based upon or arise from the Purchaser Information. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of an indemnified party and shall survive the transfer of the Registrable Securities by the Purchaser or any such Affiliate. Notwithstanding the forgoing, the Company's indemnification obligations shall not apply to amounts paid in settlement of any Losses or action if such settlement is effected without the prior written consent of the Company.

(d) All registration and filing fee expenses incurred by the Company in effecting the registration of the Registrable Securities pursuant to this Agreement, including (i) all registration, qualification, and filing fees, printing expenses, and any other fees and expenses associated with filings required to be made with the SEC, the Financial Industry Regulatory Authority, Inc. or any other regulatory authority, (ii) all fees and expenses in connection with compliance with or clearing the Registrable Securities for sale under any securities or "Blue Sky" laws, (iii) all printing, duplicating, word processing, messenger, telephone, facsimile and delivery expenses, and (iv) all fees and disbursements of counsel for the Company and of all independent certified public accountants of the Company, shall be borne by the Company. All broker and underwriting discounts, fees and selling commissions applicable to the sale of Registrable Securities and all similar fees and commissions and any transfer taxes relating to the Purchaser's and its Affiliates' disposition of the Registrable Securities shall be borne by the Purchaser.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Survival of the Representations and Warranties. All representations and warranties made by any Party shall survive the Closing subject to the applicable statute of limitations, except the Company's representations contained in Section 2.1(d) hereof, which shall survive indefinitely.

Section 4.2 Governing Law; Arbitration. This Agreement shall be governed and interpreted in accordance with the laws of the State of New York without giving effect to the conflicts of law principles thereof. The Parties agree that any dispute, controversy, or claim arising out of or related to any aspect of this Agreement ("Dispute"), including but not limited to its formation, interpretation, performance, breach, or enforcement, shall be submitted exclusively to final and binding arbitration in accordance with the Federal Arbitration Act, 9 U.S.C. § 1, et seq. Any such arbitration shall be confidential. The arbitration will be administered by the International Chamber of Commerce in accordance with the Rules of Arbitration of the International Chamber of Commerce ("ICC Arbitration Rules") in force when the notice of arbitration is submitted. The Dispute shall be resolved by one (1) arbitrator to be appointed in accordance with the ICC Arbitration Rules. The place of arbitration shall be Amsterdam, The Netherlands. The language of the arbitration shall be English. Judgment on the arbitration award may be entered in any court having jurisdiction. The prevailing Party in any such arbitration shall be entitled to its reasonable attorneys' fees, costs, and arbitration expenses incurred in the arbitration proceeding, as well as any court proceedings to confirm the arbitration award. A Party seeking in court to compel arbitration pursuant to this provision and that succeeds in compelling arbitration shall be entitled to its attorneys' fees and costs incurred in connection with such court proceedings.

Section 4.3 Amendment. This Agreement shall not be amended, changed or modified, except by another agreement in writing executed by the Parties.

Section 4.4 Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, the Purchaser, the Company, and their respective heirs, successors and permitted assigns.

Section 4.5 Assignment. Neither this Agreement nor any of the rights, duties or obligations hereunder may be assigned by the Company or the Purchaser without the express written consent of the other Party. Any purported assignment in violation of the foregoing sentence shall be null and void.

Section 4.6 Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the earliest of (a) the date of transmission, if such notice or communication is delivered via electronic mail at the e-mail address specified in this Section 4.6 prior to 5:00 p.m., New York time, on a Business Day, (b) the next Business Day after the date of transmission, if such notice or communication is delivered via electronic mail at the e-mail address specified in this Section 4.6 on a day that is not a Business Day or later than 5:00 p.m., New York time, on any Business Day, (c) the date of actual delivery if delivered personally to the Party to whom notice is to be given, or (d) the next Business

Day following delivery to Federal Express properly addressed or on the day of attempted delivery by the U.S. Postal Service if mailed by registered or certified mail, return receipt requested, postage paid, and properly addressed as follows:

If to the Company, at: [_____] [_____] [_____] Tel: () _____ E-mail: () _____

If to the Purchaser, at: [_____] [_____] [_____] Tel: () _____ E-mail: () _____

Any Party may change its address for purposes of this Section 4.6 by giving the other Party written notice of the new address in the manner set forth above.

Section 4.7 Entire Agreement. This Agreement and the Letter constitute the entire understanding and agreement between the Parties with respect to the matters covered hereby, and all prior agreements and understandings, oral or in writing, if any, between the Parties with respect to the matters covered hereby are merged and superseded by such agreements.

Section 4.8 Severability. If any provisions of this Agreement shall be adjudicated to be illegal, invalid or unenforceable in any action or proceeding whether in its entirety or in any portion, then such provision shall be deemed amended, if possible, or deleted, as the case may be, from the Agreement in order to render the remainder of the Agreement and any provision thereof both valid and enforceable, and all other provisions hereof shall be given effect separately therefrom and shall not be affected thereby.

Section 4.9 Fees and Expenses. Except as otherwise provided in this Agreement, the Company and the Purchaser will bear their respective expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby, including fees and expenses of attorneys, accountants, consultants and financial advisors.

Section 4.10 Confidentiality. Each Party shall keep in confidence, and shall not use (except for the purposes of the transactions contemplated hereby) or disclose (to the extent permitted by applicable law), any non-public information disclosed to it or its affiliates, representatives or agents in connection with this Agreement or the transactions contemplated hereby. Each Party shall ensure that its affiliates, representatives and agents keep in confidence, and do not use (except for the purposes of the transactions contemplated hereby) or disclose, any such non-public information. Notwithstanding the foregoing, the Purchaser specifically agrees and acknowledges that the Company may disclose the existence or terms of this Agreement to any person to the extent required by applicable law or the making of filings necessary to receive all requisite approvals for the transactions contemplated by this Agreement. The Company specifically agrees and acknowledges that the Purchaser may disclose to the U.S. Department of

the Treasury any information as reasonably required to satisfy the Purchaser's obligations under 31 CFR 850.401 in connection with the Letter, this Agreement or the transactions contemplated thereunder.

Section 4.11 Specific Performance. The Parties agree that irreparable damage would occur in the event any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

Section 4.12 Headings. The headings of the various articles and sections of this Agreement are inserted merely for the purpose of convenience and do not expressly or by implication limit, define or extend the specific terms of the section so designated.

Section 4.13 Execution in Counterparts. For the convenience of the Parties and to facilitate execution, this Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

Section 4.14 No Waiver. Except as specifically set forth herein, the rights and remedies of the Parties to this Agreement are cumulative and not alternative. No failure or delay on the part of any Party in exercising any right, power or remedy under this Agreement will operate as a waiver of such right, power or remedy, and no single or partial exercise of any such right, power or remedy will preclude any other or further exercise of such right, power or remedy or the exercise of any other right, power or remedy. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement can be discharged by one Party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other Party; (b) no waiver that may be given by a Party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one Party will be deemed to be a waiver of any obligation of that Party or of the right of the Party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

Section 4.15 Language. This Agreement is drawn up in the English language. Any translations provided in Chinese are for reference only. In case of discrepancies between the English text version of this Agreement and any translation, the English version shall prevail.

Section 4.16 Description of Purchaser.

(a) The Purchaser hereby consents and undertakes to promptly provide such information regarding the Purchaser as the Company may reasonably request in writing that is necessary to complete or amend the information required by the Resale Registration Statement and the prospectus therein (the "Purchaser Information"), and hereby represents that the Purchaser Information will be true and accurate in all material respects and will not be misleading in any material respect.

(b) The Purchaser hereby agrees and consents to the use of and references to its name, the inclusion of the Purchaser Information, the disclosure of the transactions contemplated

under this Agreement and the filing of this Agreement as an exhibit to the Resale Registration Statement and other SEC filings in connection with the Resale Registration Statement.

(c) The Purchaser shall indemnify and hold harmless the Company, its officers, directors, agents, advisers and employees, to the fullest extent permitted by applicable law, from and against any and all Losses that arise out of or are based upon any untrue or alleged untrue statement of a material fact contained in the Resale Registration Statement, any prospectus included in the Resale Registration Statement or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, but only to the extent that such untrue statements, alleged untrue statements, omissions or alleged omissions are based upon or arise from the Purchaser Information. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of an indemnified party and shall survive the transfer of the Registrable Securities by the Purchaser or any such Affiliate. Notwithstanding the foregoing, the Purchaser's indemnification obligations shall not apply to amounts paid in settlement of any Losses or action if such settlement is effected without the prior written consent of the Purchaser.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

WeRide, Inc.

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

Uber Technologies, Inc.

By: _____
Name:
Title:

**Certification by the Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Tony Xu Han, certify that:

1. I have reviewed this annual report on Form 20-F of WeRide Inc. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 23, 2026

By: /s/ Tony Xu Han

Name: Tony Xu Han

Title: Chief Executive Officer (Principal Executive Officer)

**Certification by the Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jennifer Xuan Li, certify that:

1. I have reviewed this annual report on Form 20-F of WeRide Inc. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 23, 2026

By: /s/ Jennifer Xuan Li

Name: Jennifer Xuan Li

Title: Chief Financial Officer (Principal Financial Officer)

**Certification by the Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of WeRide Inc. (the "Company") on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tony Xu Han, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 23, 2026

By: /s/ Tony Xu Han

Name: Tony Xu Han

Title: Chief Executive Officer (Principal Executive Officer)

**Certification by the Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of WeRide Inc. (the "Company") on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jennifer Xuan Li, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 23, 2026

By: /s/ Jennifer Xuan Li

Name: Jennifer Xuan Li

Title: Chief Financial Officer (Principal Financial Officer)

通商律師事務所

COMMERCE & FINANCE LAW OFFICES

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电邮 Email: shanghai@tongshang.com 网址 Web: www.tongshang.com

CONSENT LETTER

To **WeRide Inc.**
21st Floor, Tower A, Guanzhou Life Science Innovation Center
No. 51, Luoxuan Road, Guangzhou International Biotech Island
Guangzhou 510005
People's Republic of China

April 23, 2026

Dear Sir/Madam:

We hereby consent to the references to our firm's name under the headings "Item 3. Key Information - Permissions Required from the PRC Authorities for Our Operations", "Item 3 Key Information - D. Risk Factors - Risks Related to Our Business and Industry", "Item 3 Key Information - D. Risk Factors - Risks Related to Doing Business in Mainland China", "Item 4 Information on the Company - B. Business Overview - Insurance", "Item 6. Directors, Senior Management and Employees - E. Share Ownership - Enforceability of Civil Liabilities" and "Item 10. Additional Information - E. Taxation" in WeRide Inc.'s annual report on Form 20-F for the year ended December 31, 2025 (the "**Annual Report**"), which will be filed with the Securities and Exchange Commission (the "**SEC**") on the date hereof. We also consent to the filing of this consent letter with the SEC as an exhibit to the Annual Report.

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

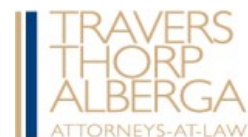
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[Signature Page]

Yours sincerely,
/s/ Commerce & Finance Law Offices

Commerce & Finance Law Offices

Signature Page to the Consent Letter to WeRide Inc.



Office: +852 2801 6066
Mobile: +852 9718 8740
Email: rthorp@tta.lawyer

WeRide Inc.
21st Floor, Tower A, Guangzhou Life Science Innovation Center,
No. 51, Luoxuan Road, Guangzhou International Biotech Island,
Guangzhou 510005
People's Republic of China

23 April 2026

Dear Sirs

Re: WeRide Inc.

We have acted as legal advisers as to the laws of the Cayman Islands to WeRide Inc., an exempted limited liability company incorporated in the Cayman Islands (the "**Company**"), in connection with the filing by the Company with the United States Securities and Exchange Commission (the "**SEC**") of an annual report on Form 20-F for the year ended 31 December 2025 ("**Form 20-F**").

We hereby consent to the reference of our name under the headings, "Item 6. Directors, Senior Management and Employees—Enforceability of Civil Liabilities" and "Item 10. Additional Information—E. Taxation—Cayman Islands Taxation" in the Form 20-F.

Yours faithfully

/s/ **TRAVERS THORP ALBERGA****TRAVERS THORP ALBERGA**

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3605-06 Tower Two
Lippo Centre, 89 Queensway
HONG KONG
Anthony Travers OBE
Ray Ng, James Webb

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (No. 333-286106 and 333-294551) on Form S-8 and registration statement (No. 333-291214) on Form F-3ASR of our reports dated April 23, 2026, with respect to the consolidated financial statements of WeRide Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG Huazhen LLP

Beijing, China
April 23, 2026
